

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: 30th September 2023

Report Date : 15th December 2023

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

S. SUNDARARAMAN

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2024/27

Date: 15th December 2023

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 9th November 2023 as an independent valuer, as defined as per Regulation 2 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")**, for the purpose of the financial valuation of the special purpose vehicle (defined below and hereinafter referred to as "**the SPV**") proposed to be acquired by the InvIT. The SPV is to be valued in accordance with the Master Circular for Infrastructure Investment Trusts vide circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 6th July 2023 read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended and circulars issued by SEBI from time to time.

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 30th September 2023. ("**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 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 30th September 2023, where the adjusted enterprise value ("Adjusted EV") is derived as EV as defined above plus cash or cash equivalents of the SPV as at 30th September 2023.

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	Swarna Tollway Private Limited – Nandigama Ibrahimpatnam Section	STPL	Toll	12-07-2005
2	Swarna Tollway Private Limited – Tada Nellore Section	STPL	Toll	31-10-2005
3	Gujarat Road & Infrastructure Company Limited – Vadodara Halol Section	GRICL	Toll	24-10-2000
4	Gujarat Road & Infrastructure Company Limited – Ahmedabad Mehsana Section	GRICL	Toll	20-02-2003

(Hereinafter referred to as "**the SPVs**")

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,



S. Sundararaman

Registered Valuer

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

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWJE8744

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
AMRP	Ahmedabad - Mehsana Road Project
BOT	Build, Operate and Transfer
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
GRICL	Gujarat Road and Infrastructure Company Limited
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
NHDP	National Highways Development Project
NIV	Nandigama – Ibrahimpatnam Section of NH 65
STPL	Swarna Tollway Private Limited
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
TN	Tada – Nellore Section of NH 16
VHRP	Vadodara - Halol Road Project
WACC	Weighted Average Cost of capital

Contents

Section	Particulars	Page No.
1	Executive Summary	7
2	Procedures adopted for current valuation exercise	13
3	Overview of the InvIT and the SPV	14
4	Overview of the Industry	22
5	Valuation Methodology and Approach	30
6	Valuation of the SPV	33
7	Valuation Conclusion	38
8	Additional procedures for compliance with InvIT Regulations	39
9	Sources of Information	41
10	Exclusions and Limitations	42
	Appendices	
11	Appendix 1 : Valuation of SPV as on 30 th September 2023	45
12	Appendix 2 : Weighted Average Cost of Capital of the SPV	48
13	Appendix 3: Summary of Approvals and Licenses	49
14	Appendix 4: Summary of Ongoing Litigations	51

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 10 road projects in the Indian states of Gujarat, Madhya 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 and Madhya Pradesh Road Development Corporation Limited ("MPRDC").
- 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	77.66 %
2	2452991 Ontario Limited	9,37,96,248	19.48 %
3	Others	1,04,00,000	2.85 %
Total		48,14,31,294	100.0 %

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	100.0 %
2	Vidyadhar S. Dabholkar*	1	0.0 %
Total		3,76,47,289	100.0 %

* 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	100.0 %
2	Vidyadhar S. Dabholkar*	1	0.0 %
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 SPVs proposed to be acquired. In this regards, I have been mandated to determine the fair enterprise value of the SPVs as defined in the Letter in accordance with the SEBI InvIT Regulations and in this context would like me to carry out valuation of SPVs as on 30th September 2023.

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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	Swarna Tollway Private Limited	STPL
2	Gujarat Road Infrastructure Company Limited	GRICL

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

I understand that the Trust, which is not a publicly offered InvIT is contemplating to acquire 100% equity stake/economic interest in STPL from the existing respective shareholders and 56.8% equity stake/economic interest in GRICL from Macquarie. (“Proposed Transaction”)

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 30th September 2023 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 30th September 2023.

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 or 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 SPVs is 30th September 2023 (“Valuation Date”). The attached Report is drawn up by reference to accounting and financial information as on 30th September 2023. The RV is not aware of any other events having occurred since 30th September 2023 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 Steer in its Traffic Study Report and O&M expense and Major Maintenance expense as provided by M/s Sri Infotech and M/S Resotech Consultancy in its Technical Due Diligence 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 STPL, the Concession period is from 27 th September 2001 to 26 th September 2031, while in case of GRICL - AMRP the Concession period is from 20 th February 2003 to 19 th February 2033 and for GIRCL - VHRP the concession period is from 24 th October 2000 to 23 rd October 2030. Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.
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 SPVs. In order to arrive at the fair EV of the SPVs under the DCF Method, I have relied on Provisional Financial Statements as at 30th September 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for the SPVs. 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 SPVs. 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 SPVs as on the Valuation Date:

				INR Mn
Sr. No.	SPV	WACC	Enterprise Value	Adjusted Enterprise Value
1	STPL	9.97%	14,635	19,027
2	GRICL	10.46%	11,106	14,797
Total			25,741	33,824

(Refer Appendix 1 & 2 for the detailed workings)

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 SPVs as at 30th September 2023, where the adjusted enterprise value ("Adjusted EV") is derived as EV as defined above plus cash and current investments of the SPVs as at 30th September 2023.

- 1.10. The fair EV of the SPVs 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	STPL	9.47%	14,901	9.97%	14,635	10.47%	14,377
2	GRICL	9.96%	11,325	10.46%	11,106	10.96%	10,893

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	STPL	8.97%	15,174	9.97%	14,625	10.97%	14,126
2	GRICL	9.46%	11,550	10.46%	11,106	11.46%	10,687

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	12,544	14,635	16,632
2	GRICL	9,369	11,106	12,842

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	15,169	14,635	14,102
2	GRICL	11,552	11,106	10,659

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 SPVs;
 - 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 SPVs – 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 SPVs;
 - 2.2.8. Determination of fair EV and Fair Adjusted EV of the SPVs on a going concern basis at the Valuation Date.

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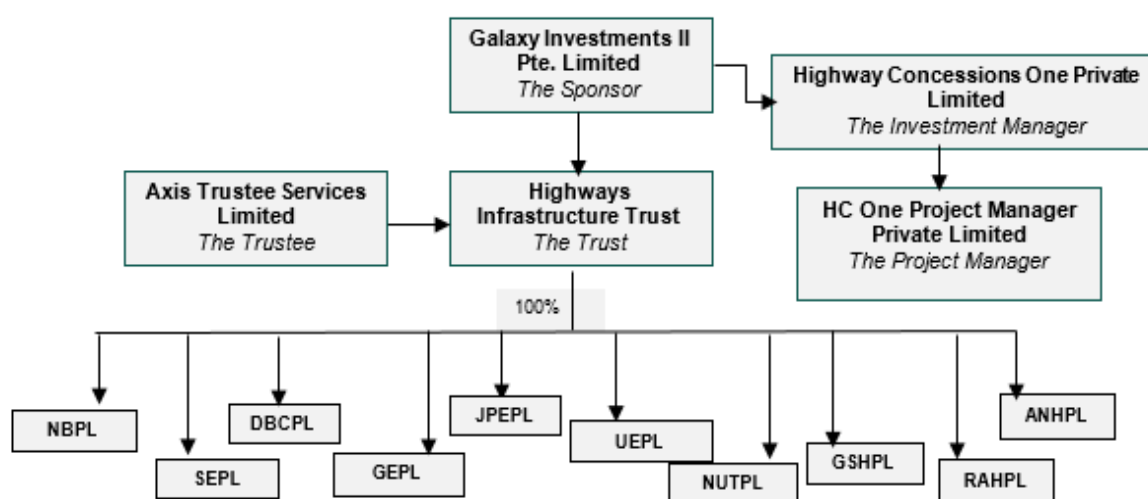
3. Overview of InvIT and SPV

The Trust

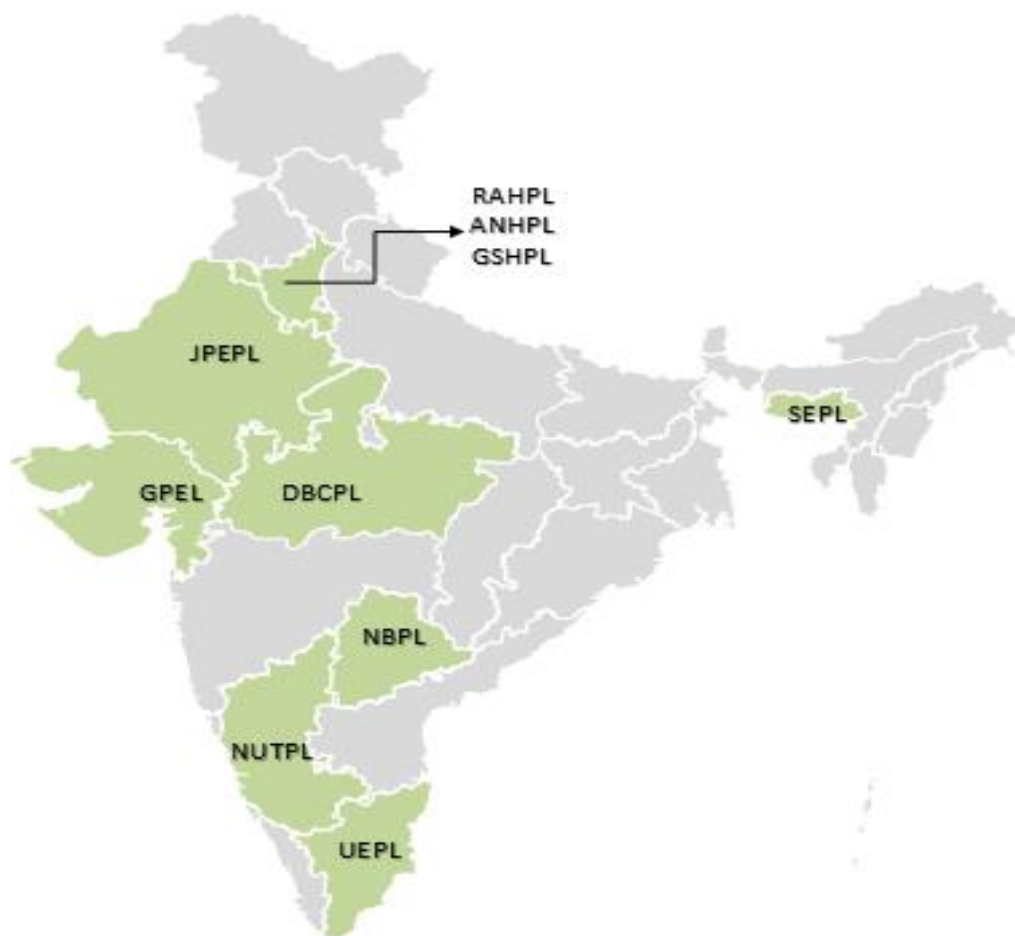
- 3.1. Galaxy Investments II Pte. Ltd. is the Sponsor of the Trust. The Sponsor was incorporated on 11th June 2021 in Singapore. Galaxy is involved in investment activities primarily with an objective of earning long term capital appreciation. Galaxy seeks to invest in companies incorporated in India 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 SPVs, held under the trust including the date and cost of acquisition :

Sr. No.	SPV	Name	Acquisition Date	Acquisition Cost (INR Mn)
1	NBL	Nirmal 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	NUTPL	Navayuga Udupi Tollway Private Limited	02 nd Nov 2023	196
8	GSHPL	Gurgaon Sohna Highway Private Limited	21 st Nov 2023	844
9	RAHPL	H.G. Rewari Ateli Highway Private Limited	21 st Nov 2023	758
10	ANHPL	H.G. Ateli Narnaul Highway Private Limited	21 st Nov 2023	1,511

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



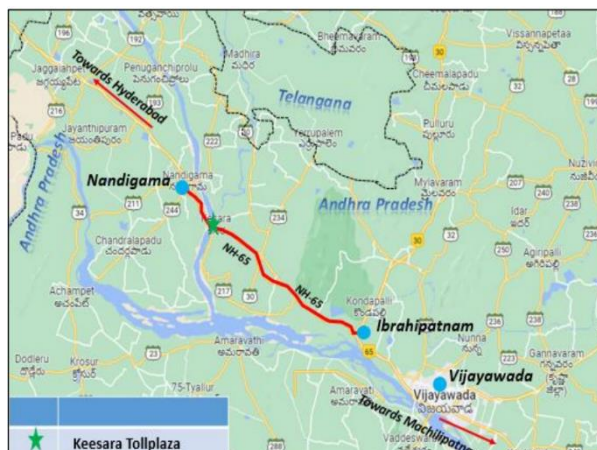
3.6. A map depicting the respective location of the existing project SPVs of the Trust is provided below:



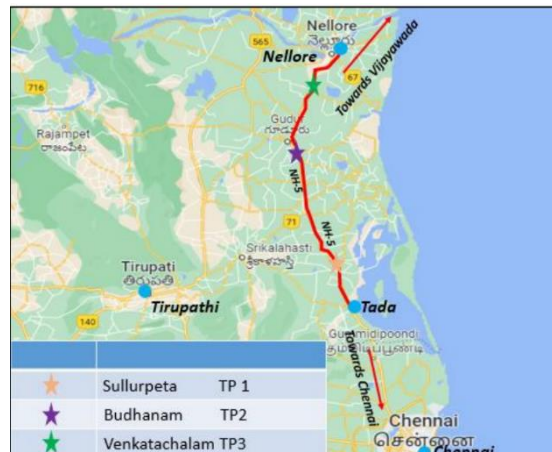
Background of the SPVs

Swarna Tollway Private Limited (“STPL”)

- 3.7. Swarna Tollway Private Limited (STPL) was incorporated as on 11th May 2001. The NHA entered into a concession agreement dated 27th March 2001 with CIDB Inventures SON. BHD. Malaysia (CIDB). CIDB formed a SPV, Swarna Tollway Private Limited for the purpose of performing all the obligation of CIDB under the project. The project was awarded to the CIDB Inventures SON. BHD. Malaysia (CIDB) by NHA for 30 years of Design, Engineering, financing, procurement, construction, operation, maintenance & toll collection period starting from the Appointed Date i.e. 27th September, 2001. The Project has successfully achieved its Final COD for the Nandigama Ibrahimpatnam section on 12th July 2005 and for the Tada Nellore section on 31st October 2005.
- 3.8. The map below illustrates the location of the Project and the corridor it covers:



NH- 65 Nandigama Ibrahimpatnam Section (NIV)



NH- 16 Tada Nellore Section (TN)

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

Parameters	NIV details	TN details
Total Length	49.2 Kms	110.8 Lane Kms
Nos. of Lanes	4	4
NH / SH	NH 65	NH 16
State Covered	Andhra Pradesh	Andhra Pradesh
Area (Start and End)	Nandigama to Vijayawada	Tada to Nellore
Project Cost	Rs 759.87 Crs (includes both NIV and TN)	Rs 759.87 Crs (includes both NIV and TN)
PPP Model	DBFOT	DBFOT
Project Type	Toll	Toll
Concession Granted by	NHAI	NHAI
COD Date	09-09-2004	20-02-2004
Original Concession Period (CP)	30 years from Appointed Date	30 years from Appointed Date
Extension (If any)	NA	NA
Likely End of CP	26-09-2031	26-09-2031

- 3.10. The Project Road includes Tada – Nellore section of NH-16 which starts from Ch. 54.383 (Tada) and ends at Ch. 165.183 (Nellore) & Nandigama - Ibrahimpatnam section of NH-65 (Old NH-9) which starts from Ch. 221.140 (Nandigama) and ends at Ch. 270.340 (Ibrahimpatnam).

Sr.No	Salient Features	Units	NIV	TN
1	Flexible Pavement	Km	49.1	110.5
2	Rigid Pavement	Km	0.1	0.3
3	Service road	Km	0.23	15.293
4	Slip road	Km	-	0
5	No of flyovers	No's	-	0

6	No of bypass	No's	2	0
7	Length of bypass	Km	11.968	17.147
8	No of major bridges	No's	4	14
9	No of minor bridges	No's	7	24
10	No of Major intersection/junctions	No's	3	12
11	No of Minor intersection/ Junctions	No's	21	100
12	No of Toll Plaza	No's	1	3
13	No of truck lay byes	No's	1	2
14	No. of bus shelters	No's	24	10
15	No of bus bay with shelter	No's	10	68
16	Rest areas	No's	1	2
17	Solar Blinkers	No's	40	66
18	Stone Pitching	Sqm	5.446	17.123
19	Road Signages	No's	813	1440
20	Guard Posts	No's	5	24
21	Location of Toll Plaza(chainage)		Km.232+000	km 86+00, km124+50, km.155+300

Source: Investment Manager

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

Sr. No.	Particulars	No. of Shares	%
1	MAIF Investment India 3 Pte Limited	26,99,99,999	99.99%
2	MAIF Investment India 4 Pte Limited	1	0.01%
Total		27,00,00,000	

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 STPL on 24th November 2023. Following are the pictures of the plant site :

A. Nandigama Ibrahimpatnam Section (NIV)



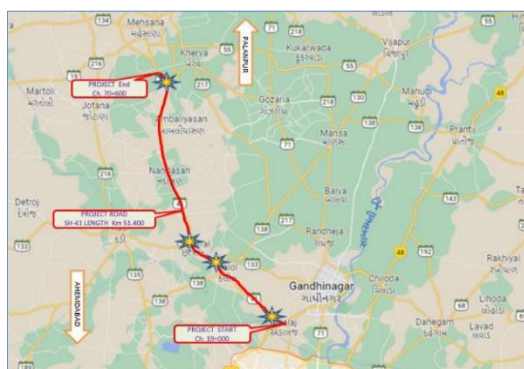
B. Tada Nellore Section (TN)



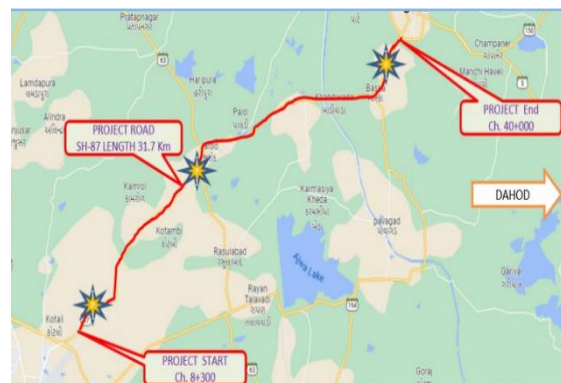
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Gujarat Road and Infrastructure Company Limited (“GRICL”)

- 3.13. Gujarat Road and Infrastructure Company Limited (GRICL) was incorporated on 2nd June 1998. GOG and IL&FS entered into Memorandum of Agreement on 31st October 1995. Under the agreed terms GOG and IL&FS incorporated two entities Vadodara – Halol Toll Road Company Limited (“VHTCL”) and Ahmedabad Mehsana Toll Road Company Limited (“AMTRCL”). Further GOG entered into a concession agreement dated 12th May 1999 and 17th October 1998 with AMTRCL and VHTCL respectively. Later these entities were amalgamated into Gujarat Road & Infrastructure Company Limited on 11th May 2005. The project was awarded to AMTRCL and VHTCL for 30 years of Build, Own, Operate, and Transfer starting from the Operation Commencement date i.e. 20th February, 2003 and 24th October 2000 respectively.
- 3.14. The map below illustrates the location of the Project and the corridor it covers:



Ahmedabad Mehsana Section of SH-41 (AMRP)



Vadodara Halol Section of SH-87 (VHRP)

- 3.15. Summary of Project details of GRICL are as follows:

Parameters	AMRP	VHRP
Total Length	51.6 Kms	31.7 Kms
Nos. of Lanes	4	4
NH / SH	SH 41	SH 87
State Covered	Gujarat	Gujarat
Area (Start and End)	Ahmedabad- Mehsana	Vadodara-Halol
Project Cost	1063.35 Crs	904.73 Crs
PPP Model	DBOT	DBOT
Project Type	Toll	Toll
Concession Granted by	NHAI	NHAI
COD Date	20-02-2003	24-10-2000
Original Concession Period (CP)	30 years from operation date	30 years from operation date
Extension (If any)	NA	NA
Likely End of CP	19-02-2033	23-10-2030

- 3.16. The Project Road includes Ahmedabad Mehsana Section of SH-41 (AMRP) from 19 Km to 70.6 Km and Vadodara Halol Section of SH-87 (VHRP) from 8.3 Km to 40 Km in the state of Gujarat.

S.No	Particulars	Units	AMRP	VHRP
1	Service road	Km	90.746 Km	57.694 Km
2	No of flyovers	No's	1	
3	RUB	No's	3	
4	ROB	No's	3	
5	No of major bridges	No's		1
6	No of minor bridges	No's	5	8
7	No of underpasses	No's		7
8	No of Subways	No's		1
9	Box culvert		6	14
10	Hume pipe culvert		63	27
11	Foot over bridges		3	
12	Slab Culvert	No's		13
	No of VUP/CUP			
13		No's	5/6	
14	No of Major intersection/junctions	No's	5	2
15	No of Minor intersection/ Junctions	No's	82	31
16	No of truck lay byes	No's		
17	No. of bus shelters/bus bay	No's	17	15
18	Lined drain	Km		6.274
19	Median drain	Km	16	
20	Median Transverse drain	Km		5.4
21	Median Opening	No's	33	29
22	Median Plantation	Km		30.403
23	avenue plantation	Km		18.532
24	Metal Beam crash barrier	Km		1.135
25	Pedestrian Guard rails	Km		8.602
26	Solar Blinkers	No's	26	26
27	Pipe Delineators	No's		288
28	3 arm lighting		1	3
29	High Mast Lighting	No's		18
30	Single Arm Lighting's	No's	274	73
31	Double Arm Lighting's	No's	377	166

Source: Investment Manager

- 3.17. The shareholding of GRICL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	MAIF Investments India Pte. Ltd.	3,15,00,955	56.8%
2	Government of Gujarat	90,87,986	16.39%
3	IL&FS Financial Services Limited	91,88,846	16.57%
4	IL&FS Transportation Networks Limited	56,84,520	10.24%
	Total	5,54,62,307	

Source: Investment Manager

- 3.18. 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.
- 3.19. My team had conducted physical site visit for GRICL on 24th November 2023. Following are the pictures of the plant site :

Ahmedabad – Mehsana Section :



Vadodara – Halol Section :



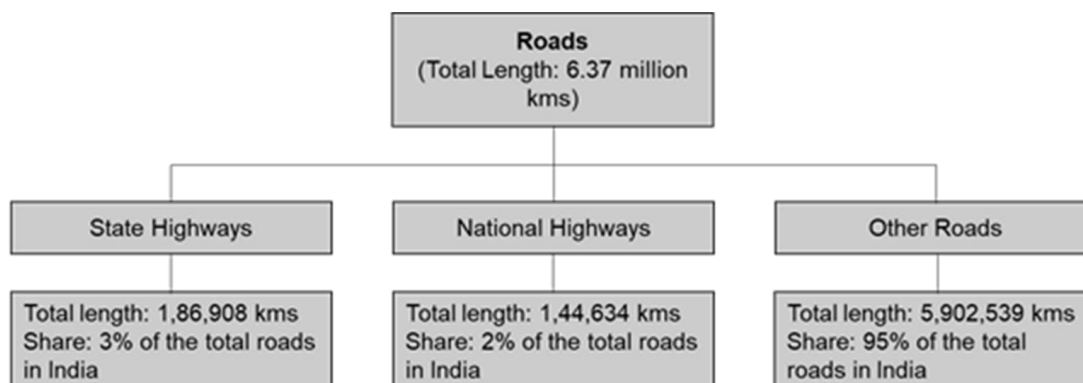
4. Overview of the Industry

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

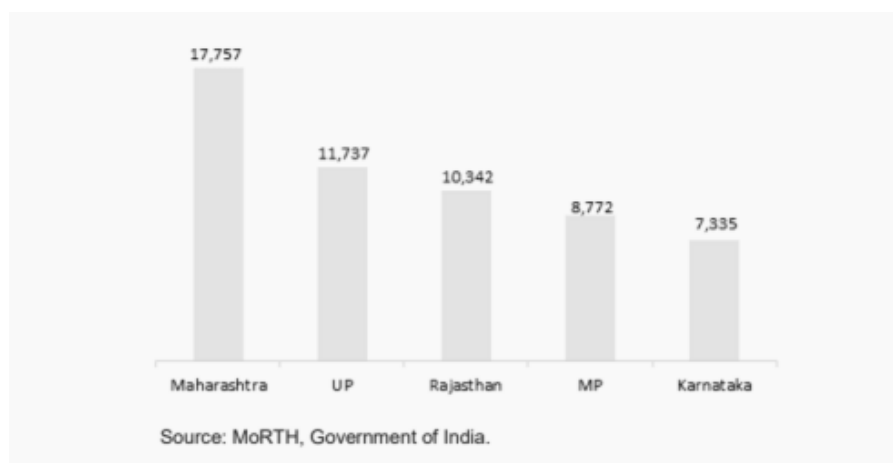
- 4.2.2 Out of this around 1.41 lakh km are National Highways ("NHs"). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40% of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometre of land – is similar 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.

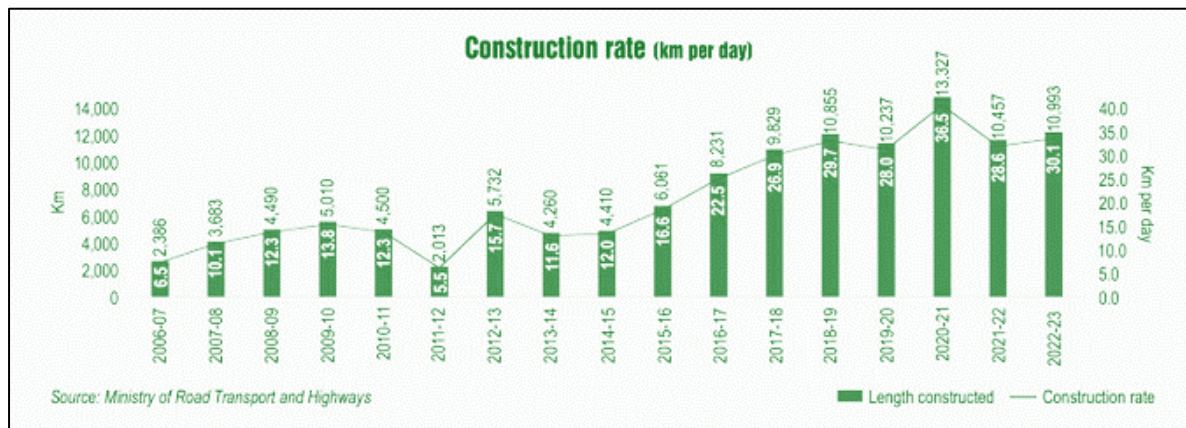
Top 5 states by length of NHs in India (in Km)



4.4 Trend of Road and Highways Construction

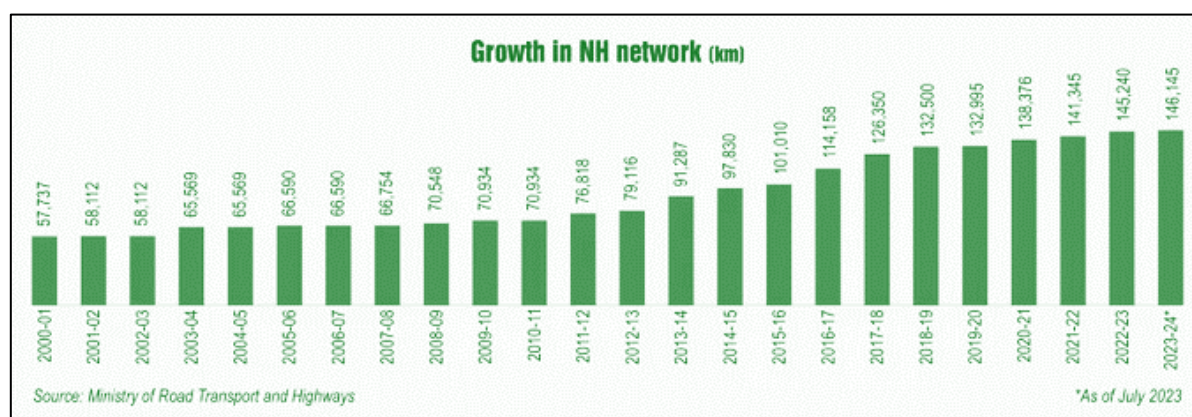
- 4.4.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY11 to FY14.
- 4.4.2 The current rate of road construction is almost three times that in 2007-08.
- 4.4.3 The launch of the Bharatmala Pariyojana in 2017 provided a big fillip to construction activity, 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).

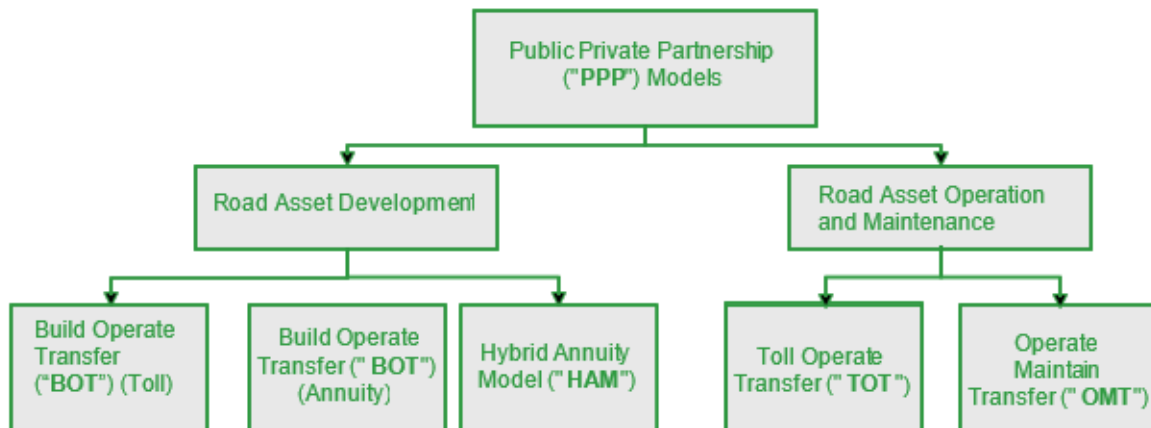
4.7 Public Private Partnership (“PPP”) Models of road development and maintenance in India

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 SPVs comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the Provisional Financial Statements as at 30th September 2023 prepared as per Indian Accounting Standards (Ind AS) are as under :

SPV	Book EV (INR Mn)
STPL	3,899
GRICL	3,550

- 5.13. In the present case, the SPVs operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement. During the concession period, the SPVs 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 SPVs 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 SPVs 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 SPVs

- 6.1. In the present exercise, my objective is to determine the Fair Enterprise Value of the SPVs 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 or 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 SPVs 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 SPVs 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 SPVs:

The SPVs 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 SPVs. The SPVs earn revenue primarily in the form of toll revenue.

6.6. Toll Revenue:

As per the concession agreement of the SPVs, 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 STPL from 1st October 2023 to 26th September 2031.

However, the Government of Gujarat vide circular dated 15th Aug 2016 implemented its decision of exempting small local vehicles from paying toll on 27 plazas on the 12 state highways. It also includes both the Ahmedabad – Mehsana and the Vadodara – Halol state highways. The government then compensates this loss of revenue to the concessionaire in the form of “compensation revenue”.

The Concessionaire keeps a track of the traffic volumes relating to this exemption and claims the amount of compensation from the government who later reimburses it to the Concessionaire.

The Investment Manager has provided with the cash flow projections relating to the toll revenue and the compensation revenue in case of GRICL from 1st October 2023 to 19th February 2033.

6.7. Concession Period

STPL :

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 mentioned 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 26th September 2031.

GRICL :

Based on the extant provisions of the concession agreement and my discussions with the Investment Manager ,I have considered the original concession period i.e. 30 years for the current valuation exercise. The cash flow projections are prepared by the Investment Manager for the balance concession period remaining from the Valuation Date. The Concession Period for GRICL will end on 19th February 2033.

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 SPVs, 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 SPVs 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 SPVs on annual basis.

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

In the present case, the Investment Manager has appointed M/s Steer Davies Gleave India Private Limited an independent third-party research agency to forecast the traffic volumes and toll revenues for the SPVs. As confirmed by the Investment Manager, the traffic volumes and toll revenues for the SPVs 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 SPVs are operational on the Valuation Date, following are the major costs incurred by the SPVs:

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. SPVs 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 SPVs 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.

The Investment Manager has provided the estimated O&M costs for the projected period and I have corroborated the said expenses with the Technical Due Diligence report of the SPVs prepared by the external professional agencies (M/S Resotech Consultancy Services Pvt. Ltd. for GRICL and M/s Sri Infotech for STPL) for estimating major maintenance expenses and O&M Costs for the projected period.

I understand from the Investment Manager that after acquisition of the SPVs, 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.

The Investment Manager has provided the estimated MMR cost for the projected period and I have corroborated the said expenses with the Technical Due Diligence report of the SPVs prepared by the external professional agencies (M/S Resotech Consultancy Services Pvt. Ltd. for GRICL and M/s Sri Infotech for STPL) for estimating major maintenance expenses and O&M Costs for the projected period.

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 SPVs 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 SPVs. I have relied on the same. However, in case of GRICL, there is a delay for the receipt of compensation revenue from the Government of Gujarat. Hence, I have considered 120 days as the receivable days for compensation revenue in case of GRICL as represented to me by the Investment Manager.

6.17. Impact of Ongoing Litigation on Valuation

As on 30th September 2023, 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 SPVs.

Calculation of Weighted Average Cost of Capital for the SPVs

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 SPVs.

$$K(e) = R_f + [ERP \times \text{Beta}] + \text{CSRP}$$

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

CSRP = 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 SPVs based on the above calculation (Refer Appendix 2).

6.19. Risk Free Rate:

I have applied a risk free rate of return of 7.16% on the basis of the zero coupon yield curve as on 30th September 2023 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 SPVs for an appropriate period.

For the valuation of the SPVs, 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 SPVs like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPVs.

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 SPVs. (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 SPVs, considering the length of the explicit period for the SPVs, and basis my discussion with Investment Manager, I found it appropriate to consider 1% CSRP for STPL and 2% CSRP for GRICL.

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 8.5% for STPL and 9% for GRICL, as represented by the Investment Manager.

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:

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

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

(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, SPVs 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 SPVs.
- 7.3. Based on the above analysis, the fair EV as on the Valuation Date of the SPVs is as mentioned below:

SPV	End of Projected Period	Projection Period (Balance Concession Period)	Enterprise Value	INR Mn
				Adjusted Enterprise Value
STPL	26 September 2031	~8 Years	14,635	19,027
GRICL – AMRP	19 February 2033	~9 Years 5 Months	11,106	14,797
GRICL - VHRP	23 October 2030	~7 Years 1 Months		

(Refer Appendix 1 for detailed workings)

- 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 or 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 SPVs 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 SPVs 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 SPVs

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

The list of sanctions/ approvals obtained by the SPVs 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 SPVs for which approval is pending as on 30th September 2023. 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 SPVs are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 30th September 2023.

C. Statement of assets included:

The details of assets in INR Mn of the SPVs as at 30th September 2023 are as mentioned below:

					INR Mn
Sr. No.	SPV	Net Fixed Assets	Net Intangible Asset	Non-Current Assets	Current Assets
1	STPL	143	3,292	1,935	4,450
2	GRICL	85	3,577	359	3,971
Total		228	6,870	2,294	8,420

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 SPVs in order to maintain the working condition of the assets.

Historical major repairs

STPL

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Amt. (in Mn)	339	626	193	-	-	1,601	130

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Amt. (in Mn)	-	-	-	-	-	1,386	-

GRICL

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Amt. (in Mn)	71	78	76	216	201	-

Forecasted major repairs

SPV	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
STPL	900	1,162	-	-	-	1,699	290	-	263	-
GRICL	800	683	775	-	-	-	94	-	805	916

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 SPVs (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 SPVs 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 30th September 2023;
 - iii. Projected financial information for the remaining project life for the SPV;
 - iv. Compensation Claim Summary from the period Aug'16 to Sep'23;
 - v. Letter confirming the compensation method by Government of Gujarat in case of GRICL;
 - vi. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);
 - vii. Technical Due Diligence Study Report dated September 2023 prepared by M/S Resotech Consultancy Services Pvt. Ltd. for GRICL and M/S Sri Infotech for STPL;
 - viii. Traffic Study Report dated October 2023 prepared by M/s Steer for the SPVs;
 - ix. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 31st March 2023;
 - x. Concession Agreement of the SPVs with the respective authority including the supplementary agreement;
 - xi. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
 - xii. Shareholding pattern as on the report date of the SPVs and other entities mentioned in this Report;
 - xiii. Management Representation Letter by the Investment Manager dated 15th December 2023;
 - xiv. Relevant data and information about the SPVs 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 SPVs 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 30th September 2023 ("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 SPVs till 30th September 2023. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 30th September 2023 and the Report Date and that no material changes have occurred in the operations and financial position between 30th September 2023 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 SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs 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 SPVs 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 SPVs, 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 SPVs 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 SPVs 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 SPVs.
- 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,



S. Sundararaman

Registered Valuer

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

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWJE8744

Appendix 1 – Valuation of SPVs as on 30th September 2023

Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
MMR	Major Maintenance and Repair Expenses
Capex	Capital Expenditure
Wcap	Incremental Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
DF	Discounting Factor
PVFCFF	Present value of Free Cash Flow to the Firm

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Appendix 1 – Valuation as on 30th September 2023 under the DCF Method

STPL											INR Mn	
Year	Revenue	EBITDA	MMR Provision	MMR Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G=A-B-C-D-E-F				H	I=G*H
FY24	1,807	1,274	414	(900)	-	-	186	602	0.25	9.97%	0.98	588
FY25	3,667	2,697	514	(1,162)	-	-	403	1,646	1.00	9.97%	0.91	1,497
FY26	3,950	3,206	253	-	-	-	489	2,970	2.00	9.97%	0.83	2,456
FY27	4,129	3,296	313	-	-	-	503	3,106	3.00	9.97%	0.75	2,336
FY28	4,352	3,419	385	-	-	-	525	3,279	4.00	9.97%	0.68	2,242
FY29	4,716	3,664	469	(1,699)	-	-	567	1,868	5.00	9.97%	0.62	1,161
FY30	5,078	3,893	568	(290)	-	-	1,029	3,142	6.00	9.97%	0.57	1,776
FY31	5,408	4,637	117	-	-	-	1,178	3,577	7.00	9.97%	0.51	1,839
FY32	2,785	2,256	146	(263)	-	-	539	1,599	7.75	9.97%	0.48	766
Enterprise Value												14,661
(+) Present Value of Working Capital Release												(26)
Enterprise Value												14,635
(+) Closing cash or cash equivalents as at the Valuation Date												4,391
Adjusted Enterprise Value												19,027

Appendix 1 – Valuation as on 30th September 2023 under the DCF Method

GRICL											INR Mn
Year	Revenue	EBITDA	MMR Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F=A-B-C-D-E				G	I=G*H
FY24	1,571	1,372	(800)	-	79	181	312	0.25	10.46%	0.98	304
FY25	3,133	2,711	(683)	-	20	347	1,660	1.00	10.46%	0.91	1,503
FY26	3,147	2,692	(775)	-	17	516	1,385	2.00	10.46%	0.82	1,135
FY27	3,356	2,881	-	-	36	755	2,090	3.00	10.46%	0.74	1,551
FY28	3,591	3,089	-	-	51	804	2,234	4.00	10.46%	0.67	1,501
FY29	3,833	3,301	-	-	39	855	2,407	5.00	10.46%	0.61	1,464
FY30	4,063	3,498	(94)	-	39	878	2,487	6.00	10.46%	0.55	1,369
FY31	3,667	3,115	-	-	(1)	803	2,313	7.00	10.46%	0.50	1,153
FY32	2,943	2,510	(805)	-	(37)	447	1,296	8.00	10.46%	0.45	585
FY33	2,787	2,342	(916)	-	(21)	374	1,072	8.95	10.46%	0.41	440
Enterprise Value											11,004
(+ Present Value of Working Capital Release											102
Enterprise Value											11,106
(+ Closing cash or cash equivalents as at the Valuation Date											3,691
Adjusted Enterprise Value											14,797

Appendix 2 – Weighted Average Cost of Capital of the Toll SPVs as on 30th September 2023

Particulars	STPL	GRICL	Remarks
Risk free return (Rf)	7.16%	7.16%	Risk Free Rate has been considered based on zero coupon yield curve as at 30th September 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Market Risk Premium (ERP)	7.00%	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)	0.71	0.70	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Cost of Equity (Ke)	12.14%	12.04%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	1.00%	2.00%	Based on SPV specific risk(s)
Revised Cost of Equity (Ke)	13.14%	14.04%	Adjusted Ke = Rf + (β x ERP) + CSRP
Pre-tax Cost of Debt (Kd)	8.50%	9.00%	As represented by the Investment Manager
Tax rate of SPV	20.04%	23.63%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt (Kd)	6.80%	6.87%	Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)
Debt/(Debt+Equity)	50.00%	50.00%	Debt : Equity ratio computed as [D/(D+E)]
WACC	9.97%	10.46%	WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]

Appendix 3 – Summary of approval and licences

Appendix 3.1 : GRICL

Sr. No.	Description of the permits	Date of Issue	Issuing Authority
1	Registration under the concerned Shops and Establishment Act, as applicable	16-Feb-09	Ahmedabad Municipal Corporation
2	Registration under the concerned Shops and Establishment Act, as applicable	29-Jan-01	Vadodara Municipal Corporation
3	Registration under the concerned Shops and Establishment Act, as applicable	05-Mar-21	Amdavad Municipal Corporation
4	Registration under the concerned Shops and Establishment Act, as applicable	29-Jan-21	Vadodara Municipal Corporation
5	Enrolment Certificate under the concerned Professional Tax Act, as applicable	07-Jul-20	Professional Tax Department, Amdavad Municipal Corporation
6	Registration Certificate under the concerned Professional Tax Act, as applicable	07-Jul-20	Professional Tax Department, Amdavad Municipal Corporation
7	Enrolment Certificate under the concerned Professional Tax Act, as applicable	22-Oct-99	Commercial Tax Department, Vadodara
8	Registration Certificate under the concerned Professional Tax Act, as applicable	22-Oct-99	Commercial Tax Department, Vadodara
9	Principal Employer Registration (issued by local Labour Commissioner)	03-Oct-14	Additional Labour Commissioner
10	License for Power Supply	06-May-22	Electrical Inspector, Gandhinagar
11	Environmental Clearance for strengthening & widening of roads	30-Mar-00	Forests & Environmental Dept., Government of Gujarat
12	License to use forest or non - agricultural land	14-Nov-00	Ministry of Environment or Forests, Government of India
13	Approvals from Central/ State Pollution Control Boards for setting up of Hot Mix Plant .	11-Jan-01	Gujarat Pollution Control Board

Source: Investment Manager

Appendix 3.2 :_STPL

Sr. No.	Description of the permits	Date of Issue	Issuing Authority
1	Labour licenses (issued by local Labour Commissioner)		
	Budanam Toll Plaza	21-Nov-18	Ministry of Labour and Employment
	Sullurupet Toll Plaza	19-Dec-18	Ministry of Labour and Employment
	Venkatachalam Toll Plaza	23-Nov-18	Ministry of Labour and Employment
	Keesara Toll Plaza	29-Mar-22	Ministry of Labour and Employment
	Nellore	09-Nov-21	Ministry of Labour and Employment
	Hyderabad	30-Nov-19	Ministry of Labour and Employment
2	Registration under the concerned Shops and Establishment Act, as applicable	30-Nov-19	Labour Department - Government of Telangana
	Hyderabad	25-Jan-22	Commercial Taxes Department - Government of Telangana
	Keesara Toll Plaza	05-Apr-21	Commercial Taxes Department - Government of Andhra Pradesh
	Nellore	05-Apr-21	Commercial Taxes Department - Government of Andhra Pradesh
	Sullurupet Toll Plaza	05-Apr-21	Commercial Taxes Department - Government of Andhra Pradesh
	Budanam Toll Plaza	05-Apr-21	Commercial Taxes Department - Government of Andhra Pradesh
3	Consent of Establishment and Operation of Plants from Pollution Control Board	29-Aug-01	Andhra Pradesh Pollution Control Board
4	Approvals from Central/ State Pollution Control Boards for setting up of Hot Mix Plant .	02-Jul-02	Andhra Pradesh Pollution Control Board
5	License for use of explosives	04-Jul-01	Department of Explosives, Government of India
6	License to import and store petroleum in installation	02-Jan-02	Department of Explosives, Government of India
7	NOC for establishment of HSD storage tanks	22-Nov-01	Department of Explosives, Government of India
8	Permission of State government for drawing water from river/reservoir	20-Aug-02	Irrigation & CAD Department
9	Quarry Lease Deed	20-Apr-01	Department of Mines & Geology, Government of Andhra Pradesh

Source: Investment Manager

Appendix 4.1 – Summary of ongoing litigation of GRICL (1)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Mn)
1	Application and appeal filed seeking interim reliefs under the Arbitration Act by Samvit		Special Judge, Commercial Courts and 5th Additional District & Sessions Judge Ahmedabad (Rural) at Mirzapur, Ahmedabad (Commercial Court) High Court of Gujarat	<p>Background of the case: Samvit's advertising agreement with GRICL expired on July 31, 2022. GRICL rejected Samvit's extension request and demanded hoarding removal with a penalty. Samvit filed a Section 9 Application to prevent removal and new agreements. The Commercial Court rejected it on March 16, 2023. Samvit appealed to the Gujarat High Court, arguing heavy investment, high bids, and lack of evidence of a new agreement. An interim stay application is also pending in the First Appeal.</p> <p>Current Status: We understand from the online records that the First Appeal was last listed on 05 October 2023. The interim application for stay is currently pending. The next date of hearing is 12 December 2023.</p>	
2	Application under Section 11 of the Arbitration Act for appointment of an arbitrator in Samvit advertisement hoarding dispute		High Court of Gujarat	<p>Background of the case: Samvit has filed an arbitration petition against GRICL under section 11 of the Arbitration Act for appointment of an arbitrator to initiate the arbitration proceedings. The dispute stems from the advertisement agreement entered between Samvit and GRICL. The agreement involved renting advertising space on a toll road, which ended on 31 July 2022. Samvit's request for extension of the said agreement was rejected by GRICL and GRICL asked Samvit to remove the hoardings and pay INR 1,91,891 for non-removal after the expiration of the agreement.</p> <p>Current Status: We understand from the online records that the High Court of Gujarat has issued a notice that was returnable by 30 June 2023. The next hearing date in the matter has not been updated online.</p>	
3	Criminal case instituted by Samvit Impex Private Limited (Samvit) against GRICL, CMP Praveen Vasanth		Kalol Court, Gandhinagar, Gujarat (Kalol Court)	<p>Background of the case: A criminal case has been filed by Samvit against GRICL through CMP Pravin Vasanth under various sections of the Indian Penal Code, 1860 on 5 April 2023 inter alia for theft and criminal breach of trust. The complaint is regarding removal of certain hoardings of Samvit by GRICL. The hoardings were removed after the expiration of the advertisement agreement with Samvit and disposal of Section 9 Application filed by Samvit by the Commercial Court.</p> <p>Current Status: We understand from online records that GRICL through CMP Praveen Vasanth was issued summons dated 3 May 2023 from Kalol Court. Mr. Praveen Vasanth along with GRICL's advocate recorded his statement before the Kalol Court on 14 May 2023. The next date of hearing is 30 November 2023.</p>	

Appendix 4.1 – Summary of ongoing litigation of GRICL (2)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Mn)
4	Unlawful/illegal activities at Mevad toll plaza near Mehsana		District Court (Single Judge), Mehsana	<p>Background of the case: GRICL and TBR Infra's toll operation agreement involved TBR Infra providing traffic marshals, who were later found allowing vehicles to pass without toll collection. GRICL requested their removal, but Local Miscreants persisted in threatening and assaulting GRICL staff at Mevad Toll Plaza. In August 2021, GRICL reported the incidents to the police, leading to an FIR against the miscreants for physical abuse and threats. Witness statements were documented in a police panchnama.</p> <p>Current Status: We understand from the Claim document that police has filed charge sheet and the matter is sub-judice before the sub-division Magistrate court. Further, we understand that GRICL is not a party to the proceedings. The documents provided in the matter did not contain the case details for online tracking and hence we are unable to update the online status herein.</p>	
5	Balvantsinh Somaji Makhwana v. GRICL (MACP/125/2021)		District Court of Gujarat	Basis the vendor due diligence report for GRICL dated 5 May 2022 prepared by SAM (GRICL VDDR) and Representative's response, we understand that GRICL has not received any documents from the court or petitioner in respect of these litigations.	
6	Ritaben Dineshbhai Patel v. Mukeshbhai Babubhai Pateliya & GRICL (MACP/134/2021)		District Court of Gujarat	Basis GRICL VDDR and Representative's response, we understand that GRICL has not received any documents from the court or petitioner in respect of these litigations.	
7	Writ petition challenging levy of toll		High Court of Gujarat	<p>Background of the case: The Akhil Gujarat Truck Transport Association (AGTTA) and Mr. Nimish Jitendrabhai Patel filed a writ petition on October 1, 2020, against GRICL, the State of Gujarat, and Gujarat State Road Development Corporation Limited. The petition seeks directions to stop toll collection on GRICL projects or sever section 12 from concession agreements. Alternatively, it requests directions for providing return fares and halting escalating toll rates for additional axles in multi-axle vehicles. Other prayers include disclosing toll collection accounts, refunding excess toll with 12% interest to the State of Gujarat, providing details of all toll roads in Gujarat, and any other relief the court deems fit. The Respondents replied on March 18, 2021. GRICL filed an affidavit on September 2, 2023, and R&BD and AGTTA submitted affidavits-in-reply on September 4, 2023. GRICL responded to AGTTA's affidavit on September 14, 2023.</p> <p>Current Status: The dispute is currently pending before the High Court of Gujarat. The last date of hearing as per the orders on the High Court of Gujarat website was 6 November 2023 and the next date of hearing is 11 December 2023.</p>	

Source: Investment Manager

Appendix 4.2 – Summary of ongoing litigation of STPL (1)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Mn)
1	Writ Petition		High Court of Andhra Pradesh at Amravati	<p>Background of the case: Rampa John filed a petition under Articles 226 and 227 of the Indian Constitution challenging the Swarna toll plaza's establishment by STPL in Keesara village, NTR district. Allegations include violations of the National Highways Fee Rules, 2008, and illegal toll collection. The petitioner seeks a writ of mandamus to declare the toll plaza establishment as contrary to NH Rules, removal of the toll plaza, compliant toll fee collection, and depositing the collected amount of INR 540,00,00,000 to the government of Andhra Pradesh. An interim relief to stay toll collection is also requested.</p> <p>Current Status: We understand from the status of legal cases titled “13.2.32.1 Legal tracker-18.10.2023” and the online records that the interim application is still pending adjudication. No stay has been granted against STPL. The matter was last listed on 12 July 2023, however, the same could not be taken up. The next hearing date in the matter has not been updated online.</p>	INR 5400 Million
2	Consumer Dispute - Compensation		Telangana State Consumer Disputes Redressal Commission, Hyderabad (State Commission)	<p>Background of the case: STPL filed a complaint against United India Insurance for non-payment of a flood damage claim before the District Consumer Disputes Redressal Commission, Hyderabad. The reliefs sought include the payment of the claim amount of INR 33,77,00,000/- with interest, compensation for mental agony worth INR 25,00,000/-, and costs. The District Commission ruled in favor of STPL, awarding INR 22,42,00,000 with 9% interest and INR 5,00,000 for mental agony. United Insurance is appealing the decision before the State Commission, and STPL has filed an execution application and a penalty petition for non-payment.</p> <p>Current Status: We understand from the status of legal cases titled “13.2.32.1 Legal tracker-18.10.2023” and the online records that the State Commission stayed the District Commission's order on 21 November 2022 after United Insurance appealed and deposited 50% of the awarded amount. Further, the execution application filed by STPL was also closed in view of the stay order and liberty was granted to STPL to file the application as and when the appeal is decided. The next date of hearing in the appeal is 05 February 2024.</p>	INR 224.7 million (approx.)
3	Criminal Complaint - Defamation		XIV Additional Chief Metropolitan Magistrate at Nampally, Hyderabad	<p>Background of the case: STPL has filed a criminal complaint on 20 May 2021, against its former employees, N. Sivasankar (Accused 1), T. Chandra Sekhar (Accused 2) and Murali Krishna (Accused 3) under Section 500 of the Indian Penal Code, 1860 read with Section 200 of the Criminal Procedure Code, 1973.</p> <p>Current Status: We understand from the status of legal cases titled “13.2.32.1 Legal tracker-18.10.2023” and the online records that, on 30 June 2023, Accused 3 filed for recall of the bailable warrant, issued against him by furnishing sureties, thereby seeking cancellation of the warrant. Further, fresh summons were issued against the Accused 2. The next date of hearing is 24 November 2023.</p>	

Appendix 4.2 – Summary of ongoing litigation of STPL (2)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
4	Consumer complaint filed for deficiency in services		District Consumer Forum – II at Vijayawada	<p>Background of the case: Mr. Baddula Venkata Ramanaiah has filed a consumer complaint (number 73 of 2020) against STPL, alleging deficiencies in services related to the STPL project highway and malfunctioning Fast-tag sensors at the Keesara toll plaza. The complaint includes claims of increased traffic, delays, discourteous behavior by toll plaza workers, and vehicle stops due to non-functioning Fast-tag scanners. The compensation sought is INR 2,00,000/-, but the legal tracker indicates a claimed amount of INR 1,05,200/-. STPL has responded with a reply and evidence affidavit, and the complainant has filed a chief affidavit in the ongoing proceedings.</p> <p>Current Status: The matter was last listed on 13 October 2023 for filing of evidence affidavit of the opposite parties other than STPL. On 13 October 2023, the matter was adjourned to 09 November 2023.</p>	Between 0.2 million to 0.1052 million
5	Civil Suit filed to seek injunction from declaring the vehicle as Mechanic Motor Vehicle (MMV)		Additional Junior Civil Judge, Nellore	<p>Background of the case: While we have not reviewed the underlying documents for the present litigation considering the materiality threshold, we understand from the documents titled "13.2.32.1 Legal tracker-18.10.2023", STPL VDDR and online records that Mr. Prabhu Kishore filed a suit (i) seeking mandatory injunction to declare his vehicle bearing number AP 39J 2629 as MMV, (ii) for implementing the NHAI circular No. NHAI/13013/CO/2015-2016 dated 14 January 2016 declaring the above-mentioned vehicle as MMV, and (iii) costs of suit, and (iv) and any other relief as deemed fit and proper.</p> <p>Current Status: STPL received summons on 30 May 2023. The matter was last listed on 22 September 2023 but was not taken up as the learned Judge was on leave. The matter is now listed on 9 November 2023.</p>	INR 0.015 million
6	Industrial Dispute		CGIT Hyderabad	<p>Background of the case: Some employees of STPL have challenged their dismissal and have sought reinstatement of services. Industrial Dispute was filed u/s 2 A (2) of Industrial Dispute Act, 1947 challenging his dismissal and seeking reinstatement of services with the Company.</p> <p>Current Status: The legal tracker of October 18, 2023, reveals that STPL received notices from CGIT Notices on December 28, 2021. The case was scheduled on various dates between January 5, 2021, and November 29, 2022. The next hearing on March 9, 2023, saw STPL filing its written statement. Subsequent adjournments to May 18, 2023, and then August 4, 2023, were for additional evidence. The case was further adjourned to September 29, 2023. On this date, STPL requested more time to file the Enquiry Proceedings and Report of the Petitioners, leading to a new hearing on October 6, 2023. On that date, STPL filed the Domestic Enquiry proceedings and Reports of 9 out of 13 Petitioners, with the remaining expected on November 7, 2023, the next hearing date.</p>	

Appendix 4.2 – Summary of ongoing litigation of STPL (3)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
7	Industrial Dispute	CGIT Hyderabad (Petitioner Name: Murali Krishna)		<p>Background of the case: The individual has filed a complaint and the matter was referred by RLC, Hyderabad to CGIT- Hyderabad on termination of Mr. Murali Krishna.</p> <p>Current Status: We have been informed that STPL is yet to receive notice from CGIT. We were informed that STPL had received a letter from union requesting to settle this dispute amicably but STPL's counsel advised against settling the matter to avoid setting a precedent.</p>	
8	Industrial Dispute	CGIT Hyderabad (Petitioner Name: N Sivasankar)		<p>Background of the case: N. Sivasankar, General Secretary of STWU, was an employee of STPL. N Sivasankar had misbehaved with the Chief of Operations and Maintenance and the HR Manager. Consequently, STPL by way of its letter dated 5 February 2019, suspended N. Sivasankar pending disciplinary enquiry. Upon completion of the enquiry on 6 June 2019, STPL dismissed N. Sivasankar from the services of STPL. Conciliation before the Deputy Labour Commissioner, Hyderabad failed and the matter was referred by ALC, Nellore to CGIT Hyderabad on termination of Mr. N. Siva Shankar.</p> <p>Current Status: STPL is yet to receive notice from the tribunal. This individual has also refused to accept his gratuity payment, however, no separate claim has been filed for gratuity. We were informed that STPL had received a letter from union requesting to settle this dispute amicably but STPL's counsel advised against settling the matter to avoid setting a precedent.</p>	
9	Industrial Dispute	CGIT Hyderabad		<p>Background of the case: The matter was referred by ALC , Vijayawada Hyderabad to CGIT- Hyderabad on disparity of increments granted to workmen by company.</p> <p>Current Status: Basis the legal tracker dated 18 October 2023, we understand that STPL is yet to receive notice from CGIT.</p>	

Appendix 4.2 – Summary of ongoing litigation of STPL (3)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
10	Industrial Dispute		CGIT Hyderabad	<p>Background of the case: The matter was referred by DLC, Hyderabad to CGIT- Hyderabad on revision of pay structure.</p> <p>Current Status: Basis the legal tracker dated 18 October 2023, we understand that STPL is yet to receive notice from CGIT. .</p>	
11	Employee Compensation		Hon'ble High Court, Andhra Pradesh	<p>Background of the case: Bola Venkateswarlu, a former employee of STPL, has claimed compensation of INR 1,138,208 from STPL before the Commissioner for Employees Compensation and Deputy Commissioner of Labour, Nellore. He attributes health problems, including the loss of eye vision, to night services and heavy workload during his employment, leading to his resignation on January 6, 2016. The Commissioner, in an order dated February 6, 2018, awarded compensation of INR 235,291. STPL has contested this order in the High Court of Telangana, Hyderabad, seeking its annulment. Additionally, Venkateswarulu has applied to increase the compensation amount to INR 1,138,208, asserting that his ailments were not work-related but were pre-existing due to his lifestyle.</p> <p>Current Status: Bola Venkateswarulu has passed away and STPL has filed affidavits to bring the legal representatives of Bola Venkateswarulu on record as per the legal tracker dated 18 October 2023 provided to us in the VDR. The case was last posted for hearing on 11 October 2023.</p>	
12	Industrial Dispute		Regional Labour Commissioner (Central), Hyderabad	<p>Background of the case: The Swarna Tollway Workers Union file a claim before RLC, Hyderabad submitting a Charter of Demands.</p> <p>Current Status: We have been informed that STPL filed its objections with RLC Hyderabad. However, since the union was absent on multiple hearings, the matter has been closed.</p>	

Appendix 4.2 – Summary of ongoing litigation of STPL (4)

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
13	Minimum Wages Matter		Regional Labour Commissioner (Central), Hyderabad	<p>Background of the case: STPL had issued a work order dated 30 June 2020, to Satyam Security & Investigations Private Limited (SSIPL), for providing lane services for the toll plaza and highway route patrolling at NH-5 and NH-9. Swarna Tollway Workers & Contract Workers Union (STWCWU) has raised a claim on behalf of the workers of SSIPL before the Regional Labour Commissioner (Central) and authority under the MW Act (RLC) alleging that a total of 25 lane attendants were not paid minimum wages, for the period between 1 April 2017, to 31 January 2021, totally amounting to INR 4,395,000 (INR 1,75,812 per employee), excluding interest/damaged as may be levied.</p> <p>Current Status: STPL has contested a dispute with the STCWU union and 25 lane attendants, raising objections including the refusal to recognize the union, questioning its standing, and disputing the employment status of the attendants. The dispute is pending before the Regional Labour Commissioner (RLC). The legal tracker indicates multiple hearings and an investigation into forgery allegations against union officials. The RLC suspended proceedings pending the investigation's completion. After the investigation concluded, the case awaits the investigation report. Subsequent hearings were scheduled, and on September 21, 2023, due to the absence of one party, the matter was postponed. The Applicants have not filed the Chief Examination Affidavit, and the case is set for October 19, 2023, for the presentation of records for cross-examination.</p>	

Source: Investment Manager

<< End of Report >>