

May 17, 2024

To

National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai-400051. Symbol- HIGHWAYS	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001. Scrip Code: 974227, 974228, 975333 & 725795
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Subject: Postal Ballot Notice to the Unitholders of Highways Infrastructure Trust

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 22(2) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “**SEBI InvIT Regulations**”) and subject to other applicable laws and regulations, Highway Concessions One Private Limited, acting as the Investment Manager on behalf of Highways Infrastructure Trust (the “**Highways Trust**” or “**Trust**”) seeks approval of the Unitholders of the Trust on the following matters listed in the Postal Ballot Notice through Postal Ballot Form.

Sl. No.	Proposed Resolutions
1.	To grant authority to borrow and create charge on assets and matters related thereto.
2.	To consider and approve the variation in terms of use of proceeds raised from the rights issue of units made by the trust.
3.	To Consider and approve the proposed Acquisition of Special Purpose Vehicle, i.e. Bangalore Elevated Tollway Private Limited (“Target Entity”) from Galaxy Investments II Pte. Ltd., (“Transferor” or the “Sponsor”) of the Trust.
4.	To consider and approve the issuance of units of the Highways Infrastructure Trust (“Highways Trust” or “Trust”) for an aggregate amount up to approximate ₹ 5,007.34 million on a Preferential Basis to certain entities.

We would like to inform you that the Investment Manager on behalf of the Highways Trust has on May 17, 2024, completed electronic transmission of Postal Ballot Notice to the Unitholders of the Trust whose names appear in the records of Depository as on the cut-off date i.e., Friday, May 10, 2024.

The voting period commences from 09:00 hours (IST) on **Saturday, May 18, 2024**, and ends at 17:00 hours (IST) on **Monday, June 10, 2024** (*both days inclusive*). The result of which are proposed to be declared no later than **Tuesday, June 11, 2024**.

Pursuant to applicable provisions of the SEBI InvIT Regulations and any other applicable laws and regulations, please find enclosed herewith a copy of Postal Ballot Notice dated May 17, 2023. The Postal Ballot Notice is also available on the website of the Highways Trust i.e. <https://highwaystrust.com/other-announcements/>.

You are requested to take the same on record.

Thanking you,

For Highway Concessions One Private Limited

(acting as an Investment Manager of Highways Infrastructure Trust)

Kunjal Shah

Company Secretary & Compliance Officer

CC:

Axis Trustee Services Limited ("Trustee of the InvIT") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai-400025, Maharashtra, India.	Catalyst Trusteeship Limited ("Debenture Trustee") 901, 9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai-400013, Maharashtra, India.
ICICI Bank Ltd. ("Issuing & Paying Agent") ICICI Bank Towers, Bandra Kurla Complex, Bandra, (East), Mumbai - 400051.	

HIGHWAYS INFRASTRUCTURE TRUST

Principal Place of Business: Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400098.

Tel: +91 22 6107 3200; **E-mail:** highwaysinvt@highwayconcessions.com;

Website: www.highwaystrust.com

(SEBI Registration number IN/InvIT/21-22/0019)

REF No. HIT/PBN/01/2024-25

POSTAL BALLOT NOTICE

Dear Unitholder(s),

NOTICE is hereby given that pursuant to the Regulation 22(2) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended till date and the notifications, circulars and guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “**SEBI InvIT Regulations**”), and pursuant to other applicable laws and regulations, if any, as may be applicable in this regard, the resolution as set out in this notice (the “**Notice**” or the “**Postal Ballot Notice**”) are proposed to be passed by the unitholders (the “**Unitholders**”) of Highways Infrastructure Trust (the “**Trust**”) by way of postal ballot .

An Explanatory Statement pertaining to the proposed resolution(s) of the Unitholders setting out the material facts and the reasons/rationale thereof form part of this Postal Ballot Notice.

The Board of Directors of Highway Concessions One Private Limited (the “**Board**”), acting as Investment Manager of the Trust (the “**Investment Manager**”), has appointed Ms. Deepti Kulkarni (Membership No.: A34733, Certificate of Practice No.: 22502), failing her, Mr. Omkar Dindorkar (Membership No.: A43029, Certificate of Practice No.: 24580), Partners of MMJB & Associates LLP, Practicing Company Secretaries (ICSI Unique Code: L2020MH006700), as the Scrutinizer (the “**Scrutinizer**”) for conducting the postal ballot process in a fair and transparent manner.

The Unitholders may note that the Postal Ballot Notice shall be sent only to the respective email IDs as may be registered/ updated/ available in the database of the Trust/Registrar and Transfer Agent (Link Intime India Private Limited) as on the closure of business hours of **Friday, May 10, 2024 (“Cut-off date”)**.

The Postal Ballot Notice is also available on the Trust’s website: www.highwaystrust.com and on website of the National Stock Exchange of India Limited (“**Stock Exchange**”): www.nseindia.com.

Unitholders desiring to exercise their vote through the postal ballot process are requested to carefully read the voting instructions indicated in the Postal Ballot Notice and record their assent (“**FOR**”) or dissent (“**AGAINST**”) in the attached postal ballot form (the “**Postal Ballot Form**”) and submit the same duly completed and signed.

Only those Unitholders who are identified as on the closure of Cut-off date (Friday, May 10, 2024), shall be eligible to vote.

The voting period commences at 09:00 hours (IST) on **Saturday, May 18, 2024**, and ends at 17:00 hours (IST) on **Monday, June 10, 2024** (both days inclusive).

The Postal Ballot Form may be deposited/delivered/shared with the Scrutinizer by any of the indicated convenient mode viz. personally OR through Registered Post OR Speed Post OR through courier service ("collectively referred to as "**Physical Submission**") OR through electronic means such through registered e-mail id ("referred to as "**Electronic Submission**") **not later than 17:00 hours IST on Monday, June 10, 2024.**

The details of the Scrutinizer for physical or electronic submission of postal ballot are follows as under:

Physical Submission	Electronic Submission
M/s. MMJB & Associates LLP, Practicing Company Secretaries <i>Kind Attention:</i> Ms. Deepti Kulkarni Mr. Omkar Dindorkar Address: Citi of Joy, Ecstasy, 803/804, 8th, JSD, Mulund West, Mumbai, Maharashtra - 400080 Contact No.: 8097092404	Scrutinisers@mmjc.in

Reimbursement of Postage Charges (*applicable in case of Physical Submission*)

Postage costs in case of physical submission will be reimbursed to the Unitholders by the Trust based on actual claims, if any.

Scrutinizer's Report

Please note that if any Postal Ballot Form is received after the aforesaid date and time, it will be considered that no reply has been received from the Unitholder/s and the said Unitholder/s has chosen to abstain from voting on the items indicated in the Postal Ballot Notice. **The last date of voting, i.e. not later than 17:00 hours IST on Monday, June 10, 2024, shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.**

After completion of the scrutiny of the Postal Ballots in a fair and transparent manner, the Scrutinizer will submit his report to the Board of Directors of Investment Manager of the Trust, or any other person authorized by the Board of Directors.

The results declared along with the Scrutinizer's report will be sent to the Stock Exchange no later than **Tuesday, June 11, 2024** and it shall be displayed on the Trust's website at www.highwaystrust.com.

PROPOSED RESOLUTIONS:

ITEM NO. 1:

TO GRANT AUTHORITY TO BORROW AND CREATE CHARGE ON ASSETS AND MATTERS RELATED THERETO.

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of approval of special majority of Unitholders (i.e. where the votes in favour from seventy five percent of the unitholders by value are received) in accordance with Regulation 22(5A) of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended and the notifications, guidelines and circulars issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “**SEBI InvIT Regulations**”)

“RESOLVED THAT pursuant to the provisions of Regulations 20, 22 and any other applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any applicable circulars, notifications, guidelines and clarifications issued thereunder from time to time (the “**SEBI InvIT Regulations**”) and other applicable laws, including any statutory, amendments, modifications or re-enactments thereto, and applicable notifications, clarifications, circulars, rules and regulations issued thereunder and subject to applicable regulatory approvals, the requisite approvals (if any) from Securities and Exchange Board of India (“**SEBI**”), the stock exchanges, any relevant governmental, statutory or regulatory authorities including any bank or financial institutions and subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary; subject to the trust deed dated December 03, 2021, (as amended from time to time including amendment as on March 4, 2024), of the Highways Infrastructure Trust (“**Highways Trust**” or the “**Trust**”), (such trust deed, “**Trust Deed**”) and in terms of Borrowing Policy as adopted by the Highways Trust and in continuation to all earlier resolution passed, the consent of the Unitholders, be and is hereby accorded to the Highways Trust acting through the Highway Concessions One Private Limited, the Investment Manager of the Highways Trust (the “**Investment Manager**”), and its Special Purpose Vehicles (“**SPVs**”) (as defined under the SEBI InvIT Regulations) including any other entity(ies) set up or acquired by the Highways Trust, in future, which qualify as a Holdcos or SPVs under the SEBI InvIT Regulations, to borrow from time to time, any sum or sums of money (in one or more tranches) but not exceeding amounts such that the aggregate consolidated borrowings and deferred payments of the Trust, its Holdcos and SPVs, net of cash and cash equivalents do not exceed 70% of the aggregate value of the Highways Trust’s assets (as set out under Regulation 20(3)(b) read with Regulation 20 (2) of the SEBI InvIT Regulations) from time to time, in whatever form including but not limited to debentures, term loans, advances, deposits, bonds, commercial papers and such other instruments, facilities and arrangements as permitted under applicable law, whether secured or unsecured, on such terms and conditions, as the Axis Trustee Services Limited (the “**Trustee**”) and/or the Board of Directors of Investment Manager, may deem fit in the best interest of the Trust and on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge and in such other form and manner and ranking and on such terms as the Investment Manager may deem fit in the best interest of the Trust and the Unitholders on all or any of the movable or immovable properties, tangible or intangible assets and any other properties or assets of the Trust (including any assets held by Holdcos/SPVs), both present

and future, as the case may be, for securing the borrowings availed or to be availed by the Trust and/or Holdcos and/or SPVs, including providing any undertakings and/or guarantees as may be required in connection therewith by the Trust and/or Holdcos and/or SPVs, provided that such amount shall be utilised only for the purpose of acquisition or development of infrastructure projects in accordance with the investment strategy of the Highways Trust or such purpose as permitted by the SEBI InvIT Regulations.”

“RESOLVED FURTHER THAT each of the Trustee and/or the Board of Directors of the Investment Manager (including any committee(s) thereof or Board of Holdcos/SPVs, as the case may be) be and is hereby severally authorized on behalf of the Trust to do all acts, deeds, things, and matters, as may be required or are necessary to give effect to above resolution or as otherwise considered by the Board of Directors of the Investment Manager (including any committee(s) thereof) to be in the best interest of the Trust and the Unitholders and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose including to negotiate and finalize the terms and conditions of any agreements, deeds, undertakings and any other documents, or otherwise in relation to the borrowings, including any amendments, supplements or modifications to such documents, as applicable or appropriate, and also to sign, execute, amend, deliver and terminate any agreements, documents, letters, deeds or instruments as may be required in this regard, as well as amendments and to do all such acts, deeds, matters and things as it may, in its discretion, deem necessary, proper or desirable for such purpose, and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to negotiate, finalize and execute all agreements, consents, certificates, undertakings, or other documents as may be required to be executed in this regard and further to do or cause to be done all such acts, deeds, matters and things as may be considered necessary and expedient in the interest of the Highways Trust and the Unitholders.”

“RESOLVED FURTHER THAT the Trustee and/or the Board of Directors of the Investment Manager be and are hereby authorised to delegate all or any of the powers to any validly constituted Committee of the Board of Directors of the Investment Manager, or any other official authorized by Investment Manager and/or the Trustee so as to give effect to the aforesaid resolutions.”

ITEM NO. 2:

TO CONSIDER AND APPROVE THE VARIATION IN TERMS OF USE OF PROCEEDS RAISED FROM THE RIGHTS ISSUE OF UNITS MADE BY THE TRUST.

To consider and, if thought fit, to pass with or without modifications(s), the following resolution by way of approval of special majority of Unitholders (i.e. where the votes cast in favour of the resolution shall not be less than one and half times the votes cast against the resolution) in accordance with Regulation 22(5) of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended and the notifications, guidelines and circulars issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “SEBI InvIT Regulations”).

“RESOLVED THAT pursuant to the provisions of Regulations 22 and any other applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended or supplemented, including any applicable notifications, circulars and guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the **“SEBI InvIT Regulations”**), Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 issued by the Securities and Exchange Board of India (the **“SEBI”**) on May 15, 2024, for Infrastructure Investment Trust (**“Master Circular”**) and other applicable laws, including any statutory, amendments, modifications or re-enactments thereto, and applicable notifications, clarifications, circulars, rules and regulations issued thereunder and subject to applicable regulatory approvals, subject to the trust deed dated December 03, 2021, as amended from time to time (including amendment as on March 4, 2024), of the Highways Infrastructure Trust (such trust deed, **“Trust Deed”**), the approval of the unitholders (**“Unitholders”**) of Highways Infrastructure Trust (**“Trust”**) be and is hereby accorded to the Trust to vary the terms of utilization of the proceeds received from the issue of units of Trust on rights basis in term of the Letter of Offer dated September 25, 2023 (the **“LOF”**) and to utilize such proceeds for the objects and in the manner as mentioned in the explanatory statement annexed to this notice.”

“RESOLVED FURTHER THAT each of the Trustee and/or the Board of Directors of the Investment Manager (including any committee(s) thereof or Board of Holdcos/SPVs, as the case may be) be and is hereby severally authorized on behalf of the Trust to do all acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of all Unitholders or otherwise to the end and intent that the Unitholders shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Trustee and/or the Board of Directors of the Investment Manager be and are hereby authorised to delegate all or any of the powers to any validly constituted Committee of the Board of Directors of the Investment Manager, or any other official authorized by Investment Manager and/or the Trustee so as to give effect to the aforesaid resolutions.”

ITEM NO. 3:

TO CONSIDER AND APPROVE THE PROPOSED ACQUISITION OF BANGALORE ELEVATED TOLLWAY PRIVATE LIMITED (“TARGET ENTITY”) FROM GALAXY INVESTMENTS II PTE. LTD. (“TRANSFEROR” OR THE “SPONSOR”) OF THE TRUST.

To consider and, if thought fit, to pass without modification(s), the following resolution by way of simple majority (i.e. where the votes cast in favour of the resolution are more than the votes cast against the resolution) in terms of applicable provisions of the Regulation 22(4) of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended and the notifications, guidelines and circulars issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the **“SEBI InvIT Regulations”**).

“RESOLVED THAT pursuant to the provisions of Regulation 18 and 22(4) of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended and the notifications,

guidelines and circulars issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “**SEBI InvIT Regulations**”) and all other applicable provisions, if any, and all modifications, amendments or re-enactments thereof along with any circulars, notifications, clarifications, rules passed thereunder from time to time and subject to any relevant governmental, statutory or regulatory authorities or third party approval, if any, and subject to such terms and conditions as may be prescribed by any such authority/ies while granting such approval/s as may be necessary, based upon the recommendation of the Board of Directors of Highway Concessions One Private Limited, acting as Investment Manager (“**Investment Manager**”) of Highways Infrastructure Trust (the “**Trust**”) and subject to the completion of necessary conditions precedent and finalisation of other terms, and in accordance with the terms of the Securities Purchase Agreement dated August 30, 2023 executed amongst Bangalore Elevated Tollway Private Limited (“**Target Entity**”), Galaxy Investments II Pte. Ltd. (“**Transferor/Sponsor**”) and Trust (acting through its Trustee, Axis Trustee Services Limited (“**Trustee**”)) and the Investment Manager (“**SPA**”) and ancillary documents, the consent of the unitholders of the Trust (“**Unitholders**”), be and is hereby granted to the Trust acting through its Trustee and the Investment Manager, to undertake the related party transaction involving acquisition in one or more tranches, of 100% (one hundred percent) of equity shareholding (on fully diluted basis) including economic interest and management control of the Target Entity from the Transferor/Sponsor of the Trust, including acquisition of other securities as defined in the SPA and undertaking the necessary refinancing or novation of the existing debt availed by the Target Entity, for consideration payable by way of an issuance of units of the Trust against equity value including (equity shares, CCPS and CCDs) of the Target Entity of a sum of ₹ 398,23,40,963.50 which consideration takes into account all adjustments stipulated in the SPA (the “**Proposed Transaction**”).

“RESOLVED FURTHER THAT the consent of the Unitholders be and is hereby granted, and the Trustee and/or the Board of Directors of the Investment Manager are severally authorised to do and perform any and all such acts, deeds, things and matters, as may be required or are necessary to give effect to the foregoing resolutions, including the negotiation, finalization and execution of any and all further agreements, undertakings, deeds, documents, records and certificates, and any amendments, supplements or modifications or provide clarifications to such documents, and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to obtain any necessary approvals, consents and permissions as necessary or advisable, to carry out the purposes of the foregoing resolutions.”

“RESOLVED FURTHER THAT the Trustee and/or the Board of Directors of the Investment Manager be and are hereby authorised to delegate all or any of the powers to any validly constituted Committee of the Board of Directors of the Investment Manager, or any other official authorized by Investment Manager and/or the Trustee so as to give effect to the aforesaid resolutions.”

“RESOLVED FURTHER THAT any actions taken by the Trustee, the Investment Manager or any of their respective Directors, officers and employees prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed and approved.”

ITEM NO. 4

TO CONSIDER AND APPROVE THE ISSUANCE OF UNITS OF THE HIGHWAYS INFRASTRUCTURE TRUST (“HIGHWAYS TRUST” OR “TRUST”) FOR AN AGGREGATE AMOUNT UP TO APPROXIMATE ₹ 5,007.34 MILLION ON A PREFERENTIAL BASIS TO CERTAIN ENTITIES.

To consider and, if thought fit, to pass the following resolution, with or without modification(s), by way of majority (i.e. where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution) in terms of applicable provisions of the Regulation 22(5) of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“**SEBI InvIT Regulations**”) read with circular issued by the Securities and Exchange Board of India (“**SEBI**”) bearing number SEBI/HO/DDHS/DDHS/CIR/P/2019/143 on “*Guidelines for preferential issue of units and institutional placement of units by a listed Infrastructure Investment Trust (InvIT)*” dated November 27, 2019 and Chapter 7 of the Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 issued by SEBI for Infrastructure Investment Trust dated May 15, 2024 (“**Master Circular**”): -

“**RESOLVED THAT** subject to such approvals, permissions, consents and sanctions of the concerned statutory, regulatory and governmental authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions, consents and sanctions which may be agreed to by the unitholders of the Highways Infrastructure Trust (“**Trust**” or “**Highways Trust**”) (and unitholders hereinafter referred to as the “**Unitholders**”), and subject to the applicable provisions of any laws, regulations, policies and guidelines in India or outside India, including, without limitation, the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (the “**SEBI InvIT Regulations**”), read with circular issued by the Securities and Exchange Board of India (“**SEBI**”) bearing number SEBI/HO/DDHS/DDHS/CIR/P/2019/143 on “*Guidelines for preferential issue of units and institutional placement of units by a listed Infrastructure Investment Trust (InvIT)*” dated November 27, 2019 (“**SEBI Circular**”) and Chapter 7 of the Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 issued by SEBI for Infrastructure Investment Trust dated May 15, 2024 (“**Master Circular**”), Foreign Exchange Management Act, 1999, including the rules made thereunder and other applicable regulations and guidelines issued by SEBI, Reserve Bank of India (“**RBI**”) or such other statutory, regulatory and governmental authorities and in accordance with the trust deed of the Highways Trust dated December 3, 2021 , as amended from time to time (including amendment as on March 4, 2024) (such trust deed, “**Trust Deed**”), and the listing agreements entered into on behalf of the Highways Trust with the National Stock Exchange of India Limited (“**Stock Exchange**”), on which the units representing an undivided beneficial interest in the Highways Trust (the “**Units**”) are listed, the consent, authority and approval of the Unitholders be and is hereby granted to undertake an issue of up to 5,87,02,708 Units of Highways Trust at an issue price of ₹ 85.30 per Unit for an aggregate amount of up to ₹ 500,73,40,992.40 on a preferential basis in accordance with the SEBI InvIT Regulations, SEBI Circular and the Master Circular (“**Preferential Issue**”), on such terms and conditions, as agreed to by the Board of Directors of Highway Concessions One Private Limited (“**Investment Manager**”), priced in accordance with the SEBI InvIT Regulations, in consultation with Axis Trustee Services Limited, to the following proposed allottees :-

Sr. No.	Proposed Allottees	Category (Sponsor and Sponsor Group/ Non - Sponsor)	Maximum No. of Units to be allotted	Total price of Units (₹)
1	Galaxy Investments II Pte. Ltd.	Sponsor	4,66,86,295	398,23,40,963.50*
2	2452991 ONTARIO LIMITED	Non – Sponsor	1,20,16,413	102,50,00,028.90
Total			5,87,02,708	500,73,40,992.40

**The price is discharged by Galaxy Investments II Pte. Ltd (“Sponsor”) by transferring 100% of equity shares, compulsorily convertible debentures and compulsorily convertible preference shares of Bangalore Elevated Tollway Private Limited pursuant to the terms of Securities Purchase Agreement on August 30, 2023 (“SPA”) executed amongst the Sponsor and the Trust (acting through its Trustee, Axis Trustee Services Limited).*

“RESOLVED FURTHER THAT in terms of sub-paragraph 7.5.3 of paragraph 7.5(B) of Chapter 7 of the Master Circular, considering that the Units of the Highways Trust are not frequently traded, the price for the Preferential Issue determined by the Highways Trust, after taking into account the NAV of the Highways Trust (i.e., ₹ 85.30 per Unit based on the full valuation of all existing InvIT assets as on March 31, 2024 conducted in terms of InvIT Regulations), is approved to be ₹ 85.30 per Unit.”

“RESOLVED FURTHER THAT the Board of Directors of the Investment Manager be and is hereby authorized to decide and approve other terms and conditions of the Preferential Issue, as specified above and shall also be entitled to vary, modify or alter any of the terms and conditions, including the size of the Preferential Issue, as it may deem expedient, subject to applicable law.”

“RESOLVED FURTHER THAT the Board of Directors of the Investment Manager be and is hereby authorized to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the Preferential Issue, offer or allotment of the Units in the Preferential Issue, as applicable and the utilization of the Preferential Issue proceeds in accordance with the investment strategy of the Highways Trust, or in any other manner as the Board may deem fit subject to the provisions of the SEBI InvIT Regulations, the SEBI Circular and the Master Circular, and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, to vary the size of the Preferential Issue or other terms thereto, appoint banks and other intermediaries or agencies concerned, enter into any agreements or other instruments for such purpose, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable, as it may deem fit or as the Board of Directors of the Investment Manager may decide in its sole discretion in the best interests of the Highways Trust without being required to seek any further consent or approval, including for settling any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorized herein.”

“RESOLVED FURTHER THAT the Board of Directors of the Investment Manager be and is hereby authorized to offer, issue and allot any and all of the Units, as applicable, and as specified above, subject to the SEBI InvIT Regulations, the SEBI Circular and the Master Circular.”

“RESOLVED FURTHER THAT the Units to be allotted shall be subject to the provisions of Trust Deed as amended from time to time, the SEBI InvIT Regulations read with the SEBI Circular and the Master Circular.”

“RESOLVED FURTHER THAT in terms of paragraph 7.5(A) sub-paragraph 7.5.2 read with the provisions of Chapter 7 of the Master Circular and other relevant provisions of the SEBI Circular, the ‘relevant date’ for the Preferential Issue is **May 10, 2024.**”

“RESOLVED FURTHER THAT the Board of directors of Investment Manager be and is hereby further authorized to delegate all or any of the powers herein conferred to a committee of directors to be constituted or any other official of the Investment Manager to give effect to the aforesaid resolutions.”

“RESOLVED FURTHER THAT the Board of Directors of the Investment Manager and such other persons as may be authorised by the Board of Directors, be and are hereby severally authorised to execute and deliver any and all other documents, papers, instruments, including any amendments, changes, variations, alterations, modifications thereto, and to do or cause to be done any and all acts or things that may be necessary, appropriate and advisable in order to carry out the purposes and intent of the foregoing resolutions for the Preferential Issue; and any such other documents so executed and delivered or acts and things done or caused to be done shall be conclusive authority of the Investment Manager in doing so and any document so executed and delivered or acts and things done or caused to be done prior to the date hereof are hereby ratified, confirmed and approved as the acts and deeds of the Investment Manager, as the case may be.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above resolutions, the issue of the Units under the Preferential Issue shall be subject to the following terms and conditions apart from others as prescribed under the SEBI InvIT Regulations read with the SEBI Circular and the Master Circular:

- (i) The Units to be allotted shall rank pari passu with the existing Units of the Highways Trust in all respects (including with respect to distributions and voting powers) from the date of allotment thereof, be subject to the requirements of applicable law and shall be subject to the provisions of the Trust Deed;
- (ii) the Units to be allotted shall be subject to lock-in for such period as specified in the provisions of Paragraph 7.6 of Chapter 7 of the Master Circular and will be listed on the Stock Exchange subject to receipt of necessary permissions and approvals; and
- (iii) the Units shall be allotted in dematerialized form within a period of 15 days from the date of passing of the relevant Unitholders’ resolution, provided that where the allotment of the Units is pending on account of the requirement of any approval of any regulatory, governmental or statutory body / agency, the allotment shall be completed within a period of 15 days from the date of receipt of the last of such approvals.

“RESOLVED FURTHER THAT all acts and things previously done by any of the directors, key managerial personnel or authorized signatories of the Investment Manager on or prior to the date hereof in

connection with the foregoing, are in all respects, ratified, approved, confirmed and adopted as acts and deeds done by the Investment Manager.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, as it may deem fit in its absolute direction, to any Committee of the Board or any one or more Director(s) and/or Compliance Officer and/or any Officer(s) of the Investment Manager to give effect to the aforesaid resolution.”

Date: May 17, 2024

Place: Mumbai

Principal Place of Business and Contact Details of the Trust:

Highways Infrastructure Trust
Unit No. 601-602, 6th Floor, Windsor House,
Off CST Road, Kalina, Santacruz (East),
Mumbai, Maharashtra – 400098

Email: Compliance.highwaysinvit@highwayconcessions.com

Website: www.highwaystrust.com

Company Secretary & Compliance Officer: Ms. Kunjal Shah
Tel: +91 7506333447

Registered office and Contact details of

Highway Concessions One Private Limited:

Unit No. 601-602, 6th Floor, Windsor House,
Off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400098

Email – Compliance.highwaysinvit@highwayconcessions.com

Company Secretary & Compliance Officer: Ms. Kunjal Shah

NOTES:

1. As per the Regulation 22(2)(b) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, for any matter requiring approval of the unitholders, voting may also be done by postal ballot or electronic mode. Pursuant to this, the Trust is seeking the approval of the Unitholders on the proposed resolutions by way of Postal Ballot.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent to Unitholders at the email address registered with their Depository Participants by permitted mode.
3. An explanatory statement setting out the material facts and reasons for the proposed resolutions is annexed herewith and forms part of the Postal Ballot Notice.
4. Only those Unitholders whose names are recorded in the Register of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”) as on the close of business hours on **Friday, May 10, 2024 (“Cut-off Date”)** shall be eligible for voting and receipt of notice.
5. Resolution passed by the Unitholders through Postal Ballot are deemed to have been passed as if they have been passed at a general meeting of the Unitholders.
6. In case a Unitholder is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to compliance.highwaysinvt@highwayconcessions.com. The Investment Manager on behalf of the Trust shall forward the same to the Unitholder.
7. A Unitholder cannot exercise his vote by proxy on Postal Ballot.
8. Unitholders are requested to read the instructions printed in the Postal Ballot Form for exercising their vote. The postage costs will be reimbursed by the Trust on the basis of actual claim. The Postal Ballot Form may be deposited/delivered/shared with the Scrutinizer by any of the indicated convenient mode viz. personally OR through Registered Post OR Speed Post OR through courier service (collectively referred to as “**Physical Submission**”) OR through electronic means such through registered e-mail id (referred to as “**Electronic Submission**”) not later than 17:00 hours IST on **Monday, June 10, 2024**

The details of the Scrutinizer for physical or electronic submission of postal ballot are follows as under:

Physical Submission	Electronic Submission
M/s. MMJB & Associates LLP, Practicing Company Secretaries <i>Kind Attention:</i> Ms. Deepti Kulkarni Mr. Omkar Dindorkar Address:	Scrutinisers@mmjc.in

Citi of Joy, Ecstasy, 803/804, 8 th , JSD, Mulund West, Mumbai, Maharashtra – 400080 Contact No.: 8097092404	
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9. If the Unitholders cast their vote by physical submission of postal ballot paper as well electronic submission of postal ballot paper, then the vote received earlier by the Scrutinizer shall be considered.
10. After completion of the scrutiny of the Postal Ballots in a fair and transparent manner, the Scrutinizer will submit his report to the Board of Directors of Investment Manager of the Trust, or any other person authorized by the Board of Directors. The results of the Postal Ballot shall be declared not later than **Tuesday, June 11, 2024** and communicated to the stock exchange and shall be displayed on the Trust's website: www.highwaystrust.com.
11. The last date for the receipt of duly completed Postal Ballot Forms shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority. All the material documents referred to in the Explanatory Statement will be available for inspection at the registered office of the Investment manager located at Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400098 during office hours on all working days from the date of dispatch of the Postal Ballot Notice until the last date for receipt of votes by Postal Ballot i.e. not later than 17:00 hours IST on **Monday, June 10, 2024**.
12. Institutional Unitholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer.
13. Unitholders are requested to send their queries, if any, to the Investment Manager to enable the Investment Manager to provide the required information on compliance.highwaysinvit@highwayconcessions.com.
14. Unitholders who have not registered their email address so far are requested to register their email address with their demat account maintained with depositories and depository participants for receiving all communication from the Investment Manager, on behalf of the Trust, electronically.

EXPLANATORY STATEMENT:

Item No. 1:

To grant authority to borrow and create charge on assets and matters related thereto:

The unit holders of Highways Infrastructure Trust ("**Highways Trust**" or the "**Trust**") vide their resolution dated July 4, 2023 conferred authority upon the Trust to borrow funds up to 49% of the aggregate value of Trust's assets. Currently, the consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents is approximately **35.82 %** of the value of the assets of Trust.

Under the terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder ("**SEBI InvIT Regulations**"), and the borrowing policy as adopted by the Trust ("**Borrowing Policy**"), the consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents, may exceed 49% (upto a maximum of 70%) of the value of the assets of Highways Trust after meeting certain conditions. The Trust in the Final Placement Memorandum dated August 22, 2022 filed at the time of initial offer of its units ("**Final Placement Memorandum**"), has confirmed that Trust's total outstanding consolidated net debt will be within the regulatory requirement of 70% of the value of the assets of the Trust.

In order to increase the borrowing limit upto 70% of the value of the assets of the Trust, the Trust is required to fulfil the below mentioned conditions as set out under the SEBI InvIT Regulations:

- obtain a credit rating of "AAA" or equivalent for its consolidated borrowing and the proposed borrowing, from a credit rating agency registered with the Securities and Exchange Board of India;
- utilize the funds only for acquisition or development of infrastructure projects;
- have a track record of at least six distributions, in terms of Regulation 18(6) of the SEBI InvIT Regulations, on a continuous basis, post listing, in the years preceding the financial year in which the enhanced borrowings are proposed to be made;
- obtain the approval of seventy five percent of the unitholders by value in the manner specified in Regulation 22(5A) of the SEBI InvIT Regulations.

As notified to the stock exchanges from time to time, the Board of Directors of Highway Concessions One Private Limited ("**HC1**" or "**Investment Managers**") (acting on behalf, and in its capacity as the Investment Manager of Trust) has approved:

- (a) execution of definitive agreements to acquire twelve road assets from the PNC group, which acquisition is subject to various approval including approvals from the unitholders of the Trust;
- (b) execution of definitive agreements for acquisition of Bangalore Elevated Tollway Private Limited from the Sponsor, which acquisition is subject to various approval including approvals from the unitholders of the Trust; and

(c) execution of definitive agreements for acquisition of H.G. Rewari Bypass.

The actual acquisition of aforesaid assets is subject to satisfaction of necessary unitholders and other statutory, governmental, regulatory and corporate approvals, from time to time. Additionally, the Trust from time to time will enter into agreements for new acquisitions and improvement of assets.

In this context, envisaging the funds requirement and to effectively undertake, inter alia, acquisition of new assets (including for refinancing the loans at such new assets) and for undertaking improvements of the assets, the Trust proposes to avail financial assistance from time to time which (together with deferred payments and net of cash and cash equivalents) will exceed 49% of the value of the Trust assets, in whatever form including but not limited to issuance of debentures, term loans, advances, deposits, preference shares, etc., on such terms and conditions as the Trustee and/or the Investment Manager may deem fit in the best interest of Trust and the Unitholders. Provided, in accordance with Regulation 20(2) of the SEBI InvIT Regulations, the aggregate consolidated borrowings and deferred payments of the Highways Trust, Holdco and SPV(s), net of cash and cash equivalents shall never exceed 70% of the value of the Trust assets.

Furthermore, the amount of borrowings as proposed to be raised, shall be utilised only for the purpose of acquisition or development of infrastructure projects in accordance with the investment strategy of the Highway Trust or such other purpose as is permitted under the SEBI InvIT Regulations.

The Investment Manager also seeks an enabling authorization to create such security as may be required on all or any of the existing and/or future movable and/or immovable properties of the Trust and/or Trust assets or SPVs or HoldCos of the Trust, for securing the existing and future borrowings availed/ to be availed by the Trust and/or Trust assets, as may be required within the aforesaid limits.

While availing any indebtedness beyond 49%, the Investment Manager shall ensure all other conditions under the SEBI InvIT Regulations are complied with. In this regard, the unitholders are informed that as per (i) the Credit Rating Letter issued by India Ratings and Research Pvt. Ltd. ("**India Ratings**") dated April 1, 2024, for the debt instruments and loan facilities availed by the Trust have been rated as "IND AAA/Stable" (pronounced as IND Triple A rating with stable outlook); and (ii) the Credit Rating Letter issued by CRISIL Ratings dated April 2, 2024, for the debt instruments and loan facilities availed by the Trust have been rated as "CRISIL AAA/Stable. Also, post listing on August 25, 2022 and up till the year preceding the current financial year i.e. up till FY 2023-24, the Trust has a track record of 6 timely distributions.

Accordingly, pursuant to the above, this resolution seeks the consent of the Unitholders, under Regulations 20(3)(b) read with 22(5A) and all applicable provisions of the SEBI InvIT Regulations, and other applicable laws, for:

- a. borrowing requirements from time to time, any sum or sums of money not exceeding such amounts that, the aggregate consolidated borrowing and deferred payments of HIT and HIT's Assets net of cash and cash equivalent, beyond 49% which shall not exceed 70% of the aggregate value of Highways Trust's Assets from time to time, in whatever form including but not limited to

issuance of debt securities, term loans, advances, deposits, etc., on such terms and conditions as the Trustee and/or the Investment Manager may deem fit in the best interest of Highways Trust and the Unitholders, and

- b. for creation of charge on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge, in addition to the mortgage, hypothecation, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Trustee and/or Investment Manager may deem fit in the best interest of Highway Trust and the Unitholders, on all or any of the movable and/or immovable properties of HIT and/or Holdcos or SPVs, both present and future and/ or any other assets or properties, either tangible or intangible, of Highway Trust and/or its Holdcos or SPVs, for securing the borrowings availed or to be availed by Highway Trust and/or Holdcos or SPVs, including providing any undertakings and/or guarantees as may be required in connection therewith, and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

The above proposal is in the interest of the Highways Trust and the board of the Investment Manager (acting on behalf of the Highways Trust) thus, recommends this resolution for approval of the Unitholders of the Highways Trust as a Resolution passed by way of special majority i.e., the votes cast in favour of the resolution from seventy five percent of the unitholders by value.

None of the directors or key personnel and / or their relatives of the Investment Manager, are in any way, financially or otherwise, interested or concerned in this resolution.

ITEM NO.2:

TO CONSIDER AND APPROVE THE VARIATION IN TERMS OF USE OF PROCEEDS RAISED FROM THE OFFER OF UNITS MADE BY THE TRUST ON A RIGHTS BASIS.

The Trust had raised proceeds to the tune of approximately ₹ 5,140 million through rights issue of 6,59,31,294 units (the “Units”) representing an undivided beneficial interest in Highways Infrastructure Trust (“Highways Trust” or “Trust”) at a price of INR 77.96 per unit (the “Issue Price”) in accordance with the SEBI InvIT Regulations (“Rights Issue”). The issued were listed with National Stock Exchange of India Limited (“NSE”) on October 17, 2023.

At the time of undertaking the Rights Issue, the Investment Manager had in good faith estimated that the net issue proceeds (after deducting the issue expense) will be utilized in the following manner which was duly disclosed in the Letter of Offer dated September 25, 2023 (“LOF”):

Sl. No.	Particulars	Amount set out under the LOF (₹ in Mn)	Status as on March 31, 2024
(i)	Acquisition of 100% of the issued, subscribed and paid-up equity share capital of Ateli Narnaul Highway Private Limited (earlier known as H.G.	1,100.00	Fully Utilised

	Ateli Narnaul Highway Private Limited) (“ Target SPV ”) from H.G. Infra Engineering Limited.		
(ii)	Partial or full repayment of the outstanding debt of the Target SPV, including the debt availed by the Target SPV from certain external lenders and its current shareholders	3,495.00	₹ 3397.14 million utilized as per details set out in the LOF. Balance ₹ 97.86* million is yet to be utilized.
(iii)	General purposes	505.65	Fully Utilised

Whilst the Investment Manager (on behalf of the Trust) has made best efforts to utilise the issue proceeds as per the terms set out in the LOF, however, since the repayment of external debt of Target SPV was achieved in March, 2024, the sums required for repayment of the outstanding external debt of the Target SPV underwent a change, and accordingly, the Trust has an un-utilized sum of ₹ 97.86 million (“**Unutilised Issue Proceeds**”).

The Unutilised Issue Proceeds are now proposed to be utilized for the interest payment/principal repayment (including creation of Debt Service Reserve and other reserves required under arrangement with lenders), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised or to be raised by the Trust, and in each case, top-up thereof.

Since terms of the LOF did not include the abovementioned object in relation to utilization of the issue proceeds, it is proposed to alter or change the objects of the Rights Issue and the following new object is proposed to be included for the utilization of the Issue Proceeds.

“An aggregate amount of ₹ 97.86 million from the Issue Proceeds shall be utilized for the Interest payment/principal repayment (including creation of Debt Service Reserve and other reserves required under arrangement with lenders), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised or to be raised by the Trust, and in each case, top-up thereof.”

Post such approval, the final use of proceeds shall be as follows:

S. No.	Particulars	Amount* (in ₹ Million)
(i)	Acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target SPV from H.G. Infra Engineering Limited	1,100
(ii)	Partial or full repayment of the outstanding debt of the Target SPV, including the debt availed by the Target SPV from certain external lenders and its current shareholders	3397.14
(iii)	Interest payment/principal repayment (including creation of Debt Service Reserve and other reserves required under arrangement with lenders), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised by the Trust, and in each case, top-up thereof	97.86

(iv)	General purposes	505.65
	TOTAL	5,100.65

None of the directors or key managerial personnel of the Investment Manager are interested in proposed resolution.

In view of the above, the Board of Directors of Investment Manager recommends the resolution as set out in Item No. 2 of the Postal Ballot Notice for your approval by way of approval of special majority of Unitholders (where the votes cast in favour of the resolution shall not be less than one and half times the votes cast against the resolution).

ITEM NO. 3

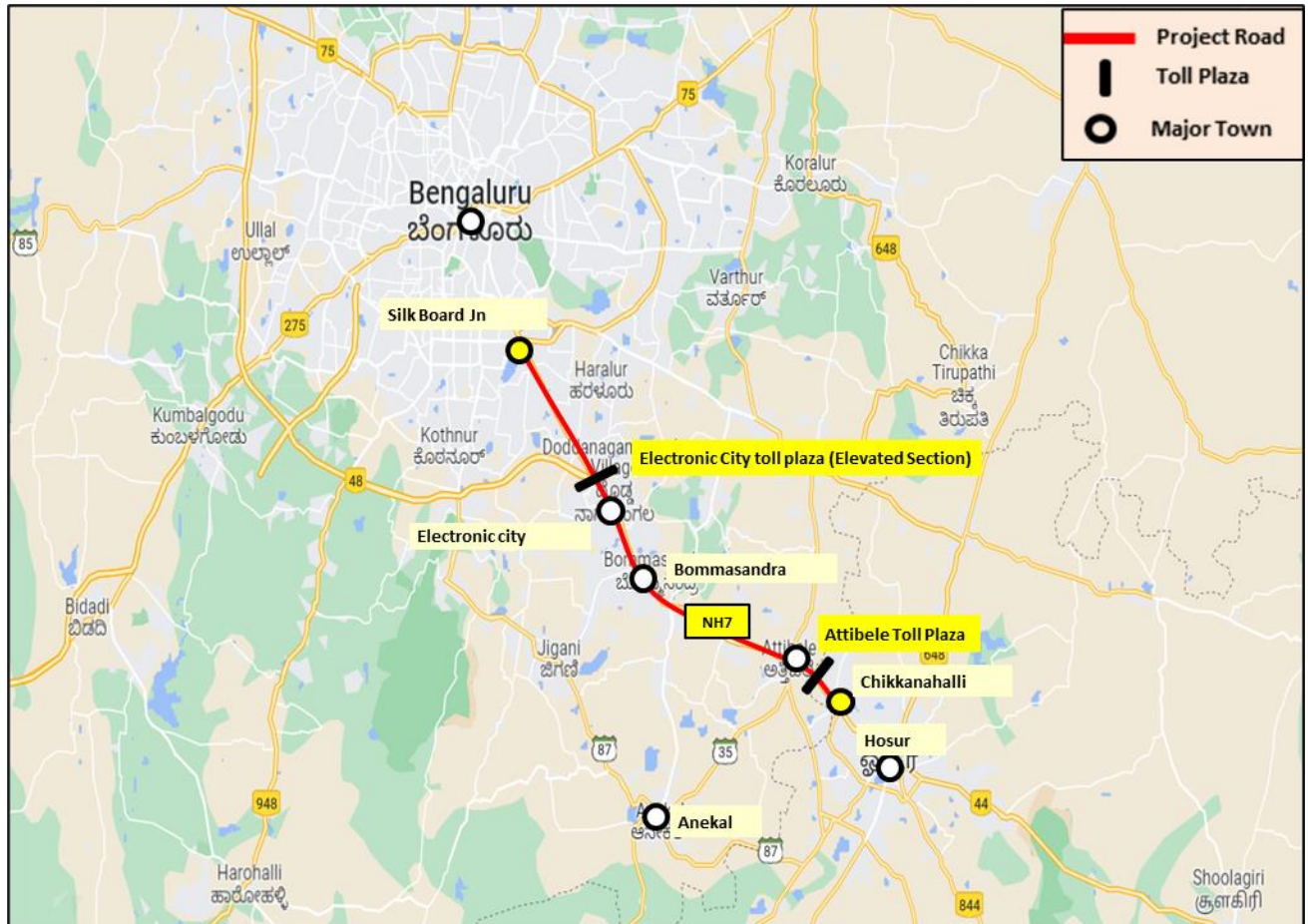
TO CONSIDER AND APPROVE THE PROPOSED ACQUISITION OF BANGALORE ELEVATED TOLLWAY PRIVATE LIMITED (“TARGET ENTITY”) FROM GALAXY INVESTMENTS II PTE. LTD. (“TRANSFEROR” OR THE “SPONSOR”) OF THE TRUST.

Background:

Attention of the unitholders is drawn to the intimation given to the stock exchange(s) on August 30, 2023 read with addendum to intimation dated August 31, 2023 in connection with the execution of definitive documents for acquisition of 100% shares and economic interest of Bangalore Elevated Tollway Private Limited (“**Target Entity**”), where it was informed that Highways Infrastructure Trust (the “**Trust**”) (acting through its trustee, Axis Trustee Services Limited), has entered into a Securities Purchase Agreement on August 30, 2023 (“**SPA**”) with the Target Entity, Galaxy Investments II Pte. Ltd. (“**Transferor**” or “**Sponsor**”) and Highway Concessions One Private Limited (“**Investment Manager**”). The consideration for the acquisition is proposed to be discharged by way of swap i.e., issuance of units of the Trust to the Sponsor in lieu of equity value of the Target Entity (“**Proposed Transaction**”). Certain details of the Target Entity have also been disclosed in the announcement section of the Trust’s website and available at <https://highwaystrust.com/other-announcements/>.

Pursuant to the SPA, the Sponsor has provided the Trust with rights to purchase one hundred (100%) percent equity shareholding and economic interest, in one or more tranches in the Target Company, including acquisition of other securities as defined in the SPA which are owned or controlled by the Sponsor. The completion of the purchase transaction is subject to approval of the Unitholders of the Trust, approval of regulatory authorities, provisions of SPA and completion of customary condition precedents prior to acquisition.

Details of the Target SPV:



The Target Entity was incorporated under provisions of the Companies Act, 1956 (having company identification number U45200MH2005PTC296646) and has its registered office at 601-602, 6th Floor, Windsor House, off CST Road, Kalina, Santacruz (East), Mumbai -98. The Target Entity holds a concession agreement with National Highways Authority of India (“NHAI”) on BOT-Toll basis. The toll road project is located in Karnataka and is part of new NH-44 (Old NH-7) connecting Srinagar – Kanyakumari. Project stretch starts from Silk Board Junction ending at Attibele with total tollable length of 24.4 km. The project achieved final Commercial operations Date (COD) on April 1, 2011. The asset has balance concession period of ~3 years. Key details of the project are as below: -

Target SPV Name		Bangalore Elevated Tollway Private Limited (BETPL)
Authority		NHAI
Location (State)		Karnataka
Lanes		4 lane (Elevated) and 6 lanes (At grade)
Project Length	Km	24.4
Number of toll plazas		2 (Electronic City and Attibele)
Appointed Date	Date	24 Jul 2006
Pre commercial operation date	Date	6 Apr 2010
Final commercial operation date	Date	1 Apr 2011

Target SPV Name		Bangalore Elevated Tollway Private Limited (BETPL)
Concession period	years	20 years (from appointed date)
Estimated CA End	Years	9 Sep 2026

Note 1: Considering extension of 23 days on account of demonetisation and 25 days on account of COVID, both approved by NHAI.

Valuation:

The independent valuer of the Trust, Mr. S Sundararaman having IBBI Registration Number IBBI/RV/06/2018/10238 (the “Valuer”), has undertaken a full valuation of the Target Entity, in accordance with the SEBI InvIT Regulations, and prepared a valuation report as of May 10, 2024 (the date of “Valuation Report”) for the valuation as on March 31, 2024. The Enterprise Value of the Target Entity as per the Valuation Report and based on the assumptions mentioned in the Valuation Report.

The Investment Manager of the trust has submitted the valuation report of the Target Entity on May 16, 2024 to the stock exchanges(s) which is also available on the website of the Trust at <https://highwaystrust.com/other-announcements/>

A summary of the full Valuation Report is provided as under:

Name of the Target Entity	Enterprise Valuation (In ₹ million)
Bangalore Elevated Tollway Private Limited (as of March 31, 2024)	5,593*

* Resultant equity shares, CCPS and CCDs value being INR 4,977 million

Details of securities to be acquired by the Trust (and its nominee) from the Transferor/Sponsor as defined under the SPA.

S. No.	Name of the Transferors	Number of Equity Shares	Number of Transferor Compulsorily Convertible Debentures (CCDs)	Number of Transferor Compulsorily Convertible Preference Shares (CCPS)
1.	Galaxy Investments II Pte. LTD. (Sponsor of the Trust)	2,15,91,278	3,22,02,939	1,29,41,850
2.	Vidyadhar S Dabholkar*	1	-	-
Total		2,15,91,279	3,22,02,939	1,29,41,850

*Nominee shareholder of the Sponsor

Final Consideration

Under the terms of the SPA, post all adjustments, the final equity value as consideration for all securities held by the Sponsor (as specifically identified above and representing 100% economic interest in the Target Entity) is to be discharged is determined at ₹398,23,40,963.50. The consideration is within the valuation of the Target Entity undertaken by the independent valuer.

Related Party Disclosures

In accordance with Regulation 2(1)(zv) of the SEBI InvIT Regulations, the Transferor of the Target Entity, is related party of the Trust. Accordingly, prior to entering into the SPA, the Audit Committee considered the transaction and had recommended to the Board of Directors.

Further, the following details of the related party transaction are provided:

Name of the Related Parties	I. Galaxy Investments II Pte. Ltd. (Sponsor) II. Bangalore Elevated Tollway Private Limited (Target Entity) III. Highway Concessions One Private Limited (Investment Manager)
Relationship with the Trust	i. Relationship with the Transferor: Sponsor and a party to the Trust under Regulation 2(zv)(i) ii. Relationship - Target Entity: wholly owned subsidiary of the Sponsor iii. Relationship Investment Manager: Party to the Trust under Regulation 2(zv)(i)
Monetary Value	₹ 398,23,40,963.50 being the final amount determined in accordance with Securities Purchase Agreement dated August 30, 2023 (as amended from time to time)
Nature, Material Terms, Value, Particulars of The Arrangement and any other Relevant/ Important Information	As per SPA dated August 30, 2023 for acquisition of one hundred (100%) percent equity shareholding and economic interest, in one or more tranches. The consideration for the acquisition is proposed to be discharged by way of issuance of units of the Trust to the Sponsor in accordance with the SEBI (InvIT) Regulations, 2014 and other applicable regulations. The aggregate consideration to be paid is ₹ 398,23,40,963.50.

Separately, it is disclosed that the project manager of the Trust, as an entity which is the subsidiary of the Investment Manager, HC1 Project Manager Private Limited, ("**Project Manager**") also provides corporate management services to the Target Entity since 2016 ("**Corporate Services Agreement**").

Given the 'related party transaction' status of the Proposed Transaction, votes by the unitholders who are part of the Sponsor Group will not be considered while determining the result.

Copies of the SPA entered into by and on behalf of the Trust by its Trustee as amended, supplemented or otherwise modified from time to time, shall be available for inspection by any unitholder of the

Trust at the registered office of the Investment Manager between May 17, 2024 to June 10, 2024, 10.00 a.m. IST to 12.00 p.m. IST, subject to 2 business days prior notice.

Recommendation of the Investment Manager

Considering the Proposed Transaction is in line with the investment strategy of the Trust and the acquisition of the Target Entity will add to the asset base of the Trust, the Investment Manager recommends the Proposed Transaction for approval of the unitholders.

Except Galaxy Investments II Pte. Ltd., the Sponsor, Nebula Asia Holdings II Pte. Ltd. (Sponsor's Group), and except Dr. Zafar Khan, Joint CEO (being director of the Target Entity) and Mr, Abhishek Chhajjer, CFO (being director of the Target Entity); none of the Director(s) and Key Managerial Personnel of Investment Manager or their respective relatives are concerned or interested, financial or otherwise in the resolution mentioned at Item No. 3 of this Notice.

The Board of Directors of Investment Manager (save for representatives of the Sponsor) recommends the resolution set forth in Item No. 3 for the approval of the Unitholders by way of simple majority.

ITEM NO. 4:

TO CONSIDER AND APPROVE THE ISSUANCE OF UNITS OF THE HIGHWAYS INFRASTRUCTURE TRUST ("HIGHWAYS TRUST" OR "TRUST") FOR AN AGGREGATE AMOUNT UP TO APPROXIMATE ₹ 5007.34 MILLION ON A PREFERENTIAL BASIS TO CERTAIN ENTITIES.

The Explanatory Statement pursuant to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder ("**SEBI InvIT Regulations**") read with circular issued by the Securities and Exchange Board of India ("**SEBI**") bearing number SEBI/HO/DDHS/DDHS/CIR/P/2019/143 on "*Guidelines for preferential issue of units and institutional placement of units by a listed Infrastructure Investment Trust (InvIT)*" dated November 27, 2019, the Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 issued by the Securities and Exchange Board of India (the "**SEBI**") for Infrastructure Investment Trusts dated May 15, 2024 ("**Master Circular**"), particularly, Guidelines for preferential issue and institutional placement of units by listed InvITs at Chapter 7 of the Master Circular, as given hereunder, sets out all material facts relating to the special business mentioned as item no. 4 of the accompanying Postal Ballot Notice dated May 16, 2024, and necessary information or details in respect of the proposed preferential issue of Units are as under: -

Background and Objective:

The Board of Directors of the Investment Manager, at its meeting held on May 16, 2024, have, inter alia, subject to such approvals as may be required, approved the issue of up to 587,02,708 Units of Highways Trust at an issue price of ₹85.30 per Unit for an aggregate amount upto ₹ 500,73,40,992.40 on a preferential basis in accordance with the SEBI InvIT Regulations ("**Preferential Issue**"), on such terms and conditions, as are determined in accordance with the SEBI InvIT Regulations, SEBI Circular

and the Master Circular and as agreed to by the Board of Directors of Highway Concessions One Private Limited (“**Investment Manager**”) in consultation with Axis Trustee Services Limited, to the following proposed allottees (“**Proposed Allottees**”) on a preferential basis:-

Sr. No.	Proposed Allottees	Category (Sponsor and Sponsor Group/ Non - Sponsor)	Maximum No. of Units to be allotted	Total price of Units (₹)
1	Galaxy Investments II Pte. Ltd.	Sponsor	4,66,86,295	398,23,40,963.50*
2	2452991 ONTARIO LIMITED	Non - Sponsor	1,20,16,413	102,50,00,028.90
Total			5,87,02,708	500,73,40,992.40

The price is discharged by Galaxy Investments II Pte. Ltd (“Sponsor**”). by transferring 100% of equity shares, compulsorily convertible debentures, and compulsorily convertible preference shares of Bangalore Elevated Tollway Private Limited pursuant to the terms of Securities Purchase Agreement on August 30, 2023 (“SPA”) executed amongst the Sponsor and the Trust (acting through its Trustee, Axis Trustee Services Limited).*

The Proposed Allottees listed above have been included on the basis of the commitment letters received by the Trust and its Investment Manager. There is no assurance, however, that the Proposed Allottees’ decision to invest in the Units pursuant to this Issue shall remain unchanged. Should such an event occur wherein any of the Proposed Allottees decide to not invest in the Units pursuant to this Preferential Issue, we may complete the allotments to the remaining allottees.

Eligibility:

In terms of Paragraph 7.2 of Chapter 7 of the Master Circular in relation to the Conditions for issuance of preferential issue, the Investment Manager, on behalf of the Highways Trust confirms that:

- Units of the same class, which are proposed to be allotted in the Preferential Issue have been listed on the Stock Exchanges for a period of at least 6 (six) months prior to the date of issuance of the present notice;
- The Highways Trust is in compliance with the conditions for continuous listing and disclosure obligations under the SEBI InvIT Regulations and circulars issued thereunder;
- None of the respective promoters or partners or directors of the sponsor(s) or investment manager, or the trustee, of the Highways Trust is a fugitive economic offender declared under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

The Investment Manager shall apply for obtaining in-principle approvals from National Stock Exchange of India Limited (“**Stock Exchange**”) for the listing of Units proposed to be issued under the Preferential Issue as soon as reasonably practicable after approving the resolutions by the Unitholders, and the subscription by the Proposed Allottees shall be subject to the obtainment of such in-principle approval from the Stock Exchange.

Further, the Investment Manager shall ensure that the minimum public unitholding requirements for the Trust are complied with in accordance with the SEBI InvIT Regulations read with Chapter 21 of the Master Circular.

Separately, the Investment Manager has been informed by the respective Proposed Allottees that such Proposed Allottees has not sold or transferred any Units during 90 trading days preceding the 'relevant date' (i.e. May 10, 2024), and has provided BENPOS statement for this purpose.

Object of the Preferential Issue

(a) Allotment other than cash consideration

As indicated in item no (3) above, the Trust (acting through its trustee, Axis Trustee Services Limited), has entered into a Securities Purchase Agreement on August 30, 2023 ("**SPA**") with Bangalore Elevated Tollway Private Limited ("**Target Entity**"), Galaxy Investments II Pte. Ltd. ("**Transferor**" or "**Sponsor**") and Highway Concessions One Private Limited ("**Investment Manager**") for acquisition of 100% shares and economic interest of the Target Entity . The consideration for the acquisition is proposed to be discharged by way of swap i.e., issuance of units of the Trust to the Sponsor in lieu of equity value of the Target Entity ("**Proposed Transaction**").

Details of securities to be acquired by the Trust (and its nominee) from the Transferor/Sponsor as defined under the SPA.

S. No.	Name of the Transferors	Number of Equity Shares	Number of Transferor Compulsorily Convertible Debentures (CCDs)	Number of Transferor Compulsorily Convertible Preference Shares (CCPS)
1.	Galaxy Investments II Pte. LTD. (Sponsor of the Trust)	2,15,91,278	3,22,02,939	1,29,41,850
2.	Vidyadhar S Dabholkar*	1	-	-
Total		2,15,91,279	3,22,02,939	1,29,41,850

**Nominee shareholder of the Sponsor*

Under the terms of the SPA, post all adjustments, the final equity value as consideration for all securities held by the Sponsor (as specifically identified above and representing 100% economic interest in the Target Entity) to be discharged is determined at ₹ 398,23,40,963.50.

Based on the latest full valuation of the Trust assets, the NAV of the Trust is determined at 85.30 unit. Accordingly, to discharge the consideration under the SPA, 4,66,86,295 units are proposed to be issued on a preferential basis.

The details of the Target SPV are set out to the explanatory statement of the Item No. 3 above.

(b) Allotment for cash consideration

The cash proceeds from the Preferential Issue are proposed to be utilized by the Trust to meet (i) the transaction cost for undertaking this issues (including payment to various advisors, regulatory fee etc.) and (ii) Trust's general corporate purpose, which will include interest payment/principal repayment (including creation of Debt Service Reserve or other reserves required under various agreements), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised or to be raised by the Trust, and in each case, top-up thereof.

Relevant Date:

In terms of paragraph 7.5(A) sub-paragraph 7.5.2 read with the provisions of Chapter 7 of the Master Circular and other relevant provisions of the SEBI Circular , the 'relevant date' for the Issue is Thursday May 10, 2024, being the date 30 days prior to the date on which this resolution, if approved by the requisite majority through postal ballot, will be deemed to have been passed (i.e., last date for voting through postal ballot, which is not later than 17:00 hours IST on Monday June 10, 2024.)

NAV and Basis of Issue Price:

The Highways Trust initially issued units on a private placement basis on August 23, 2022, and listed the units on the National Stock Exchange on August 25, 2022. However, since the traded turnover of the Units on any Stock Exchange during the 240 trading days preceding the 'relevant date' is less than 10% of the total number of issued and outstanding Units, the Units are not considered to be 'frequently traded units' in accordance with the meaning of said term under Paragraph 7.5.2(c) of Chapter 7 of the Master Circular.

In accordance with Paragraph 7.5.3 of Chapter 7 of the Master Circular, where the units of the the InvIT are not frequently traded, the price determined by the InvIT shall take into account the Net Asset Value (NAV) of the InvIT based on a full valuation of all existing InvIT's assets conducted in terms of the SEBI InvIT Regulations.

The NAV of Highways Trust as at March 31, 2024, based on a full valuation of all existing Highways Trust's assets (as defined in the SEBI InvIT Regulations) conducted in terms of SEBI InvIT Regulations, is ₹ 85.30 per Unit. Considering the foregoing, the price determined by the Highways Trust for the purposes of the Preferential Issue is ₹ 85.30 per Unit.

Maximum Number of Units to be allotted.

Maximum number of units to be allotted under the proposed Preferential Allotment is 5,87,02,708 units. The manner of allotment to Proposed Allottees is as follows:

Sr. No.	Proposed Allottees	Category (Sponsor and Sponsor Group/ Non - Sponsor)	Maximum No. of Units to be allotted
1	Galaxy Investments II Pte. Ltd.	Sponsor	4,66,86,295

2	2452991 ONTARIO LIMITED	Non – Sponsor	1,20,16,413
			5,87,02,708

Lock-in Period:

The Units allotted to each of the proposed allottees in the Issue shall be locked in for such period as prescribed under Paragraph 7.6 of Chapter 7 of the Master Circular. Further, the entire pre-Issue unitholding of each of the Proposed Allotees, shall be locked-in from the relevant date up to a period of 6 months from the date of the trading approval as specified under Paragraph 7.6 sub-paragraph 7.6.3 of Chapter 7 of the Master Circular.

Prescribed Disclosures:

The appropriate disclosures as prescribed under Paragraph 7.4.1 of Chapter 7 of the Master Circular are set out below:

a.	Objects of the preferential issue	<p>The proceeds from the Preferential Issue are proposed to be utilized:</p> <p>(a) The cash proceeds from the Preferential Issue are proposed to be utilized by the Trust to meet (i) the transaction cost for undertaking this issues (including payment to various advisors, regulatory fee etc.) and (ii) Trust's general corporate purpose, which will include interest payment/principal repayment (including creation of Debt Service Reserve or other reserves required under various agreements), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised or to be raised by the Trust, and in each case, top-up thereof.</p> <p>(b) The units allotted for consideration other than cash are in discharge of consideration for acquisition of 100% equity and economic interest in the Target Entity. The details of such transaction are set out above.</p>
b.	NAV of the Highways Trust	₹ 85.30 per unit
c.	Maximum number of units to be issued	Up to 5,87,02,708 Units
d.	Pricing of the Units	₹ 85.30 per unit
e.	Intent of the parties to the Highways Trust, their directors or key managerial personnel to subscribe to	None of the parties to the Highways Trust viz. their directors or key managerial personnel

	the issue	intend to subscribe to the Preferential Issue save for proposed subscription of 466,86,295 units by Galaxy Investments II Pte. LTD, the Sponsor of the Trust.
f.	Unitholding pattern of the Highways Trust before and after the preferential issue	Please see Exhibit A for these details.
g.	Time frame within which the preferential issue shall be completed	<p>The Investment Manager shall apply for in-principle approvals of the Stock Exchange for listing of Units proposed to be issued under the Preferential Issue as soon as reasonably practicable after the passing of the resolution.</p> <p>As required under Paragraph 7.7 sub-paragraph 7.7.2 of Chapter 7 of the Master Circular, the Units shall be allotted pursuant to the Preferential Issue within a period of 15 days from the date of passing of this resolution, or where the allotment of the Units is pending on account of the requirement of any approval of any regulatory, governmental or statutory body / agency, the allotment shall be completed within a period of 15 days from the date of receipt of the last of such approvals.</p> <p>If the Highways Trust fails to allot the Units issued pursuant to the Preferential Issue within the specified time, the monies received shall be refunded through verifiable means within twenty days from the date of the resolution, and if any such money is not repaid within such time after the Highways Trust becomes liable to repay it, the Highways Trust, the Investment Manager and each director of the Investment Manager who is an officer in default shall, on and from the expiry of the twentieth day, be jointly and severally liable to repay that money with interest at the rate of 15% per annum.</p> <p>Under sub-paragraph 7.3.5 of Chapter 7 of the Master Circular, post-allotment, the Trust shall make an application for listing of the Units issued pursuant to the Preferential Issue to the Stock Exchanges and such Units shall be listed within 2 working days from the date of allotment.</p>

		Provided that where the Highways Trust fails to list the units within the specified time, the monies received shall be refunded through verifiable means within four working days from the date of the allotment, and if any such money is not repaid within such time after the issuer becomes liable to repay it, the Highways Trust, Investment Manager of the Highways Trust and its director or partner who is an officer in default shall, on and from the expiry of the fourth working day, be jointly and severally liable to repay that money with interest at the rate of 15% per annum.
h.	Identity of the natural persons who are the ultimate beneficial owners of the units proposed to be allotted and/or who ultimately control the proposed allottees.	Please see Exhibit B for these details.
g.	Consideration	<p>(i) Against cash consideration of INR 102,50,00,028.90 for issuance of 120,16,413 units;</p> <p>(ii) Against transfer of securities of Bangalore Elevated Tollway Private Limited by the Sponsor as elaborated above for 466,86,295 units.</p>

Exhibit A

Unitholding pattern of the Highways Trust before and after the preferential issue: -

Category	Category of Unitholders	Before preferential issue ^{Note 1}		After preferential Allotment 1 ^{Note 2}	
		Unit Holding	Unit Holding Pattern %	Unit Holding	Unit Holding Pattern %
(A)	Sponsor(s)/ Investment Manager/ Project Manager(s) and their associates/related parties				
(1)	Indian				
(a)	Individuals / HUF	0	0.00	0	0.00
(b)	Central/State Govt.	0	0.00	0	0.00
(c)	Financial Institutions/Banks	0	0.00	0	0.00
(d)	Any Other (specify)	0	0.00	0	0.00

	Sub- Total (A) (1)	0	0.00	0	0.00
(2)	Foreign				
(a)	Individuals (Non-Resident Indians / Foreign Individuals)	0	0.00	0	0.00
(b)	Foreign government	0	0.00	0	0.00
(c)	Institutions	0	0.00	0	0.00
(d)	Foreign Portfolio Investors	0	0.00	0	0.00
(e)	Any Other (specify) BODY CORPORATE	554506060	74.24	601192355	74.63
	Sub- Total (A) (2)	554506060	74.24	601192355	74.63
	Total unit holding of Sponsor and Sponsor Group (A) = (A)(1)+(A)(2)	554506060	74.24	601192355	74.63
(B)	Public Holding				
(1)	Institutions				
(a)	Mutual Funds	0	0.00	0	0.00
(b)	Financial Institutions/Banks	0	0.00	0	0.00
(c)	Central/State Govt.	0	0.00	0	0.00
(d)	Venture Capital Funds	0	0.00	0	0.00
(e)	Insurance Companies	0	0.00	0	0.00
(f)	Provident/pension funds	0	0.00	0	0.00
(g)	Foreign Portfolio Investors	0	0.00	0	0.00
(h)	Foreign Venture Capital investors	0	0.00	0	0.00
(i)	Other institutions	0	0.00	0	0.00
	Sub- Total (B) (1)	0	0.00	0	0.00
(2)	Non-Institutions				
(a)	Central Government/State Governments(s)/President of India	0	0.00	0	0.00
(b)	Individuals	9221962	1.23	9221962	1.14
(c)	NBFCs registered with RBI	0	0.00	0	0.00
(d)	Other Non-institutional	0	0.00	0	0.00
(i)	Trusts	0	0.00	0	0.00
(ii)	Non Resident Indians	0	0.00	0	0.00
(iii)	Clearing Members	0	0.00	0	0.00
(iv)	Body Corporates	34816114	4.66	34816114	4.32
(v)	Other Foreign Body Corporates	148341698	19.86	160358111	19.91
	Sub- Total (B) (2)	192379774	25.76	204396187	25.37
	Total Public Unit holding (B) = (B)(1)+(B)(2)	192379774	25.76	204396187	25.37
	Total Units Outstanding (C) = (A) + (B)	746885834	100.00	805588542	100.00

Notes:

- (1) The unitholding pattern before preferential issue is as on the latest BENPOS date i.e. May 10, 2024.
(2) Based on the maximum number of Units that may be allotted pursuant to the Preferential Issue.

Exhibit B

Details of the ultimate beneficial owners who ultimately control the Proposed Allottees: -

Sr. No.	Name of the Proposed Allottees 1	Ultimate Beneficial Owners and/or natural person who ultimately control
1	Galaxy Investments II Pte. Ltd.	<p>The potential allottee has indicated that on the basis of the test set out in Paragraph 11(iii)(a) of the Master Circular with reference number SEBI/HO/MIRSD/MIRSD-SEC-5/P/CIR/2023/022 dated February 03, 2023 and amendments thereto dated June 16, 2023 and October 13, 2023 (together, "SEBI KYC Guidelines"), (as is applicable in the context of a company), there is no 'beneficial owner' who is a natural person(s), who, whether acting alone or together, or through one or more juridical person, has a 'controlling ownership interest' or who exercises 'control' through other means. The term "controlling ownership interest and 'control' shall have the meaning as set out in the SEBI KYC Guidelines.</p> <p>The proposed allottee has further informed that as per the SEBI KYC Guidelines, where no natural person is identified under the rules prescribed under Paragraph 11(iii)(a) or (b) or (c) (as applicable), the 'beneficial owner' shall be the relevant natural person who holds the position of senior managing official ("SMO"). Such SMO, is Ms. Madhura Narawane, Director on the board of Galaxy Investments II Pte. Ltd, having her official address at 8 Marina View, #33-04 Asia Square Tower 1, Singapore (018960).</p>
2	2452991 ONTARIO LIMITED	<p>The proposed allottee is a wholly owned special purpose vehicle (SPV) of Ontario Teachers' Pension Plan Board ("OTPPB"). Further, there are no natural persons who are ultimate beneficial owners of and/ or ultimately control 2452991 Ontario Limited given that OTPPB is a body corporate created by a statute with no shareholders. Mr. Jeffrey Michael Davis is the director of the proposed allottee, i.e., 2452991 Ontario Limited.</p>

The units allotted under the Preferential Issue will be listed on the National Stock Exchange of India Limited. The issue and allotment would be subject to the availability of regulatory approvals, if any.

The aforementioned resolution seeks to give the Board of the Investment Manager the power to issue Units as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices in its absolute discretion, deems fit.

Since, this resolution may result in the issue of units of the Highways Trust to the Proposed Allottees on a preferential basis, in accordance with Chapter 7 of the Master Circular, consent of the Unitholders is being sought pursuant to Regulation 22(2)(c) read with Regulation 22(5) and other applicable provisions of the SEBI InvIT Regulations.

This resolution, if passed by way of majority (i.e. where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution), will have the effect of allowing the Board of the Investment Manager to offer, issue and allot units of the Highways Trust to the Proposed Allottees. The units, if any, shall rank in all respects *pari passu* with the existing Units of the Highways Trust, including entitlement to dividend, voting rights etc. in terms of the SEBI InvIT Regulations.

The above proposal is in the interest of the Highways Trust and the board of the Investment Manager (acting on behalf of the Highways Trust) thus, recommends this resolution for approval of the unitholders of the Highways Trust as a resolution passed by way of the votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution.

Except Galaxy Investments II Pte. Ltd., the Sponsor, none of the directors or key personnel and / or their relatives of the Investment Manager, are in any way, financially or otherwise, interested or concerned in this resolution.

For Highways Infrastructure Trust
By Order of the Board
Highway Concessions One Private Limited
(Acting as the Investment Manager to Highways Infrastructure Trust)

Kunjal Shah
Company Secretary & Compliance Officer
ACS No. A27382

Date: May 17, 2024

Place: Mumbai

Principal Place of Business and Contact Details of the Trust:

Highways Infrastructure Trust

Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East),
Mumbai, Maharashtra – 400098.

Email: Compliance.highwaysinvit@highwayconcessions.com

Website: www.highwaystrust.com

Company Secretary & Compliance Officer: Ms. Kunjal Shah

Tel - +91 7506333447

Registered office and Contact details of Highway Concessions One Private Limited:

Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East), Mumbai,
Maharashtra – 400098

Email – Compliance.highwaysinvit@highwayconcessions.com

Company Secretary & Compliance Officer: Ms. Kunjal Shah

HIGHWAYS INFRASTRUCTURE TRUST

Principal Place of Business: 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (E), Mumbai- 400098

Tel: +91 22 6107 3200; **E-mail:** highwaysinvit@highwayconcessions.com;

Website: www.highwaystrust.com

(SEBI Registration number: IN/InvIT/21-22/0019)

REF No. HIT/PBN/01/2024-25

POSTAL BALLOT FORM

Name of the Trust	HIGHWAYS INFRASTRUCTURE TRUST
Principal Place of business	Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400098
Registered Office of the Investment Manager	Unit No. 601-602, 6 th Floor, Windsor House, Off CST Road, Kalina, Santacruz (East), Mumbai, Maharashtra – 400098
SEBI Registration No.	IN/InvIT/21-22/0019

Sr. No.	Particulars	Details
1.	Name of the Unitholder(s)	
2.	Registered Address and Email ID	
3.	No. of Units held	
4.	Folio No./ Client ID	
5.	DP ID	

I/We hereby give my/our instructions to the Investment Manager through Postal Ballot for the business stated in the Notice of the Highways Infrastructure Trust by conveying my decision in the appropriate box below:

S.No.	Item Name	Assent	Dissent
1.	To grant authority to borrow and create charge on assets and matters related thereto.		
2.	To consider and approve the variation in terms of use of proceeds raised from the rights issue of units made by the trust.		
3.	To consider and approve the proposed acquisition of Bangalore Elevated Tollway Private Limited (“Target Entity”) from Galaxy Investments II pte. Ltd. (“Transferor” or the “Sponsor”) of the Trust.		
4.	To consider and approve the issuance of units of the Highways Infrastructure Trust (“Highways Trust” or “Trust”) for an aggregate amount up to approximate ₹ 5007.34 million on a preferential basis to certain entities		

Signature of the Unitholder

Date –

Place –

General Instructions for Voting through Physical Postal Ballot Form

- a) A unitholder desiring to exercise vote by postal ballot may complete the Postal Ballot Form and send it to the Scrutinizer.
- b) Please convey your assent/ dissent in this Postal Ballot Form. The assent/ dissent received in any other form shall not be considered valid.
- c) The votes should be cast in favour of or against the resolution by putting the tick mark (v) in the column provided for assent or dissent. Postal Ballot Form bearing (v) in both the column will render the form invalid.
- d) The Postal Ballot Form should be completed and signed by the member.
- e) Incomplete, unsigned or incorrectly ticked Postal Ballot Form shall be rejected.
- f) In addition to the reasons as mentioned above for rejection, Postal Ballot Form/Votes will be considered invalid on the following grounds:
 - 1) If a form other than the one issued by the Trust has been used.
 - 2) If the Postal Ballot Form has not been signed by or on behalf of the unitholder.
 - 3) If it is not possible to determine without any doubt the assent or dissent of the member.
 - 4) If assent or dissent is not mentioned
 - 5) If assent or dissent is given subject to some amendment to the resolution or condition.
 - 6) If the envelope containing the Postal Ballot Form is received after the last date and time prescribed.
 - 7) If the Postal Ballot Form is received torn or defaced or mutilated to an extent that it is difficult for the Scrutinizer to identify either the unitholder or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or one or more of the grounds.
- g) If the unitholders cast their vote by physical submission of postal ballot form **as well as** electronic submission of postal ballot paper, then the vote received earlier by the scrutinizer shall be considered.
- h) The Scrutinizer's decision on the validity of a Postal Ballot Form will be final.

Prepared for:
Highways Infrastructure Trust ("The Trust")

Highway Concessions One Private Limited
("The Investment Manager")

**Valuation as per SEBI (Infrastructure Investment Trusts) Regulations,
2014 as amended**

Fair Enterprise Valuation

Valuation Date: 31st March 2024

Report Date : 10th May 2024

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2025/04

Date: 10th May 2024**Highways Infrastructure Trust**

2nd Floor, Piramal Tower,
Peninsula Corporate Park,
Lower Parel, Mumbai – 400 013.

Highway Concessions One Private Limited*(acting as the Investment Manager to Highways Infrastructure Trust)*

601-602, 6th Floor, Windsor House,
Off CST Road, Kalina,
Santacruz (East), Mumbai – 400 098

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
("the SEBI InvIT Regulations")

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 10th April 2024 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **Highway Concessions One Private Limited** ("**HC One**" or "**the Investment Manager**") acting as the Investment manager for **Highways Infrastructure Trust** ("**the Trust**" or "**Highways InvIT**"), an infrastructure investment trust, registered with the **Securities Exchange Board of India ("SEBI")** with effect from 23rd December 2021, bearing registration number IN/InvIT/21-22/0019 and **Axis Trustee Services Limited ("the Trustee")** acting on behalf of the Trust. For the purpose of determination of the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as "**the SPVs**") of InvIT Asset held by Highways Infrastructure Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**"). The SPVs are to be valued as per Regulation 21 of SEBI (Infrastructure Investment Trust) Regulations 2014 ("**SEBI InvIT Regulations**") as amended from time to time, where HC One is acting as the Investment Manager.

I am enclosing the Report providing opinion on the fair enterprise value of the SPV as defined hereinafter on a going concern basis as at 31st March 2024. ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPV as at 31st March 2024, where the adjusted enterprise value ("Adjusted EV") is derived as EV as defined above plus cash and cash equivalents of the SPV as at 31st March 2024.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a 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.

Following Special Purpose Vehicle is proposed to be acquired by the Trust:

Sr. No.	Name of the SPV	Abbreviation	Asset Type	COD
1	Bangalore Elevated Tollway Private Limited	BETPL	Toll	1 st April 2011

(Hereinafter referred to as "the SPV")

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates and it includes the risks and uncertainties relating to the events occurring in the future. Accordingly, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("SEBI") thereunder as amended and circulars issued by SEBI from time to time.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 10 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 10 of this Report.

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

Yours faithfully,

Digitally signed by
SWAMINATHAN
SUNDARARAM
AN
Date: 2024.05.10
22:17:57 +05'30'

S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN : 24028423BKGAAP8393

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BOT	Build, Operate and Transfer
BETPL	Bangalore Elevated Tollway Private Limited
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
DBFOT	Design, Build, Finance, Operate and Transfer
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ERP	Equity Risk Premium
ETC	Electronic Toll Collection
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31 st March
GoG	Government of Gujarat
HAM	Hybrid Annuity Model
INR	Indian Rupees
Investment Manager/HC One	Highway Concessions One Private Limited
IVS	ICAI Valuation Standards 2018
Kms	Kilometers
MoRTH	Ministry of Road Transport and Highways
MMR	Major Maintenance and Repairs
Mn	Million
NAV	Net Asset Value Method
NCA	Net Current Assets Excluding Cash and Bank Balances
NH	National Highway
NHAI	National Highways Authority of India
O&M	Operation & Maintenance
PM	HC One Project Manager Private Limited
PPP	Public Private Partnership
RFID	Radio Frequency Identification
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Sponsor/Galaxy	Galaxy Investments II Pte. Limited
SPV	Special Purpose Vehicle
Trustee	Axis Trustee Services Limited
Trust	Highways Infrastructure Trust
WACC	Weighted Average Cost of capital

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1. Executive Summary

1.1. Background

The Trust

- 1.1.1. Highways Infrastructure Trust ("the Trust" or "InvIT") was established on 3rd December 2021 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the Securities and Exchange Board of India ("SEBI") with effect from 23rd December 2021, bearing registration number IN/InvIT/21-22/0019, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("the SEBI InvIT Regulations").
- 1.1.2. The units of the Trust were listed on NSE in August 2022 by way of an initial offer of units consisting of a private placement. The object and purpose of the Trust, as described in the Trust Deed, is to carry on the activity of an infrastructure investment trust as permissible under the InvIT Regulations to raise funds through the Trust, to make investments in accordance with the InvIT Regulations and the investment strategy and to carry on the activities as may be required for operating the Trust, including incidental and ancillary matters thereto.
- 1.1.3. The InvIT currently involved in owning, operating and maintaining a portfolio of 12 road projects in the Indian states of Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, Meghalaya, Haryana, Karnataka, Tamil Nadu and Rajasthan pursuant to the concessions granted by the National Highways Authority of India ("NHAI"), Ministry of Road Transport and Highways, Madhya Pradesh Road Development Corporation Limited ("MPRDC"), Government of Gujarat ("GoG").
- 1.1.4. The unit holding of the Trust as on the report date is as follows:

Sr. No.	Particulars	No. of units	%
1	Galaxy Investments II Pte. Ltd.	37,39,00,000	50.06%
2	Nebula Asia Holdings II Pte. Ltd	18,06,06,060	24.18%
3	2452991 Ontario Limited	14,83,41,698	19.86%
4	Manipal Education Medical Group India Private Limited	3,03,03,030	4.06%
5	Others	1,37,35,046	1.84%
Total		74,68,85,834	100.00 %

Source: Investment Manager

The Sponsor

- 1.1.5. Galaxy Investments II Pte. Ltd., Singapore ("the Sponsor" or "Galaxy") has sponsored an infrastructure investment trust under the SEBI InvIT Regulations called "Highways Infrastructure Trust" ("Highways InvIT" or "the Trust"). Galaxy was incorporated on 11th June 2021 in Singapore. Galaxy is involved in investment activities primarily with an objective of earning long term capital appreciation. Galaxy seeks to invest in companies incorporated in India that operate in the infrastructure sector.
- 1.1.6. Galaxy is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is majorly owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Ltd. ("KKR") Galaxy is affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR.
- 1.1.7. Founded in 1976, KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions with approximately US\$ 510 billion of assets under management as of 30th June 2023 that offers alternative asset management as well as capital markets and insurance solutions.
- 1.1.8. Axis Trustee Services Limited ("the Trustee") has been appointed as the Trustee of the Highways InvIT. Highway Concessions One Private Limited ("HC One" or "the Investment Manager") has been appointed as the Investment Manager of the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations

The Investment Manager and the Project Manager

- 1.1.9. Highway Concessions One Private Limited is the current Investment Manager of the Trust. Simultaneously, the Trustee appointed HC One Project Manager Private Limited as the project manager of the Trust.

1.1.10. Shareholding Pattern of the Investment Manager as at the report date is as follows:

Sr. No.	Particulars	No. of shares	%
1	Galaxy Investments II Pte. Ltd.	3,76,47,288	80.50 %
2	2743298 ONTARIO LIMITED	91,19,530	19.50%
3	Vidyadhar S. Dabholkar*	1	0.00 %
Total		4,67,66,819	100.00 %

* as a nominee of Galaxy Investments II Pte. Ltd.

Source: Investment Manager

1.1.11. Shareholding Pattern of the Project Manager as at the report date is as follows:

Sr. No.	Particulars	No. of shares	%
1	Highway Concessions One Private Limited	99,999	100.00 %
2	Vidyadhar S. Dabholkar*	1	0.00 %
Total		1,00,000	100.0 %

* as a nominee of Highway Concessions One Private Limited

Source: Investment Manager

1.1.12. I understand that the Investment Manager and the Trustee of the Trust is desirous of undertaking financial valuation of the SPV proposed to be acquired. In this regards, I have been mandated to determine the fair enterprise value of the SPV as defined in the Letter in accordance with the SEBI InvIT Regulations and in this context would like me to carry out valuation of SPV as on 31st March 2024.

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Scope and Purpose of Valuation

1.2. Financial Asset to be Valued

The financial asset under consideration are valued at Enterprise Value of the following:

Sr. No.	Name of the SPV	Abbreviation
1	Bangalore Elevated Tollway Private Limited	BETPL

(Hereinafter referred to as “the SPV’s”)

1.3. Purpose of Valuation

As per Regulation 21(8)(a) of the SEBI InvIT Regulations, for any transaction of purchase or sale of infrastructure projects whether directly or through SPV, for publicly offered InvITs, a full valuation of the specific project shall be undertaken.

I understand that the Investment Manager is proposing to undertake a fair enterprise valuation of the SPV’s as on 31st March 2024 for the purpose of their internal evaluation only.

In this regard, the Investment Manager and the Trustee have appointed Mr. S. Sundararaman (“Registered Valuer” or “RV” or “I” or “My” or “Me”) bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at the enterprise level of the SPV’s as per the SEBI InvIT Regulations as at 31st March 2024.

Registered Valuer declares that:

- The RV is competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- The RV is independent and has prepared the Valuation Report (“the Report”) on a fair and unbiased basis;
- RV has valued the SPV’s in accordance with Valuation Standards issued by the Institute of Chartered Accountants of India;

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

1.5. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value (“EV”) of the SPV’s. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.

1.6. Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPV’s at the enterprise level. Fair Value Bases defined as under:

Fair Value

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. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

1.7. 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 due to changes in the condition of the asset to be valued. 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 March 2024 (“Valuation Date”). The attached Report is drawn up by reference to accounting and financial information as on 31st March 2024. The RV is not aware of any other events having occurred since 31st March 2024 till date of this Report which he deems to be significant for his valuation analysis.

1.8. Premise of Value

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

Going Concern Value

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, necessary licenses, systems, and procedures in place etc.

1.9. Summary of Valuation

I have assessed the fair enterprise value of the SPV's on a standalone basis by using the Discounted Cash Flow ("DCF") method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence NAV method is considered only for background reference.
Income Approach	Discounted Cash Flow	Yes	The revenue of the projects are defined for a certain period of years on the basis of traffic volumes as provided by Investment Manager corroborated with traffic volumes as provided by M/s Ramboll India Private Limited in its Traffic Study Report. As the SPV's under consideration has executed project under the BOT model, the ownership of the underlying assets shall be transferred after the expiry of the concession period. In case of the SPV, the Concession period is from 24 th July 2006 to 09 th September 2026.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm ("FCFF") has been used for the purpose of valuation of the SPV. In order to arrive at the fair EV of the SPV under the DCF Method, I have relied on Provisional Financial Statements as at 31st March 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPV prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the SPV for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for the SPV. As the SPV under consideration has executed projects under the BOT model, the operating rights of the underlying assets shall be transferred back to the appointing authority after the expiry of the concession period. At the end of the agreed concession period, the operating rights in relation to the roads, the obligation to maintain the road reverts to the government entity that granted the concession by the SPV. Accordingly, terminal period value i.e. value on account of cash flows to be generated after the expiry of concession period has not been considered.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPV as on the Valuation Date:

				INR Mn
Sr. No.	SPV	WACC	Enterprise Value	Adjusted Enterprise Value
1	BETPL	10.51%	3,013	5,593
	Total		3,013	5,593

(Refer Appendix 1 & 2 for the detailed workings)

*The Investment Manager has informed me that the SPV received a prolongation claim related to a delay in granting the right of way, leading to increased construction costs, higher interest on borrowings, and loss of toll revenue. This claim pertains to a past period and will be distributed among the past shareholders/EPC contractors according to the inter-se agreement's defined method. Furthermore, the Investment Manager confirmed that delayed payment of this amount to the shareholders will not incur any interest payment or additional liability for the SPV. Consequently, I have adjusted the outstanding claim payable to the former shareholders when determining the adjusted enterprise value of the SPV

Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPV as at 31st March 2024, where the adjusted enterprise value ("Adjusted EV") is derived as EV as defined above plus cash and current investments of the SPV as at 31st March 2024.

- 1.10. The fair EV of the SPV is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 1.11. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 1.12. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
 1. WACC by increasing / decreasing it by 0.5%
 2. WACC by increasing / decreasing it by 1.0%
 3. Revenue by increasing / decreasing it by 10%
 4. Expenses by increasing / decreasing it by 20%

Sensitivity Analysis of Enterprise Value

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn							
Sr. No.	SPV	WACC - 0.5%	EV	Base WACC	Base EV	WACC + 0.5%	EV
1	BETPL	10.01%	3,029	10.51%	3,013	11.01%	2,997

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn							
Sr. No.	SPV	WACC - 1.0%	EV	Base WACC	Base EV	WACC + 1.0%	EV
1	BETPL	9.51%	3,045	10.51%	3,013	11.51%	2,982

3. Fair Enterprise Valuation Range based on Revenue parameter (10%)

INR Mn				
Sr. No.	SPV	EV at Revenue - 10%	EV at Base Revenue	EV at Revenue + 10%
1	STPL	2,589	3,013	3,437

4. Fair Enterprise Valuation Range based on Expenses parameter (20%)

INR Mn				
Sr. No.	SPV	EV at Expenses - 20%	EV at Base Expenses	EV at Expenses + 20%
1	STPL	3,142	3,013	2,885

The above represents reasonable range of Fair Enterprise Valuation.

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2. Procedures adopted for current valuation exercise

- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 (“**IVS**”) issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to the SPV;
 - 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
 - 2.2.3. Discussions with the Investment Manager on:
 - Understanding of the business of the SPV – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
 - 2.2.4. Undertook industry analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
 - 2.2.5. Analysis of other publicly available information;
 - 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
 - 2.2.7. Conducted physical site visit of the road stretch of the SPV;
 - 2.2.8. Determination of fair EV and Fair Adjusted EV of the SPV on a going concern basis at the Valuation Date.

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3. Overview of InvIT and SPV

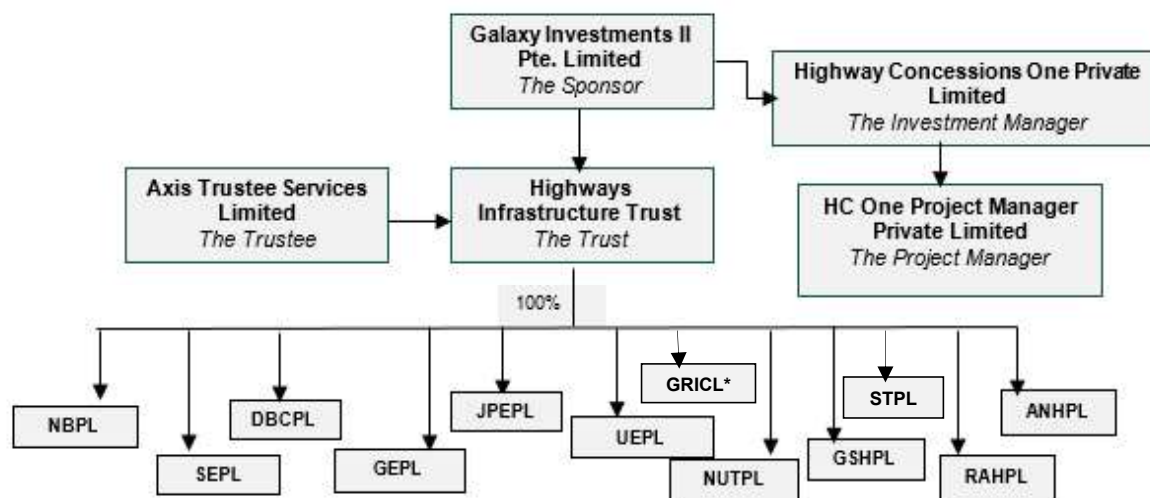
The Trust

- 3.1. Galaxy Investments II Pte. Ltd. is the Sponsor of the Trust. The Sponsor was incorporated on 11th June 2021 in Singapore. Galaxy is involved in investment activities primarily with an objective of earning long term capital appreciation. Galaxy seeks to invest in companies incorporated in India that operate in the “infrastructure” sector.
- 3.2. Galaxy is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is majority owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Ltd. Galaxy is affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR.
- 3.3. Founded in 1976, KKR is a leading global investment firm, with US\$510 billion in assets under management as of 30th June 2023 that offers alternative asset management as well as capital markets and insurance solutions.
- 3.4. Following is the summary of the SPV, held under the trust including the date and cost of acquisition :

Sr. No.	SPV	Name	Acquisition Date	Acquisition Cost (INR Mn)
1	NBPL	Nirmal Private BOT Limited	22 nd Aug, 2022	354
2	SEPL	Shillong Expressway Private Limited	22 nd Aug, 2022	356
3	DBCPL	Dewas Bhopal Corridor Private Limited	22 nd Aug, 2022	12,969
4	GEPL	Godhra Expressways Private Limited	22 nd Aug, 2022	11,167
5	JPEPL	Jodhpur Pali Expressway Private Limited	22 nd Aug, 2022	3,863
6	UEPL	Ulundurpet Expressways Private Limited	22 nd Aug, 2022	3,005
7	UTPL	Udupi Tollway Private Limited	02 nd Nov 2023	196
8	GRICL	Gujarat Road Infrastructure Company Limited	24 th Jan, 2024	5,651*
9	STPL	Swarna Tollway Private Limited	24 th Jan, 2024	20,727
10	GSHPL	Gurgaon Sohna Highway Private Limited	21 st Nov 2023	844
11	RAHPL	Rewari Ateli Highway Private Limited	21 st Nov 2023	758
12	ANHPL	Ateli Narnaul Highway Private Limited	21 st Nov 2023	1,511

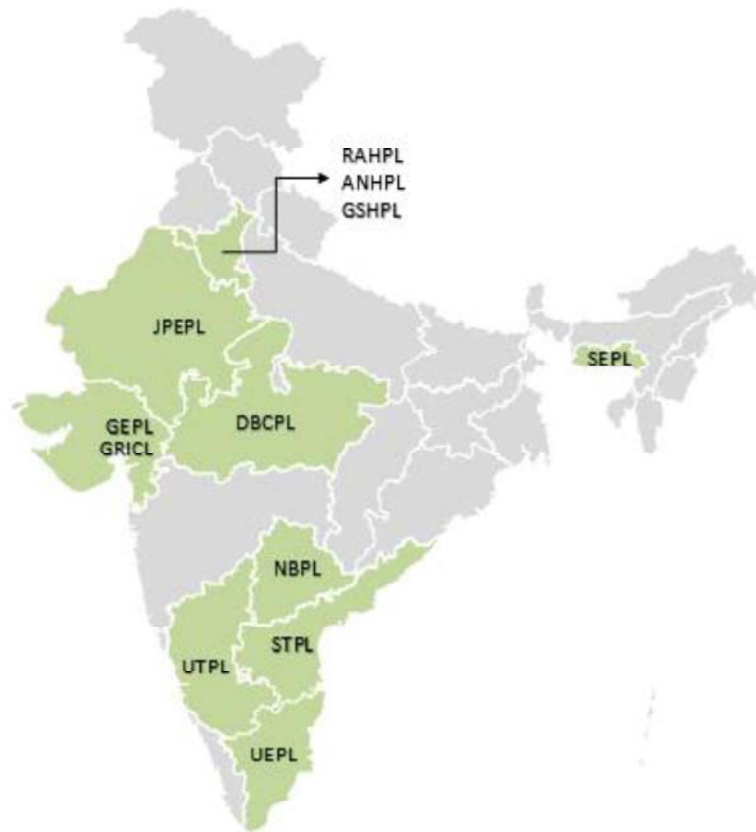
*This represents purchase consideration paid for 56.8% equity stake in GRICL.

- 3.5. Following is the Structure of the Trust as on the report date.



*The trust holds 56.8% equity stake in GRICL

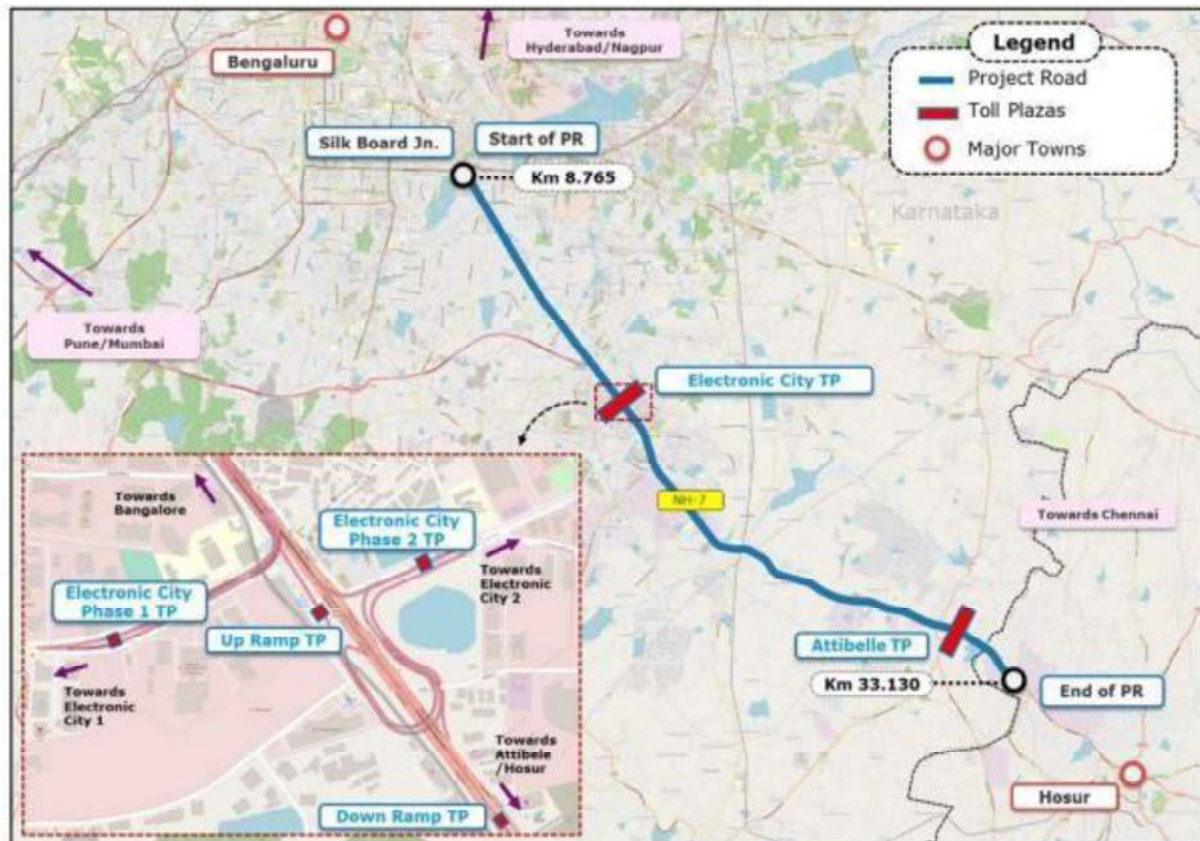
3.6. A map depicting the respective location of the existing project SPV of the Trust is provided below:



Background of the SPV

Bangalore Elevated Tollway Private Limited (“BETPL”)

- 3.7. Bangalore Elevated Tollway Private Limited (BETPL) was incorporated on 26th December 2005. The SPV entered into the concession agreement dated 25th January, 2006 with NHAI. The project was awarded to the consortium comprising of Soma Enterprise Limited, Nagarjuna Construction Company Limited and Maytas infra Private Limited by NHAI for 20 years of operation & maintenance period from the Appointed Date i.e. 24th July, 2006. The project has successfully achieved its COD on 1st April, 2011.
- 3.8. The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.9. Summary of Project details of BETPL are as follows:

Parameters	Details
Total Length	33.31 Kms (24.36 Kms + 8.95 Kms)
Nos. of Lanes	4
NH / SH	NH-7
State Covered	Karnataka
Area (Start and End)	Silk Board Junction to Hosur
Project Cost	INR 9,747 Mn
PPP Model	BOT
Project Type	Toll
Concession Granted by	NHAI
COD Date	1 st April 2011
Original Concession Period	20 years from Appointed Date
Extension (If any)	48 days (23 days on account of demonetization and 25 days inlieu of toll suspension due to COVID-19)
Likely End of Concession Period	09 th September 2026

Source: Investment Manager

- 3.10. Project Road includes (i) construction of Elevated Highway Project of Bangalore-Hosur section of NH-7 from Silk Board Junction to Electronic City between 9/5 km and 18/750 km, (ii) improvement of the grade section between 8/765 km and 18/750, (iii) expansion of section between 18/750 km and 33/130 km to six lanes. The Project Road has a length of 33.31 km

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Flexible Pavement	9.25
2	Total Length of Main Carriageway 6 Lane with Flexible Pavement	24.365
3	Total length of Service Roads	46.796
4	Toll Plaza	1 at Attibelle and 4 Loop plazas at Electronic city
5	Bus Shelters	32
6	Bus Bays with Shelters	32
7	Truck Lay Bays	2
8	No of Rest Areas	-
9	Major Junction	6
10	Minor Junctions	7
11	No of Vehicular underpasses	3
12	No of Vehicular overpasses	-
13	No of Flyovers	-
14	Pedestrian/Cattle Underpass	8
15	Railway Over Bridge	1
16	Major Bridges	-
17	Minor Bridges	1
18	Box/Slab Culverts	27
19	Pipe Culverts	13

Source: Investment Manager

- 3.11. The shareholding of BETPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Galaxy Investments II Pte Ltd.	2,15,91,279	100.00%
	Total	2,15,91,279	

Source: Investment Manager

I have been represented by the Investment Manager that there is no change in shareholding pattern from the Valuation Date till the date of this Report.

- 3.12. My team had conducted physical site visit for BETPL on 08th May 2024. Following are the pictures of the plant site :



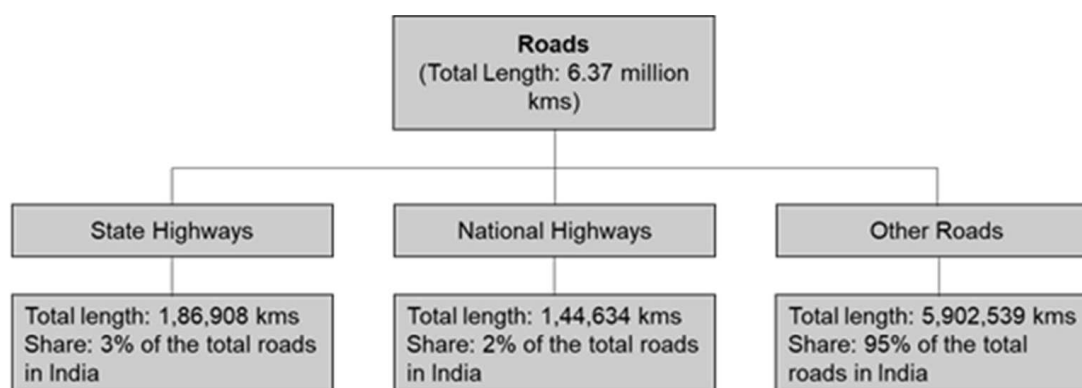
4. Overview of the Industry

4.1 Introduction

- 4.1.1 The road infrastructure is an important determinant of economic growth in India and it plays a significant role in the economy's overall development process.
- 4.1.2 India has the second-largest road network in the world, spanning over 6.3 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.
- 4.1.3 Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner.
- 4.1.4 Bridging of existing infrastructure gaps and creating additional facilities to cater to the increasing population are equally important. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the economy.
- 4.1.5 Further, roads play a significant role in times of natural calamities, wars and other such events in terms of timely evacuation of the impacted population, carriage of relief material and other associated movements. Government takes cognisance of this requirement and road infrastructure remains to be a focus area.

4.2 Road Network in India

- 4.2.1 India has the second largest road network in the world, spanning over 6.37 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



Source: IBEF Roads Report, February 2023

- 4.2.2 Out of this around 1.41 lakh km are National Highways ("NHs"). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40% of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometre of land – is similar to that of the France (1.98) and much greater than China's (0.49) or USA's (0.68).

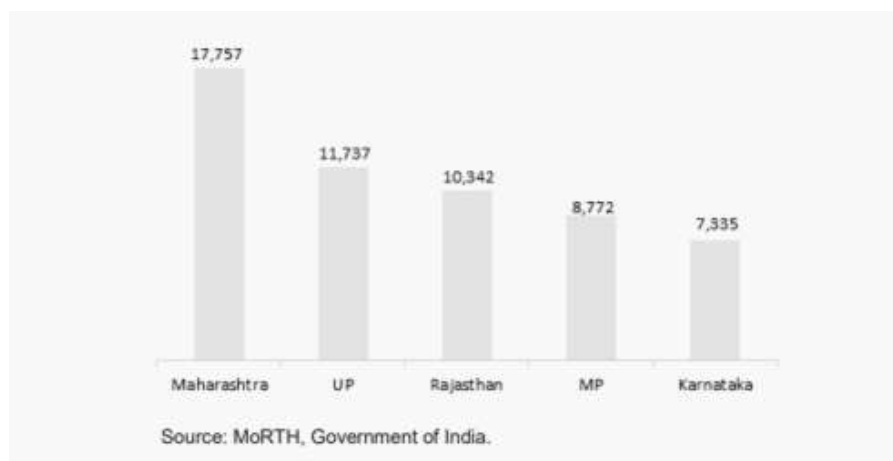
4.3 Government Agencies for Road Development

- 4.3.1 The Ministry of Road Transport & Highway ("MoRTH") is responsible for development of Road Transport and Highways in general and construction & maintenance of National Highways.
- 4.3.2 The National Highways Authority of India ("NHAI") is an autonomous agency of the Government of India, set up in 1988 and is responsible for implementation of National Highways Development Project ("NHDP").
- 4.3.3 The NHDP in the context of NHs is nearing completion- in seven phases. Later, the other highway development programmes like Special Accelerated Road Development Programme for Development of Road Network in North Eastern States (SARDP- NE) and National Highways Interconnectivity Improvement Project (NHIIP) were also taken up by MoRTH. Further, Bharatmala Pariyojana is ongoing. For majority of the projects under NHDP and Bharatmala Pariyojana, NHAI is the implementation agency. Other NH related programmes/works are being implemented through agencies like National Highways Infrastructure Development Corporation Limited

(NHIDCL), State Public Works Departments (PWDs), State Road Development Corporations and the Border Road Organization.

- 4.3.4 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT).
- 4.3.5 In December 2022, NHAI raised Rs. 10,200 crore (US\$ 1.23 billion) from foreign and Indian institutional investors to meet ever-growing budgetary support. Indian Government and Asian Development Bank signed US\$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar. The bridge is expected to be ready by December 2021.
- 4.3.6 NHAI is planning to award 1,000-1,500 km of projects under the BOT model in 2023-24. In FY21, there were 125 PPP projects worth US\$ 23.25 billion in India.
- 4.3.7 The government has successfully rolled out over 60 road projects in India worth over US\$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.
- 4.3.8 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.
- 4.3.9 Roads in the jurisdiction of state governments are under different categories like State Highways ("SHs") and Major District Roads. They are being developed/ upgraded through State PWDs and State Road Development Corporations. Pradhan Mantri Gram Sadak Yojana is being implemented for rural roads through the Ministry of Rural Affairs with active participation by state governments. Further, roads within urban areas are maintained/ developed mostly with PWDs and Urban Local Bodies. .
- 4.3.10 State Governments have a significant role to play in developing the SHs, Major District Roads, Other District Roads to ensure the last mile connectivity. States have varying levels of maturity in terms of road infrastructure development due to issues such as inadequate identification and prioritization of projects, funding shortfall, limited institutional capacity to implement projects, etc.

Top 5 states by length of NHs in India (in Km)



4.4 Trend of Road and Highways Construction

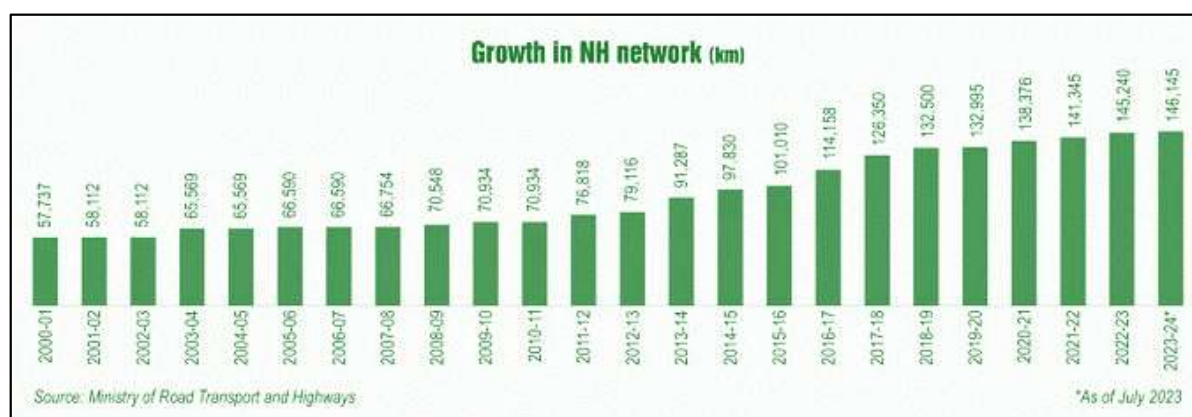
- 4.4.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY11 to FY14.
- 4.4.2 The current rate of road construction is almost three times that in 2007-08.
- 4.4.3 The launch of the Bharatmala Pariyojana in 2017 provided a big fillip to construction activity, with the pace of construction doubling from 12 km per day in 2014-15 to 30 km per day in 2022-23, and peaking at 37 km per day in 2020-21.
- 4.4.4 The government aims to take this up to 100 km per day in the next few years.

Details of National Highway network:



- 4.4.5 The road transport and highways ministry (MoRTH) has received a push with the Union Budget raising the allocation by 36 percent to around Rs 2.7 lakh crore for 2023-24. This is nearly 10 percent jump over the Budgetary allocation of Rs 1.99 lakh crore made in the Budget for 2022-23.
- 4.4.6 The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.
- 4.4.7 The NHDP is a program to upgrade, rehabilitate and widen major highways in India to a higher standard. The project was started in 1998 to be implemented in 7 phases.
- 4.4.8 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.
- 4.4.9 The Indian government launched Gati Shakti-National Master Plan, which 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).
- 4.4.10 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati shakti portal.
- 4.4.11 In December 2021, the government set a highway monetization target of Rs. 2 trillion (US\$ 26.20 billion) for the next 3 years.
- 4.4.12 The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.
- 4.4.13 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT). The InvIT of NHAI, National Highways Infra Trust, has raised more than Rs 8,000 crore from foreign and Indian institutional investors till October 2022.
- 4.4.14 The development of market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

Details of national highways awarded (by NHAI) and constructed in India (KMs):



4.5 Implementation of important projects and expressways:

4.5.1 Bharatmala Pariyojna

Bharatmala Pariyojana is a new umbrella 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 expressway.

The Bharatmala Pariyojana envisages development of about 24,800 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

A total length of 34,800 km in road projects have been proposed to be constructed with an estimated outlay of Rs 5.35 trillion under Bharatmala Pariyojana Phase-I over a five year period (2017-18 to 2021-22).

Components under Bharatmala Pariyojana Phase-I are as given below:

Component	Length (Km)	Cost (INR Cr)
Economic corridors development	9,000	1,20,000
Inter-corridor & feeder roads	6,000	80,000
National Corridors Efficiency	5,000	1,00,000
Border & International connectivity	2,000	25,000
Coastal & port connectivity roads	2,000	20,000
Expressways	800	40,000
Sub Total	24,800	3,85,000
Other works - under NHDP	10,000	1,50,000
Total	34,800	5,35,000

Source: Ministry of Road Transport and Highways, Government of India

The completion cost of Phase-I is now estimated 10.63 trillion (US\$ 130 billion) after factoring in cost escalations up to December 2021 and is 99% higher than the initial estimates owing to substantial rise in land acquisition cost, and steep increase in input costs. It is expected to be completed in FY2028, a delay of six years from the initial envisaged completion date of FY2022. During the last seven years, around 60% (20,632 km vs 34,800 km) of highway length has been awarded as of December 2021, and ~23% of the total length completed till March 2022

4.5.2 Char Dham Vikas Mahamarg Pariyojna:

This project envisages development of easy access to the four dhams in India – Gangotri, Yamunotri, Kedarnath and Badrinath. Development of this route of 889 km route is expected at an estimated cost of INR 12,000 Crores.

4.5.3 Eastern peripheral and western peripheral expressway

These two projects will connect NH-1 and NH-2 from western and eastern side of Delhi.

4.5.4 Setu Bharatam:

This project aims to replace crossings on NHs with Road Over Bridges and Road Under Bridges. It is projected to construct 174 such structures.

4.5.5 To further augment road infrastructure, more economic corridors are also being planned by Government of India as revealed in Budget 2021-22.

- a. 3,500 km of National Highway works in the state of Tamil Nadu at an investment of INR 1.03 lakh Crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.
- b. 1,100 km of National Highway works in the State of Kerala at an investment of INR 65,000 Crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.
- c. 675 km of highway works in the state of West Bengal at a cost of INR 25,000 Crores including upgradation of existing road-Kolkata –Siliguri.
- d. National Highway works of around INR 19,000 Crores are currently in progress in the State of Assam. Further works of more than INR 34,000 Crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.
- e. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year and the government plans to complete 25,000 kilometers of National highways.

4.6 **Opportunities in road development & maintenance in India**

- a. India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies
- b. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion).
- c. The government also aims to construct 23 new national highways by 2025.
- d. Road building in India is second least expensive in Asia.
- e. Andhra Pradesh will spend US\$ 296.05 million to build 8,970 Kms of roads.
- f. In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US\$ 13.09 billion).

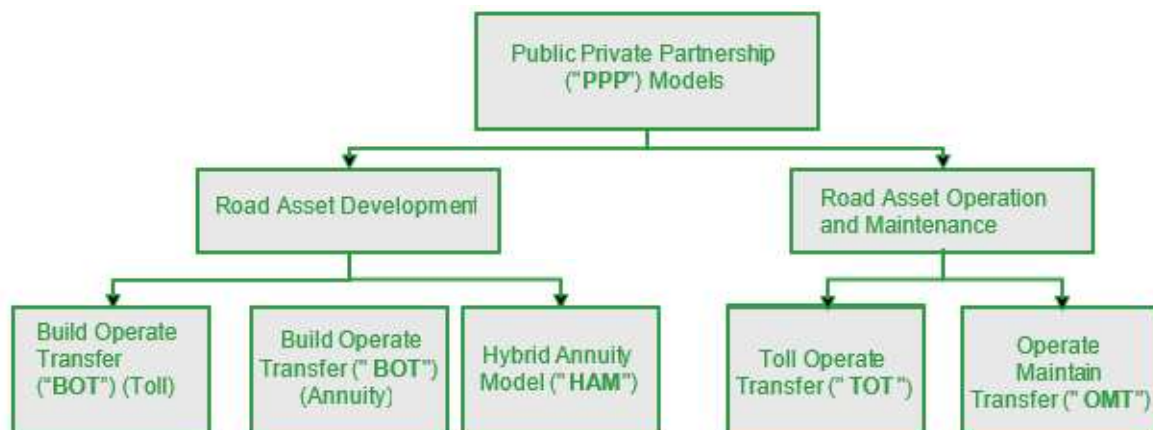
4.7 **Public Private Partnership (“PPP”) Models of road development and maintenance in India**

4.7.1. India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size. PPP modes have been used in India for both development and operation & maintenance of road assets.

NHAI is planning to award 500 km of the 6,500 km target for FY23 through BOT mode. It may give minimum toll revenue guarantee to make it easier for contractors to bid for BOT projects.

4.7.2. In FY21, there were 125 PPP projects worth US\$ 23.25 billion in India.

4.7.3. 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 incentivising 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



4.7.4. **Road Asset Development Models**

- **BOT Toll**
 - In a BOT toll project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. The concession period is project specific but is usually for 20-25 years. In BOT Toll model, the concessionaire earns revenue primarily in the form of toll revenue which in turns depends on the traffic on the road stretch. Toll rates are regulated by the government through rules.
- **BOT Annuity**
 - Similar to a BOT Toll projects, in BOT Annuity project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The concessionaire earns revenue in the form of pre-determined semi-annual annuity payments.
- **HAM**
 - Similar to a BOT projects, in HAM project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The construction period for HAM projects is project specific and a fixed operation period of 15 years.

4.8 **Government Investment in the Sector**

- 4.8.1 Under Union Budget 2023-24, the Government of India has allocated Rs. 270,435 crore to the Ministry of Road Transport and Highways.
- 4.8.2 The Government aims to increase the toll revenue to INR 1.3 Trillion by 2030. In 2014, the waiting time at the toll plazas was 734 seconds, whereas in the 2023 this has reduced to 47 seconds. We are hopeful that we will bring it down to 30 second soon
- 4.8.3 NHAI is in the process to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT).

4.9 **Recent Initiatives by Government**

4.9.1 **Bhoomi Rashi – Land Acquisition Portal**

The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitises the cumbersome land acquisition process, and also helps in processing notifications relating to land

acquisition online. Processing time, which was earlier two to three months has come down to one to two weeks now.

4.9.2 FASTag – Electronic Toll Collection

National Electronic Toll Collection (NETC) system, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology.

4.9.3 Revival of languishing projects

Projects which were languishing for a number of years have been attempted to be revived, with the help of a number of policy measures taken by the government. Some of the policy measures like Premium deferment in stressed projects, extension of concession period for languishing projects to the extent of delay not attributable to concessionaires, One Time Capital Support for physical completion of languishing projects that have achieved at least 50 per cent physical progress, through one time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

4.9.4 Rural development

Under the Union Budget 2023-24, the Government of India allocated Rs. 19,000 (US\$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

4.9.5 Portfolios in roads & highways sector

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

4.9.6 International Tie-ups

In December 2020, the Ministry of Road Transport and Highways signed an MoU with the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology of the Republic of Austria on technology cooperation in the road infrastructure sector.

4.9.7 Encourage private funding to reduce finance constraints

- Cumulative FDI inflows in construction development stood at US\$ 26.21 billion between April 2000-March 2022. MAIF 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US\$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.
- 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 incentivising 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.

4.10 **Outlook**

4.10.1 India's infrastructure sector is rapidly evolving and the key trends demonstrate positivity and optimism. The market for roads and highways in India is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing Government initiatives to improve transportation infrastructure in the country. For the period of 2016-17 to 2021-22, the CAGR stands at 20%.

4.10.2 Development and maintenance of road infrastructure is a key Government priority, the sector has received strong budgetary support over the years. During the past years, the standardized processes for Public Private Partnership & public funded projects and a clear policy framework relating to bidding and tolling have also been developed.

- 4.10.3 The major initiatives undertaken by the Government such as National Infrastructure Pipeline (NIP) and the PM Gati Shakti National Master Plan will raise productivity, and accelerate economic growth and sustainable development.
- 4.10.4 The highways sector in India has been at the forefront of performance and innovation. The government is committed towards expanding the National Highway network to 2 lakh kilometres by 2025 emphasizing the construction of the World Class Road infrastructure in time bound & target oriented way. India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector.
- 4.10.5 The Asian Development Bank ranked India at the first spot in PPP operational maturity and also designated India as a developed market for PPPs. The Hybrid Annuity Model (HAM) has balanced risk appropriated between private and public partners and boosted PPP activity in the sector.

Sources: IBEF Roads Report, November 2022; KPMG Report - Roads and Highway Sector; ICRA reports, website of Ministry of Road Transport and Highways, Government of India.

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5. Valuation Methodology and Approach

- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV and fair adjusted EV of the SPV.
- 5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 5.3. There are three generally accepted approaches to valuation:
 - a) "Cost" approach
 - b) "Market" approach
 - c) "Income" approach

Cost Approach

- 5.4. The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV") Method

- 5.5. The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

Market Approach

- 5.6. Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

- 5.7. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

- 5.8. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("EBITDA") multiple and EV/Revenue multiple.

Market Price Method

- 5.9. Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Income Approach

- 5.10. The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

- 5.11. Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

Conclusion on Cost Approach

- 5.12. The existing book value of EV of the SPV comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the Provisional Financial Statements as at 31st March 2024 prepared as per Indian Accounting Standards (Ind AS) are as under :

SPV	Book EV (INR Mn)
BETPL	1,827

- 5.13. In the present case, the SPV operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement. During the concession period, the SPV operate and maintain the road asset and earns revenue through Charges and collection of user fee in the form of Toll revenue. The charges, fees or tolls that may be collected are notified by relevant government authority, which are usually revised annually as specified in the relevant concessions and toll notifications. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

Conclusion on Market Approach

- 5.14. The present valuation exercise is to undertake fair EV of the SPV engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPV depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Conclusion on Income Approach

- 5.15. The SPV operates under a BOT or DBFOT based concession agreement with the relevant regulatory authorities. Government authorities in India typically award highway infrastructure development projects under BOT concessions, which are characterized by three distinct phases:
1. Build: upon successfully securing a project concession through a competitive bid, a concessionaire secures financing for, and completes construction, of a road;
 2. Operate: during the agreed concession period, the concessionaire operates, manages and maintains the road at its own expense and earns revenues by collecting tolls from vehicles using the road; and
 3. Transfer: at the end of the agreed concession period, the ownership of the road (rights over the road under the concession), the obligation to maintain the road and the right to collect tolls from the vehicles using the road revert to the government entity that granted the concession.
- 5.16. A DBFOT project involves, in addition to the activities required under a BOT project, the provision of engineering and design for such project.
- 5.17. Currently, the SPV are completed and revenue generating. The revenue of the Toll SPV is based on tenure, traffic volumes, operations, macro-economic factors like GDP growth, WPI, and other factors that are unique to the SPV. The SPV derive almost all of the revenue from its toll-road operations (toll collections) over the operation period.

Traffic plying through the toll road is primarily dependent on sustained economic development in the regions that they operate in and government policies relating to infrastructure development. The Toll SPV are substantially dependent on the accuracy of their respective traffic volume forecasts. The rights in relation to the underlying assets of the SPV shall be transferred after the expiry of the Concession Period. Accordingly, since the SPV is generating income based on pre-determined agreement mechanism and since the Investment Manager has provided me with the financial projections of the SPV for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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6. Valuation of the SPV

- 6.1. In the present exercise, my objective is to determine the Fair Enterprise Value of the SPV as per the DCF Method. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. Accordingly, in the present case, I have considered it appropriate to consider cash flows at FCFF (Free Cash Flow to Firm) level i.e., cash flows that are available to all the providers of capital (equity shareholders, preference shareholders and lenders). Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund raising are not considered in the calculation of FCFF.
- 6.2. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information. However, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.
- 6.3. Following are the major steps I have considered in order to arrive at the EV of the SPV as per the DCF Method:
1. Determination of Free Cash Flows to Firm which included:
 - a) Obtaining the financial projections to determine the cash flows expected to be generated by the SPV from the Investment Manager;
 - b) Analyzed the projections and its underlying assumptions to assess the reasonableness of the cash flows;
 2. Determination of the discount rate for the explicit forecast period; and
 3. Applying the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

- 6.4. The key assumptions of the projections provided to me by the Investment Manager are:

Key Assumptions:

6.5. Revenue cash flows for the SPV:

The SPV are responsible for designing, building, financing, operating, maintaining and transferring the project to the authority at the end of the concession period. The right and responsibility for tolling is with the SPV. The SPV earn revenue primarily in the form of toll revenue.

6.6. Toll Revenue:

As per the concession agreement of the SPV, the Concessionaire is allowed to levy, demand, collect and appropriate the fees (called as toll fees) from vehicles and persons liable to payment of fees for using their road stretch or any part thereof and refuse entry of any vehicle to the road asset if the due fee is not paid. Toll revenues depend on toll receipts, which in turn depend on traffic volumes and toll fees on the toll roads.

The Investment Manager has provided with the cash flow projections relating to the toll revenue in case of BETPL from 1st April 2024 to 09th September 2026.

6.7. Concession Period

BETPL :

The Concession Period refers to the period where the Concessionaire has the responsibility to construct the road asset and post-construction is granted with the exclusive rights, license and authority to demand, collect and appropriate fee, operate, manage and maintain the project highway subject to the terms and conditions mention in their respective concession agreement.

The cash flow projections are prepared by the Investment Manager for the balance concession period remaining from the Valuation Date. The Concession Period for STPL will end on 09th September 2026.

6.8. Traffic Volumes

Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside of the control of the SPV, including: fuel prices in India; the frequency of traveler use; the quality, convenience and travel efficiency of alternative routes outside the SPV's network of toll roads; the convenience and extent of a toll road's connections

with other parts of the local, state and national highway networks; the availability and cost of alternative means of transportation, including rail networks and air transport; the level of commercial, industrial and residential development in areas served by the SPV's projects; adverse weather conditions; and seasonal holidays.

6.9. Toll Rates

During the concession period, the SPV operate and maintain the road assets and earn revenues through charges, fees or tolls generated from the assets. The amount of charges, fees or tolls that they may collect are notified by the relevant government authorities, which are usually revised annually as specified in the relevant concession agreement considering Tariff Rate Determination Rules, 2008, published by NHAI in toll notification for the SPV on annual basis.

The toll rates for the projected period have been derived in the manner stipulated in the concession agreement of the SPV.

In the present case, the Investment Manager has appointed M/s Ramboll India Private Limited an independent third-party research agency to forecast the traffic volumes and toll revenues for the SPV. As confirmed by the Investment Manager, the traffic volumes and toll revenues for the SPV have been estimated by the traffic consultant after considering overall structure and condition of the projects including analysis of demand and supply and strategic geographical locations of the individual road projects. This was one of the most important input in projecting the toll revenues.

6.10. Operating and Maintenance Expenses:

Since the SPV are operational on the Valuation Date, following are the major costs incurred by the SPV:

6.11. Operation and Maintenance Costs (Routine) ("O&M Costs")

These are routine costs incurred every year. These costs are related to the normal wear and tear of the road and hence involve repairing the patches damaged mainly due to heavy traffic movement. O&M Costs also includes staff salaries, project management fees, professional fees, insurance, security expenses, electricity, etc. The primary purpose of these expenses is to maintain the road as per the specifications mentioned in the respective concession agreement. SPV are responsible for carrying out operation and maintenance activities at the road during their concession period. Within the scope of such operation and maintenance obligations, the SPV may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the projects as may be required.

I understand from the Investment Manager that after acquisition of the SPV, the Project Manager of the Trust will be supervising and managing the operations & maintenance of the Project Road, which will be undertaken through the O&M contractors at the SPV level.

6.12. Major Maintenance and Repairs Costs ("MMR Costs")

Estimating the MMR Costs

Major maintenance expenses will be incurred on periodic basis. These are the costs incurred to bring the road assets back to its earlier condition or keep the road assets in its normal condition as per the concession agreement terms. These expenses are primarily related to the construction or re-laying of the top layer of the road. Accordingly, such costs include considerable amounts of materials and labour.

I have relied on the major maintenance expenses as provided by the Investment Manager.

6.13. Depreciation and Amortization: The toll collection rights or the financial rights (intangible assets) of the SPV are being amortized over the period of concession using the revenue based amortization method prescribed under Schedule II of the Companies Act, 2013.

6.14. Capital Expenditure ("Capex"): As represented by the Investment Manager, regarding the maintenance Capex, the same has already been considered in the Operation & Maintenance expenditure and Major Maintenance and Repairs expenditure for the projected period.

6.15. Direct Taxes: As per the discussions with the Investment Manager, the old provisions of Income Tax Act have been considered for the SPV till the same is beneficial in the form of reduced tax out flow on account of benefits of MAT under section 115JB. After the MAT credit is exhausted, these SPV would shift to the new tax regime under section 115BAA (with a base rate of tax of 22%, surcharge of 10%).

6.16. Working Capital:

The Investment Manager has provided projected Working Capital information for the SPV. I have relied on the same.

6.17. Impact of Ongoing Litigation on Valuation

As on 31st March 2024, there are ongoing litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the cases are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPV.

Calculation of Weighted Average Cost of Capital for the SPV

6.18. Cost of Equity:

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

$$K(e) = R_f + [ERP * Beta] + CSR_P$$

Wherein:

K(e) = cost of equity

R_f = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSR_P = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation (Refer Appendix 2).

6.19. Risk Free Rate:

I have applied a risk free rate of return of 6.97% on the basis of the zero coupon yield curve as on 31st March 2024 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

6.20. Equity Risk Premium ("ERP"):

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.21. Beta:

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period.

For the valuation of the SPV, I find it appropriate to consider the beta of Ashoka Buildcon Limited and IRB Infrastructure Developers Limited for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPV like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPV.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Further I have re-levered it based on debt-equity at 50:50 based on the industry Debt: Equity ratio of DBFOT/BOT based projects using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPV. (Refer Appendix 2)

6.22. Company Specific Risk Premium (“CSRP”):

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the counter-party risk for the SPV, considering the length of the explicit period for the SPV, and basis my discussion with Investment Manager, I found it appropriate to consider 0% CSRP.

6.23. Cost of Debt:

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

Wherein:

$$K(d) = \text{Cost of debt}$$

$$T = \text{tax rate as applicable}$$

For valuation exercise, pre-tax cost of debt has been considered as 10.45% for the SPV, as represented by the Investment Manager based on the weighted average Cost of Debt of the SPV.

6.24. Weighted Average Cost of Capital (WACC):

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:

$$WACC = [K(d) * \text{Debt} / (\text{Debt} + \text{Equity})] + [K(e) * (1 - \text{Debt} / (\text{Debt} + \text{Equity}))]$$

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPV.

(Refer Appendix 2 for detailed workings).

6.25. Cash Accrual Factor (CAF) and Discounting Factor:

Discounted cash flow require to forecast cash flows in future and discount them to the present in order to arrive at present value of the assets as on Valuation Date. To discount back the projections we use the Cash Accrual Factor (“CAF”). The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue.

In case of Toll Projects, since the cash inflows and outflows occur continuously year-round, it is assumed that the Cash Flows are received in the middle of the annual period, i.e., Mid-point factor. Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by present value factor, where the present value factor is determined by raising one plus discount rate (WACC) raised to the power of the CAF.

$$DCF = [CF1 / (1+r)^{CAF1}] + [CF2 / (1+r)^{CAF2}] + \dots + [CFn / (1+r)^{CAFn}]$$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC)

- 6.26. At the end of the agreed concession period, the rights in relation to the underlying assets, its operations, the obligation to maintain the road and the right to collect tolls from the vehicles using the road revert to the government authority that granted the concession. Hence, SPV are not expected to generate cash flow after the expiry of their respective concession agreements. Accordingly, I found it appropriate not to consider terminal period value, which represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the assets or into perpetuity if the assets have an indefinite life, in this valuation exercise.

7. Valuation Conclusion

- 7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPV.
- 7.3. Based on the above analysis, the fair EV as on the Valuation Date of the SPV is as mentioned below:

				INR Mn
SPV	End of Projected Period	Projection Period (Balance Concession Period)	Enterprise Value	Adjusted Enterprise Value
BETPL	09 th September 2026	~2 Years 6 Months	3,013	5,593
<i>(Refer Appendix 1 for detailed workings)</i>				

- 7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.
- 7.5. Adjusted Enterprise Value ("Adj. EV") is described as the Enterprise Value plus any closing cash or cash equivalents as at the date of valuation.
- 7.6. The fair EV of the SPV are estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 7.7. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

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

8.1. Scope of Work

The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPV are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

8.2. Limitations

This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

8.3. Analysis of Additional Set of Disclosures for the SPV

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

The list of sanctions/ approvals obtained by the SPV till the date of this Report is provided in Appendix 3.1. As informed by the Investment Manager, there are no applications for government sanctions/ licenses by the SPV for which approval is pending as on 31st March 2024. Further, I have been informed by the Investment Manager that any applicable approvals required for any works to be undertaken during the operation phase are obtained as and when necessary based on the nature or extent of such works.

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

The Investment Manager has confirmed that the SPV are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st March 2024.

C. Statement of assets included:

The details of assets in INR Mn of the SPV as at 31st March 2024 are as mentioned below:

					INR Mn
Sr. No.	SPV	Net Fixed Assets	Net Intangible Asset	Non-Current Assets	Current Assets
1	BETPL	37	2,723	3,464	4,370
Total		37	2,723	3,464	4,370

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

I have been informed that maintenance is regularly carried out by SPV in order to maintain the working condition of the assets.

Historical major repairs

BETPL							
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Amt. (in Mn)	24	144	126	179	-	345	53

Forecasted major repairs

SPV	FY 25	FY 26	FY 27
BETPL	608	-	446

Source: Investment Manager

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

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPV (InvIT assets).

F. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of arbitration matters and status of tax assessments are updated in Appendix 4.

Investment Manager has informed us that majority of the cases are having low to medium risk and accordingly no material outflow is expected against the litigations.

Hence, I have relied on the Investment Manager with respect to the current status of the above mentioned cases.

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

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

9. Sources of Information

- 9.1. For the Purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:
- i. Audited Financial Statements of the SPV for Financial Year ("FY") ended 31st March 2021, 31st March 2022 and 31st March 2023;
 - ii. Provisional Financial Statements of the SPV for the period ended 31st March 2024;
 - iii. Projected financial information for the remaining project life for the SPV;
 - iv. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);
 - v. Traffic Study Report dated October 2023 prepared by M/s Ramboll for the SPV;
 - vi. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 31st March 2024;
 - vii. Concession Agreement of the SPV with the respective authority including the supplementary agreement;
 - viii. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPV;
 - ix. Shareholding pattern as on the report date of the SPV and other entities mentioned in this Report;
 - x. Management Representation Letter by the Investment Manager dated 09th May 2024;
 - xi. Relevant data and information about the SPV provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
- 9.2. Information provided by leading database sources, market research reports and other published data.
- 9.3. The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.
- 9.4. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.
- 9.5. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

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10. Exclusions and Limitations

- 10.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 10.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st March 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPV till 31st March 2024. The Investment Manager has represented that the business activities of the SPV have been carried out in normal and ordinary course between 31st March 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 31st March 2024 and the Report date.
- 10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to me.
- 10.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out here in which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 10.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 10.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 10.8. 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, please note this 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.
- 10.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.
- 10.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 10.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 10.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 10.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

- 10.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 10.15. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.
- 10.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 10.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 10.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 10.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.
- 10.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 10.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 10.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 10.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPV.
- 10.24. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.

Limitation of Liabilities

- 10.25. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.
- 10.26. In no circumstances RV 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 RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).
- 10.27. It is clarified that the Investment Manager 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.
- 10.28. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

10.29. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

SWAMINATHAN
SUNDARARAM
AN

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2024.05.10
22:18:54 +05'30'

S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 24028423BKGAAP8393

Appendix 1 – Valuation as on 31st March 2024 under the DCF Method

Year	Revenue	EBITDA	MMR Expense		Capex	Wcap	Tax	FCFF	CAF	WACC	DF	INR Mn	
			A	B								C	D
FY 25	2,420	2,071	(608)	-	-	(61)	(171)	1,231	0.50	10.5%	0.95		1,171
FY 26	2,344	1,985	-	-	-	-	(130)	1,855	1.50	10.5%	0.86		1,596
FY 27*	1,021	851	(446)	-	-	-	(27)	378	2.22	10.5%	0.80		303
Present Value of Explicit Period												3,070	
(+/-) Present Value of Working Capital release												(57)	
Enterprise Value												3,013	
(+) Closing Cash or Cash Equivalents as at the Valuation date												4,908	
(-) Payable to Erstw hile Shareholders for Prolongation Claim Received												(2,329)	
Adjusted Enterprise Value												5,593	
*09th September 2026													

*09th September 2026

* The Investment Manager has informed me that the SPV received a prolongation claim related to a delay in granting the right of way, leading to increased construction costs, higher interest on borrowings, and loss of toll revenue. This claim pertains to a past period and will be distributed among the past shareholders/EPC contractors according to the inter-se agreement's defined method. Furthermore, the Investment Manager confirmed that delayed payment of this amount to the shareholders will not incur any interest payment or additional liability for the SPV. Consequently, I have adjusted the outstanding claim payable to the former shareholders when determining the adjusted enterprise value of the SPV

Appendix 2 – Weighted Average Cost of Capital of the Toll SPV as on 31st march 2024

Particulars	BETPL	Remarks
Risk free return (Rf)	6.97%	Risk Free Rate has been considered based on zero coupon yield curve as at 31 st March 2024 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Market Risk Premium (ERP)	7.00%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (Relevered)	0.78	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Cost of Equity (Ke)	12.40%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	0.00%	Based on SPV specific risk(s)
Revised Cost of Equity (Ke)	12.40%	Adjusted Ke = Rf + (β x ERP) + CSRP
Pre-tax Cost of Debt (Kd)	10.45%	As represented by the Investment Manager
Tax rate of SPV	17.47%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt (Kd)	8.62%	Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)
Debt/(Debt+Equity)	50.00%	Debt : Equity ratio computed as [D/(D+E)]
WACC	10.51%	WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]

Appendix 3 – Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Validity	Issuing Authority
1	CRS Sanction for the construction and launching of Limited Height Subway between stations	NA	NA	NA
2	Grant of consent to operate to BETPL	06-04-2010	23-07-2026	NHAI
3	Application for consent to operate under section 21 of Air (Prevention and Control of Pollution) Act, 1981.	23-08-2006	30-06-2007	Karnataka State Pollution Control Board
4	NOC for town Planning department.	NA	NA	NA
5	Permission of Environment Ministry for cutting of trees	20/10/2005	NA	Deputy Conservator of Forests, Bangalore
6	Regarding lifting of ordinary soil	NA	NA	NA
7	Permission of State government for drawing water from river/reservoir	NA	NA	NA
8	Inspection Certificate for Static Weight Bridge at various Toll Plazas (Legal Metrology)	27-11-2020	05-12-2023	Department of Legal Metrology
9	Inspection Certificate for WIM installed at various Toll Plazas	27-11-2020	05-12-2023	Department of Legal Metrology
	62.5 KVA at Main base camp	27-07-2021	NA	
	62.5 KVA at electronic city phase-1	27-07-2021	NA	
	15KVA at electronic city phase-2	27-07-2021	NA	
	15KVA at Bommasandra Base camp	05-08-2021	NA	
	125KVA	16-07-2021	NA	
10	Permission for setting up of Plant, installation of crushers, camp, stockyard, etc.	NA	NA	NA
11	Commissioning approval of the electrical installation for availing temporary power supply for Construction purpose	NA	NA	NA
12	License for Use of Explosives	NA	NA	NA
13	Main Cartage way Blasting Licence	NA	NA	NA
14	Fire Prevention and Fire Safety act	NA	NA	NA
15	Air Analysis Report	NA	NA	NA
16	Liquid sample Analysis Report(Waste Water)	NA	NA	NA
17	Noise Monitoring Report	NA	NA	NA
18	Authorisation of Sale of Hazardous Waste Material	NA	NA	NA
19	Employee State Insurance Code number	02-06-2010	NA	ESIC- Bangalore South (Bommasandra)
20	Huskur Village Panchayat approval for batching plant	04-11-2006		Huskur village Panchayat
21	Kudlurige Panchayat approval for operation (Stock Yard and diesel Bunk)	13-09-2006		Kudlurige Panchayat
22	Mayasandra village Panchayat approval for casting yard	03-05-2006		Mayasandra Village Panchayat
23	Certificate of registration under Building and other construction workers Act to Maytas	10-07-2006		Ministry of labour
24	Permit for Boiler	30-11-2006		Department of Factories, boilers, Industrial Safety and health
25	Permit for boreholes	06-12-2019		District Groundwater Office
26	Permit for casting yard	03-05-2006		
27	Permit for crusher	29-08-2006		Bangalore Zilla Panchayat
28	Permit for storing diesel	07-11-2006	07-11-2007	Petroleum and explosives safety organisation(PESO)
29	Certificate of registration under Building and other construction workers Act to Soma Enterprises	06-07-2006		Ministry of labour
30	Employees Provident fund Code Number	26-10-2009		Office of the Regional PF commissioner-AP Hyderabad
31	Professional Tax	17-06-2010		Govt.Of Karnataka -Commercial Tax Dept.
32	Labour licenses (issued by local Labour Commissioner)	20-12-2022	23-12-2023	Ministry of Labour & Employment

Source: Investment Manager

Appendix 4.1 – Summary of ongoing litigation

BETPL

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (In Mn)
1	Claim under State Support Agreement for toll revenue loss due to refusal of Toll Fee by Locals at Attibelle toll plaza	1	Delhi High Court	<p>Arbitral Tribunal (AT) on 12 February 2021 has awarded claim of INR 54.60 Cr. in BETPL favour. This amount is pertaining to revenue loss from May 2010 i.e. from COD to December 2018. For further period i.e. from January 2019 onwards, BETPL is entitled to approach NHAI to determine and certify the revenue loss and forward the same to GOK. Alternatively the BETPL may adopt any other mode of redressal for this period in accordance with Law.</p> <p>GOK has filed an application under Section 34 of the Arbitration and Conciliations Act, 1996 (A&C Act) for setting aside aforesaid award. During last hearing on 11 May 2023, GOK has informed that it has filed the rejoinder in response to BETPL defense. Next hearing in this matter is scheduled on 15 July 2024.</p>	546
2	Case/ complaint has been filled by BETPL on 13 July 2017 under section 138 of Negotiable Instruments Act, 1881 and under Section 200 of The Code Of Criminal Procedure, 1973 for bouncing of cheque provided by the contractor as security against advance payment made.	1	Court of Civil Judge and JMFC at Anekal, Karnataka	<p>Case/ complaint has been filled by BETPL on 13 July 2017 under section 138 of Negotiable Instruments Act, 1881 for bouncing of cheque provided by the contractor as security against advance payment made.</p> <p>Next hearing in this matter has been adjourned to 05 June 2024.</p>	2.5

<< End of Report >>