

March 06, 2025

To,

National Stock Exchange of India Limited Listing Compliance Department Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: HIGHWAYS	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code: 974227, 974228, 975333 (“Non-Convertible Debentures”), 728473 (“Commercial Paper”)
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Subject: Valuation Report in accordance with the provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time (“SEBI InvIT Regulations”).

Dear Sir/Madam,

In terms of the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and the notifications, circulars and guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “SEBI InvIT Regulations”) read with Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024 issued by the Securities and Exchange Board of India (the “SEBI Master Circular”) and pursuant to other applicable laws and regulations, if any, as may be applicable in this regard, the Valuation Report as on December 31, 2024 prepared and issued by an independent valuer, Mr. S Sundararaman having IBBI Registration Number IBBI/RV/06/2018/10238 on the fair enterprise valuation of the below identified special purpose vehicles which are proposed to be acquired by Highways Infrastructure Trust from PNC Infratech Limited and PNC Infra Holdings Limited:

1. PNC Rajasthan Highways Private Limited (“RHPL”)
2. PNC Chitradurga Highways Private Limited (“CHPL”)
3. PNC Aligarh Highways Private Limited (“AHPL”)
4. PNC Triveni Sangam Highways Private Limited (“TSHPL”)
5. PNC Bundelkhand Highways Private Limited (“BHPL”)
6. PNC Khajuraho Highways Private Limited (“KHPL”)
7. PNC Bithur Kanpur Highways Private Limited (“BKHPL”)
8. PNC Meerut Haridwar Highways Private Limited (“MHHPL”)
9. PNC Gomti Highways Private Limited (“GHPL”)
10. PNC Unnao Highways Private Limited (“UHPL”)
11. PNC Bareilly Nainital Highways Private Limited (“BNHPL” or the “Toll Asset”) and
12. PNC Challakere (Karnataka) Highways Private Limited (“CKHPL”)

A copy of valuation report dated March 4, 2025 is enclosed.

The said information is also being uploaded on the website of the Trust at www.highwaystrust.com.

You are requested to kindly take the same on record.

Yours faithfully,

For **Highways Infrastructure Trust**
 (acting through its Investment Manager – **Highway Concessions One Private Limited**)

Gajendra Mewara
Company Secretary & Compliance Officer
M. No. – ACS 22941

Place: Mumbai

CC:

Axis Trustee Services Limited ("Unit Trustee") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai – 400025 MH	Catalyst Trusteeship Limited ("Debenture Trustee") 901, 9 th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, MH	ICICI Bank Limited ("Issuing & Paying Agent") ICICI Bank Towers, Bandra Kurla Complex, Bandra, (East), Mumbai – 400051 MH
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Prepared for:
Highways Infrastructure Trust (“The Trust”)

Highway Concessions One Private Limited
(“The Investment Manager”)

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

Valuation Date: 31st December 2024

Report Date: 4th March 2025

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238
Email chennaissr@gmail.com
Phone No: +91 97909 28047
GST No: 33AHUPS0102L1Z8

Date: 04th March 2025

Highways Infrastructure Trust

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

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: Fair Enterprise Valuation of InvIT Assets 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 4th February, 2025 (EL reference no: 2025/F/01) as an independent valuer by **Highway Concessions One Private Limited** (“**HC One**” or “**the Investment Manager**”) acting as the Investment manager for **Highways Infrastructure Trust** (“**the Trust**” or “**Highways InvIT**”), an infrastructure investment trust, registered with the **Securities Exchange Board of India** (“**SEBI**”) and set up under the **SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended** (“**SEBI InvIT Regulations**”). The Investment Manager has appointed me to undertake valuation of the following 12 special purpose vehicle (hereinafter referred as “**the SPVs**”) proposed to be acquired by the Trust (“**Proposed Transaction**”):

Sr. No.	Name of the SPVs	Abbreviation	Asset Type
1	PNC Rajasthan Highways Private Limited	PRHPL (DL)	HAM
2	PNC Chitradurga Highways Private Limited	PCHPL (CD)	HAM
3	PNC Aligarh Highways Private Limited	PAHPL (AK2)	HAM
4	PNC Bundelkhand Highways Private Limited	PBHPL (JK1)	HAM
5	PNC Khajuraho Highways Private Limited	PKHPL (JK2)	HAM
6	PNC Triveni Sangam Highways Private Limited	PTSHPL (CA)	HAM
7	PNC Meerut Haridwar Highways Private Limited	PMHHPL (MN)	HAM
8	PNC Bithur Kanpur Highways Private Limited	PBKHPL (AK5)	HAM
9	PNC Unnao Highways Private Limited	PUHPL (UL)	HAM
10	PNC Gomti Highways Private Limited	PGHPL (JF)	HAM
11	PNC Challakere(Karnataka) Highways Private Limited	PCKHPL (CH)	HAM
12	PNC Bareilly Nainital Highways Private Limited	PBNHPL (BN)	Toll

(Hereinafter all the above SPVs are together referred to as the “SPVs”)

The Trust is proposing to undertake a fair enterprise valuation of the above SPVs. I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31st December 2024. (“**Valuation Date**”).

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

I 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 SPVs 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.

The information provided to me by the Investment Manager in relation to the SPVs included but is 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 SPVs.

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.

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 to the extent required for the Proposed Transaction only.

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,

SWAMINATHA N
SUNDARARAMAN
AN

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2025.03.04
21:15:11 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 25028423BMOMXC2834

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BOT	Build, Operate, Transfer
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
Cr	Crore
CTM	Comparable Transactions Multiples
DBFOT	Design, Build, Finance, Operate and Transfer
DBOT	Design, Build, 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
FPM	Final Placement Memorandum
FY	Financial Year Ended 31st March
GQ	Golden Quadrilateral
HAM	Hybrid Annuity Mode
ICDS	Income Computation and Disclosure Standards
IND AS	Indian Accounting Standards
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
MPRDC	Madhya Pradesh Road Development Corporation Limited
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
NS-EW	North- South and East-West Corridors
O&M	Operation & Maintenance
PAHPL	PNC Aligarh Highways Pvt Ltd
PBHPL	PNC Bundelkhand Highways Pvt Ltd
PBKHPL	PNC Bithur Kanpur Highways Pvt Ltd
PBNHL	PNC Bareilly Nainital Highways Pvt Ltd
PCHPL	PNC Chitradurga Highways Pvt Ltd

PCOD	Provisional Commercial Operations Date
PCKHPL	PNC Challakere (Karnataka) Highways Private Limited
PGHPL	PNC Gomti Highways Pvt Ltd
PG InvIT	PG Infrastructure Investment Trust
PKHPL	PNC Khajuraho Highways Pvt Ltd
PM	HC One Project Manager Private Limited
PMHHPL	PNC Meerut Haridwar Highways Pvt Ltd
PNC	PNC Infratech Limited and PNC Infra Holdings Limited
PPP	Public Private Partnership
PRHPL	PNC Rajasthan Highways Pvt Ltd
PTSHPL	PNC Triveni Sangam Highways Pvt Ltd
PUHPL	PNC Unnao Highways Pvt Ltd
PWD(R)	Public Works Department, Government of Rajasthan
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
TOT	Toll, Operate, Transfer
Trustee	Axis Trustee Services Limited
Trust	Highways Infrastructure Trust
WACC	Weighted Average Cost of capital

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1. Executive Summary

1.1. Background

The Trust

- 1.1.1. Highways Infrastructure Trust ("**the Trust**" or "**InvIT**") was established on 3rd December 2021 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the Securities and Exchange Board of India ("**SEBI**") with effect from 23rd December 2021, bearing registration number IN/InvIT/21-22/0019, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("**the SEBI InvIT Regulations**").
- 1.1.2. The units of the Trust were listed on NSE in August 2022 by way of an initial offer of units consisting of a private placement. The object and purpose of the Trust, as described in the Trust Deed, is to carry on the activity of an infrastructure investment trust as permissible under the InvIT Regulations to raise funds through the Trust, to make investments in accordance with the InvIT Regulations and the investment strategy and to carry on the activities as may be required for operating the Trust, including incidental and ancillary matters thereto.
- 1.1.3. The InvIT is currently involved in owning, operating and maintaining a portfolio of 15 road projects (8 Toll Assets, 4 HAM assets, 1 TOT Asset and 2 Annuity Assets) in the Indian states of Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, Meghalaya, Haryana, Karnataka, Tamil Nadu and Rajasthan pursuant to the concessions granted by the National Highways Authority of India ("**NHAI**"), Ministry of Road Transport and Highways, Madhya Pradesh Road Development Corporation Limited ("**MPRDC**"), Government of Gujarat ("**GoG**").
- 1.1.4. The unit holding of the Trust as on 31st January, 2025 is as follows:

Sr. No.	Particulars	No. of units	%
1	Galaxy Investments II Pte. Ltd.	42,05,86,295	27.85%
2	Nebula Asia Holdings II Pte. Ltd*	66,15,27,955	43.81%
3	2452991 Ontario Limited	37,74,95,998	25.00%
4	Manipal Education and Medical Group India Private Limited	3,03,03,030	2.01%
5	Others	2,00,70,720	1.33%
Total		1,50,99,83,998	100.00%

*Nebula Asia Holdings II Pte Ltd. Is a part of the sponsor group

Source: Investment Manager

The Sponsor

- 1.1.5. Galaxy Investments II Pte. Ltd., Singapore ("**the Sponsor**" or "**Galaxy**") has sponsored the Trust. Galaxy, incorporated on 11th June 2021 in Singapore, is mainly involved in investment activities primarily with an objective of earning long term capital appreciation and it 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\$ 601 billion of assets under management as of 31st July 2024 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 Trust. 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 (“**HC One**” or “**the Investment Manager**”) is the current Investment Manager of the Trust. HC One Project Manager Private Limited (“**HC One Project**” or “**the Project Manager**”) is the project manager of the Trust.

1.1.10. Shareholding Pattern of the Investment Manager as at 31st December, 2024 is as follows:

Sr. No.	Particulars	No. of shares	%
1	Galaxy Investments II Pte. Ltd.	3,76,47,288	60.50 %
2	Nebula Asia Holdings II Pte. Ltd.**	1,24,45,385	20.00%
3	2743298 ONTARIO LIMITED	1,21,34,251	19.50%
4	Vidyadhar S. Dabholkar*	1	0.00 %
	Total	6,22,26,925	100.00 %

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

**Nebula Asia Holdings II Pte Ltd. Is a part of the sponsor group

Source: Investment Manager

1.1.11. Shareholding Pattern of the Project Manager as at 31st December, 2024 is as follows:

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

* as a nominee of Highway Concessions One Private Limited;

Source: Investment Manager

Scope and Purpose of Valuation

1.2. Financial Asset to be Valued

The financial asset under consideration to be valued at Enterprise Value is the following:

Sr. No.	Name of the SPVs	Abbreviation	Asset Type
1	PNC Rajasthan Highways Private Limited	PRHPL (DL)	HAM
2	PNC Chitradurga Highways Private Limited	PCHPL (CD)	HAM
3	PNC Aligarh Highways Private Limited	PAHPL (AK2)	HAM
4	PNC Bundelkhand Highways Private Limited	PBHPL (JK1)	HAM
5	PNC Khajuraho Highways Private Limited	PKHPL (JK2)	HAM
6	PNC Triveni Sangam Highways Private Limited	PTSHPL (CA)	HAM
7	PNC Meerut Haridwar Highways Private Limited	PMHHPL (MN)	HAM
8	PNC Bithur Kanpur Highways Private Limited	PBKHPL (AK5)	HAM
9	PNC Unnao Highways Private Limited	PUHPL (UL)	HAM
10	PNC Gomti Highways Private Limited	PGHPL (JF)	HAM
11	PNC Challakere(Karnataka) Highways Private Limited	PCKHPL (CH)	HAM
12	PNC Bareilly Nainital Highways Private Limited	PBNHPL (BN)	Toll

(Hereinafter referred to as “**the SPVs**”)

1.3. Purpose of Valuation

As per Regulation 22(4)(b) of the SEBI InvIT Regulation, in case of any transaction, other than any borrowing, value of which is equal to or greater than twenty-five per cent of the InvIT assets, to determine if the said limits are met, and to provide the unitholders the valuation report to facilitate the decision making.

In this regard, the Investment Manager is proposing to undertake a fair enterprise valuation of the SPVs as on 31st December, 2024 as per the SEBI InvIT Regulations.

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 SPVs as at 31st December, 2024.

I declare that:

- i. I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- ii. I am not an associate of the sponsor(s) or investment manager or trustee and I have not less than five years of experience in valuation of infrastructure assets;
- iii. I am independent and have prepared the Valuation Report ("the Report") on a fair and unbiased basis;
- iv. I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.

This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

(Please refer appendix for further information about myself)

1.4. 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 SPVs. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.

1.5. 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 SPVs 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.

1.6. 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 management seeks to determine the fair enterprise valuation of the SPVs as on 31st December, 2024 ("**Valuation Date**"). The attached Report is accordingly drawn up by reference to accounting and financial information as on 31st December, 2024. The RV is not aware of any other events having occurred since 31st December, 2024 till date of this Report which he deems to be significant for his valuation analysis.

1.7. 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 SPVs 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.

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1.8. Summary of Valuation

I have assessed the fair enterprise value of the SPVs 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	<p>For Toll SPVs: The Toll PBNHPL (BN) derive almost all of their revenue from their toll-road operations. The Toll SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects.</p> <p>For HAM SPVs: The revenue of the SPV is mainly derived from the annuity fees and O&M payments that is typically predetermined with the relevant government authority and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation and interest rate changes as applicable, as specified in the concession agreements.</p> <p>Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concessions agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise</p>
	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
Market Approach	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, 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 31st December, 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPV prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for the SPVs. As the SPVs under consideration have executed project under the HAM and Toll 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.	SPVs	WACC	Enterprise Value (INR Mn)
1	PRHPL (DL)	8.39%	2,097
2	PCHPL (CD)	8.02%	5,510
3	PAHPL (AK2)	7.89%	5,114
4	PBHPL (JK1)	7.78%	6,370
5	PKHPL (JK2)	7.79%	5,686
6	PTSHPL (CA)	8.65%	8,841
7	PMHHPL (MN)	7.88%	7,051
8	PBKHPL (AK5)	7.73%	11,109
9	PUHPL (UL)	7.58%	8,291
10	PGHPL (JF)	7.64%	8,094
11	PCKHPL (CH)	8.31%	6,249
12	PBNHPL (BN)	10.68%	6,167
Total			80,579

(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 and cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

- 1.9. 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.
- 1.10. 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.
- 1.11. 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. Expenses by increasing / decreasing it by 20%
 4. Revenue by increasing / decreasing it by 5%

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Sensitivity Analysis of Enterprise Value

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

INR Mn

Sr. No.	SPVs	WACC +0.50%	EV	Base WACC	EV	WACC -0.50%	EV
1	PRHPL (DL)	8.89%	2,051	8.39%	2,097	7.89%	2,145
2	PCHPL (CD)	8.52%	5,405	8.02%	5,510	7.52%	5,618
3	PAHPL (AK2)	8.39%	5,004	7.89%	5,114	7.39%	5,229
4	PBHPL (JK1)	8.28%	6,236	7.78%	6,370	7.28%	6,508
5	PKHPL (JK2)	8.29%	5,578	7.79%	5,686	7.29%	5,798
6	PTSHPL (CA)	9.15%	8,660	8.65%	8,841	8.15%	9,030
7	PMHHPL (MN)	8.38%	6,890	7.88%	7,051	7.38%	7,219
8	PBKHPL (AK5)	8.23%	10,867	7.73%	11,109	7.23%	11,362
9	PUHPL (UL)	8.08%	8,095	7.58%	8,291	7.08%	8,495
10	PGHPL (JF)	8.14%	7,874	7.64%	8,094	7.14%	8,263
11	PCKHPL (CH)	8.81%	6,107	8.31%	6,249	7.81%	6,397
12	PBNHPL (BN)	11.18%	5,925	10.68%	6,167	10.18%	6,423
Total			78,691		80,579		82,487

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

INR Mn

Sr. No.	SPVs	WACC +1.00%	EV	Base WACC	EV	WACC -1.00%	EV
1	PRHPL (DL)	9.39%	2,005	8.39%	2,097	7.39%	2,195
2	PCHPL (CD)	9.02%	5,304	8.02%	5,510	7.02%	5,730
3	PAHPL (AK2)	8.89%	4,897	7.89%	5,114	6.89%	5,349
4	PBHPL (JK1)	8.78%	6,107	7.78%	6,370	6.78%	6,652
5	PKHPL (JK2)	8.79%	5,474	7.79%	5,686	6.79%	5,914
6	PTSHPL (CA)	9.65%	8,485	8.65%	8,841	7.65%	9,226
7	PMHHPL (MN)	8.88%	6,736	7.88%	7,051	6.88%	7,394
8	PBKHPL (AK5)	8.73%	10,634	7.73%	11,109	6.73%	11,625
9	PUHPL (UL)	8.58%	7,906	7.58%	8,291	6.58%	8,708
10	PGHPL (JF)	8.64%	7,692	7.64%	8,094	6.64%	8,469
11	PCKHPL (CH)	9.31%	5,970	8.31%	6,249	7.31%	6,551
12	PBNHPL (BN)	11.68%	5,696	10.68%	6,167	9.68%	6,695
Total			76,906		80,579		84,508

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

Sr. No.	SPVs	INR Mn		
		EV at Expenses -20%	EV at Base Expenses	EV at Expenses +20%
1	PRHPL (DL)	2,291	2,097	1,902
2	PCHPL (CD)	5,801	5,510	5,216
3	PAHPL (AK2)	5,318	5,114	4,911
4	PBHPL (JK1)	6,696	6,370	6,082
5	PKHPL (JK2)	5,966	5,686	5,403
6	PTSHPL (CA)	9,275	8,841	8,407
17	PMHHPL (MN)	7,400	7,051	6,808
8	PBKHPL (AK5)	11,395	11,109	10,829
9	PUHPL (UL)	8,554	8,291	8,027
10	PGHPL (JF)	8,349	8,094	7,879
11	PCKHPL (CH)	6,475	6,249	6,044
12	PBNHPL (BN)	6,483	6,167	5,922
Total		84,002	80,579	77,431

The above represents a reasonable range of Fair Enterprise Valuation.

4. Fair Enterprise Valuation Range based on Revenue parameter of Toll SPV (5%)

Sr. No.	SPVs	INR Mn		
		EV at Revenue -5%	EV at Base Revenue	EV at Revenue +5%
1	PBNHPL(BN)	5,731	6,167	6,598
Total		5,731	6167	6,598

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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 of the SPVs on a going concern basis at the Valuation Date.

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3. Overview of InvIT and SPVs

3.1. The Trust

- 3.1.1. 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.
- 3.1.2. 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.
- 3.1.3. Founded in 1976, KKR is a leading global investment firm, with US\$638 billion in assets under management as of 4th February, 2025 that offers alternative asset management as well as capital markets and insurance solutions.
- 3.1.4. Following is the summary of the SPVs, held under the trust including the date and cost of acquisition:

Sr. No.	SPV	Name	Equity Stake Acquired	Acquisition Date	Acquisition Cost of Trust's Equity Stake (INR Mn)
1	DBCPL	Dewas Bhopal Corridor Private Limited	100%	23 rd Aug, 2022	12,969
2	GEPL	Godhra Expressways Private Limited	100%	23 rd Aug, 2022	11,167
3	JPEPL	Jodhpur Pali Expressway Private Limited	100%	23 rd Aug, 2022	3,863
4	UEPL	Ulundurpet Expressways Private Limited	100%	23 rd Aug, 2022	3,005
5	NBPL	Nirmal BOT Private Limited	100%	23 rd Aug, 2022	354
6	SEPL	Shillong Expressway Private Limited	100%	23 rd Aug, 2022	356
7	UTPL	Udupi Tollway Private Limited	100%	02 nd Nov, 2023	196
8	GRICL	Gujarat Road and Infrastructure Company Limited	56.8%	24 th Jan, 2024	5,657
9	STPL	Swarna Tollway Private Limited	100%	24 th Jan, 2024	20,745
10	ANHPL	Ateli Narnaul Highway Private Limited	100%	21 st Nov, 2023	1,511
11	GSHPL	Gurgaon Sohna Highway Private Limited	100%	21 st Nov, 2023	844
12	RAHPL	Rewari Ateli Highway Private Limited	100%	21 st Nov, 2023	758
13	BETPL	Bangalore Elevated Tollway Private Limited	100%	12 th Jun, 2024	119
14	NTEPL	North Telangana Expressway Private Limited*	100%	14 th Feb, 2025	66,610
15	RBPL	Rewari Bypass Private limited**	100%	20 th Feb 2025	1,331

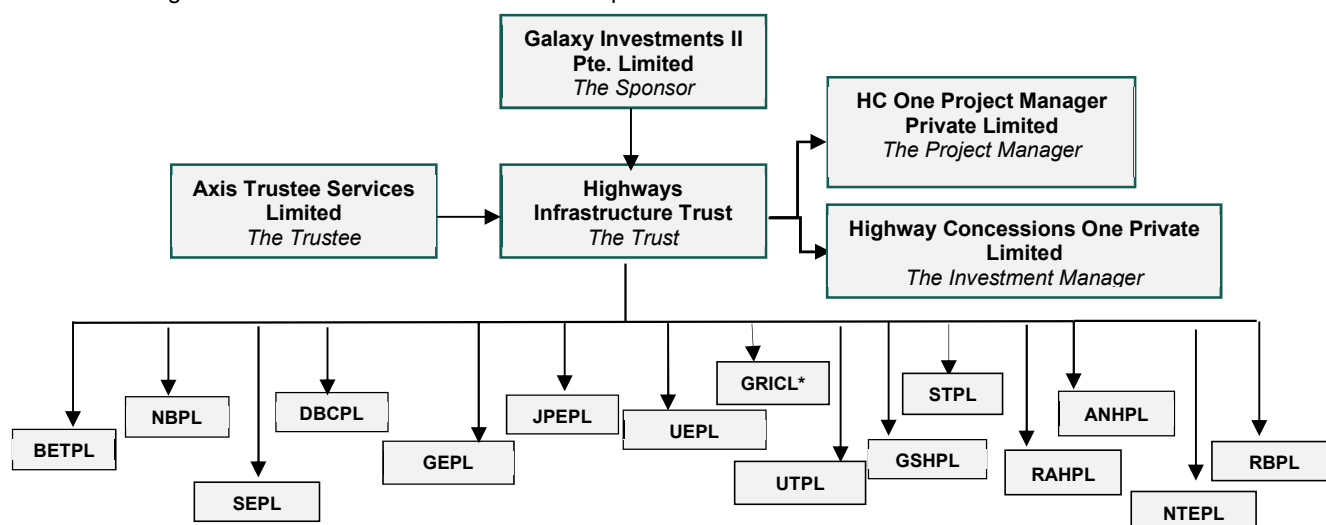
*NTEPL is not an acquired asset but only tolling rights

**Consideration paid for 100% equity and economic interest

- 3.1.5. Enterprise Valuation of the SPVs in the Previous Years (for existing projects of the InvIT):

Sr. No.	SPVs	INR Mn					
		Mar-22	Mar-23	Mar-24	Sep-24	Nov-24	Dec-24
1	DBCPL	14,760	15,709	16,858	16,972		
2	GEPL	21,281	22,866	22,793	23,347		
3	JPEPL	8,628	8,018	5,565	5,607		
4	UEPL	5,423	4,484	3,533	3,493		
5	NBPL	1,362	1,104	944	1,026		
6	SEPL	567	220	189	66		
7	UTPL			9,063	9,238		
8	GRICL			12,312	12,873		
9	STPL			15,182	15,155		
10	ANHPL			4,485	4,160		
11	GSHPL			2,957	2,747		
12	RAHPL			2,743	2,529		
13	BETPL				2,276		
14	NTEPL					71,272	
15	RBPL						3,252
Total		52,021	52,401	96,624	99,489	71,272	3,252

3.1.6. Following is the Structure of the Trust as on the report date



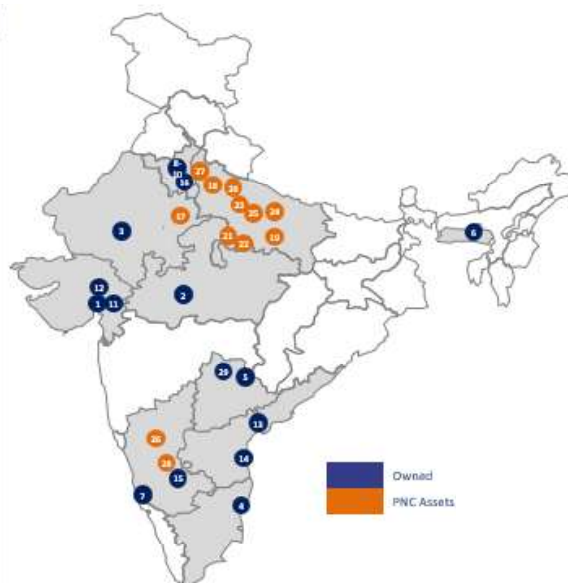
*The trust holds 56.8% equity stake in GRICL while the others are 100% held

3.1.7. Following is the table of the Trust as on the report date displaying the amount of debt outstanding in the SPVs provided by the Trust:

					INR Mn
Sr. No.	SPV	Name	Equity Stake Acquired	Outstanding Debt from the Trust to the SPV	
1	DBCPL	Dewas Bhopal Corridor Private Limited	100%	2,921	
2	GEPL	Godhra Expressways Private Limited	100%	10,160	
3	JPEPL	Jodhpur Pali Expressway Private Limited	100%	5,377	
4	UEPL	Ulundurpet Expressways Private Limited	100%	Nil	
5	NBPL	Nirmal BOT Private Limited	100%	874	
6	SEPL	Shillong Expressway Private Limited	100%	Nil	
7	UTPL	Udupi Tollway Private Limited	100%	9,317	
8	GRICL	Gujarat Road Infrastructure Company Limited*	56.8%	Nil	
9	STPL	Swarna Tollway Private Limited	100%	8,626	
10	ANHPL	Ateli Narnaul Highway Private Limited	100%	3,878	
11	GSHPL	Gurgaon Sohna Highway Private Limited	100%	2,540	
12	RAHPL	Rewari Ateli Highway Private Limited	100%	2,074	
13	BETPL	Bangalore Elevated Tollway Private Limited	100%	152	
14	RBPL	Rewari Bypass Private Limited	100%	Nil	
15	NTEPL	North Telangana Expressway Private Limited	100%	11	

3.1.9. Below map depicts the respective location of the existing projects of the Trust as well as those expected SPVs after the Proposed Transaction:

a	Project Name	State	Model	Lane kms.
1	GEPL	Gujarat	Toll	348
2	DBCPL	Madhya Pradesh (MP)	Toll	563
3	JEPL	Rajasthan	Toll	286
4	UEPL	Tamil Nadu	Toll	292
5	NBL	Telangana	Annuity	124
6	SEL	Meghalaya	Annuity	98
7	UTPL	Karnataka	Toll	360
8	RA	Haryana	HAM	122
9	GS	Haryana	HAM	77
10	AN	Haryana	HAM	191
11	GRICL - VH	Gujarat	Toll	127
12	GRICL - AM	Gujarat	Toll	206
13	STPL - NI	Andhra Pradesh	Toll	198
14	STPL - TN	Andhra Pradesh	Toll	443
15	BETL	Karnataka	Toll	183
16	RB	Haryana	HAM	58
17	DL	Rajasthan	HAM	235
18-20	AK2, CA, BN	Uttar Pradesh (UP)	2 HAM, 1 Toll	1,265
21-23	JK2, JK1, AK5, IF, UL	MP & UP	HAM	1,412
24	CD	Karnataka	HAM	436
27	MN	Uttar Pradesh (UP)	HAM	216
28	CH	Karnataka	HAM	223
29	TOT16	Telangana	Toll (TOT)	1,060



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3.1.10. Proposed Transaction

Highways Infrastructure Trust has signed a Share Purchase Agreement on January 15, 2024 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in the below mentioned 12 SPVs currently owned by **PNC Infratech Limited** and **PNC Infra Holdings Limited** ("Seller") ("**Proposed Transaction**"):

Sr No.	Abbreviation	Asset Type	Seller	Equity Stake acquired	Whether a Related Party of Trust
1	PRHPL (DL)	HAM	PNC	100%	No
2	PCHPL (CD)	HAM	PNC	100%	No
3	PAHPL (AK2)	HAM	PNC	100%	No
4	PBHPL (JK1)	HAM	PNC	100%	No
5	PKHPL (JK2)	HAM	PNC	100%	No
6	PTSHPL (CA)	HAM	PNC	100%	No
7	PMHHPL (MN)	HAM	PNC	100%	No
8	PBKHPL (AK5)	HAM	PNC	100%	No
9	PUHPL (UL)	HAM	PNC	100%	No
10	PGHPL (JF)	HAM	PNC	100%	No
11	PCKHPL(CH)	HAM	PNC	100%	No
12	PBNHPL (BN)	Toll	PNC	100%	No

3.1.11. Equity Interest:

I understand the Trust is proposing to acquire 100% Equity Stake in the above mentioned SPVs.

3.1.12. Debt Interest:

I understand the Trust is proposed to acquire the SPVs along with the above mentioned Debt outstanding as at the Valuation Date.

3.1.13. Not a Related Party Transaction:

I understand the Seller and the Trust are not related parties as per the definition of related parties as per regulation 2(1)(zv) of SEBI InvIT regulation and hence, the above Proposed Transaction is not considered as a related party transaction.

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Background of the SPVs

3.2. PNC Rajasthan Highways Private Limited (“PRHPL”)

3.2.1. PNC Rajasthan Highways Private Limited (the company) is domicile and incorporated in India and is a wholly owned subsidiary of PNC Infra holdings Limited. The company is engaged in infrastructure development of “four laning/two laning with paved shoulder from kms 0.00 to km 83.453 of Dausa-Lalsot-Kauthun section of NH-11A extension in the state of Rajasthan under NHDP under phase IV on Hybrid Annuity Mode.

The map below illustrates the location of the Project and the corridor it covers



3.2.2. Summary of Project details of PRHPL are as follows:

Parameters	Details
Total Length	83.45 km
Nos. of Lanes	2/4
NH / SH	NH-11A Ext.
State Covered	Rajasthan
Area (Start and End)	Dausa to Lalsot
Project Cost	INR 8,810 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	14 th February, 2020
Concession Period	15 years from commencement date
Number of Annuities	22
Operational Period	15 years
Construction period	910 days

Source: Investment Manager

3.2.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	49.23 Kms
2	Total Length of Main Carriageway with Rigid Pavement	34.23 Kms
3	Toll Plaza	2
4	Bus Bays with Shelters	58
5	Truck Lay Bays	2
6	No of Rest Areas	2
7	Major Junction	8
8	Minor Junctions	55
9	No of Vehicular underpasses	9
10	No of Light Vehicular underpasses	4
11	No of Flyovers	0
12	Pedestrian/Cattle Underpass	0 nos
13	Railway Over Bridge	2
14	Major Bridges	3
15	Minor Bridges	12
16	Box/Slab Culverts	37
17	Pipe Culverts	38

Source: Investment Manager

3.2.4. The shareholding of PRHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	2,64,29,990	100%
Total		2,64,30,000	100%

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.

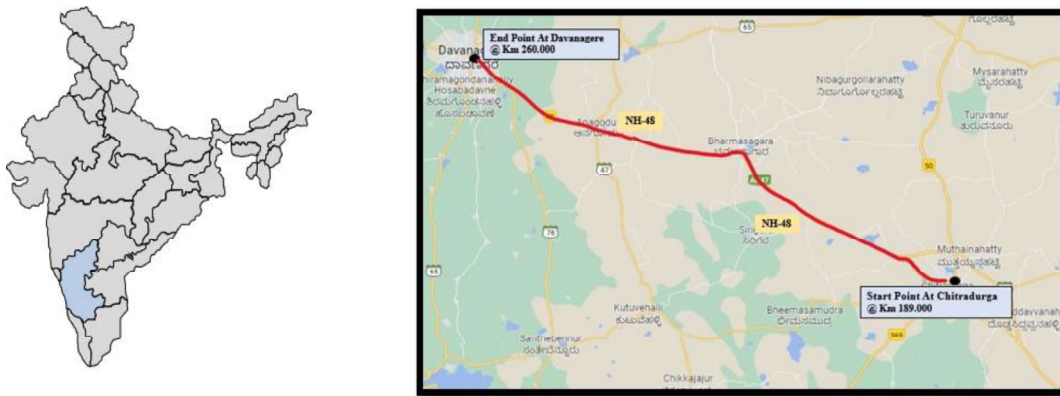
3.2.5. My team had conducted physical site visit for PRHPL on 17th February, 2025. Following are the pictures of the plant site:



3.3. PNC Chitradurga Highways Private Limited (“PCHPL”)

3.3.1. PNC Chitradurga Highways Private Limited (the Company) has been awarded six laning of Chitradurga-Devangere including Bypass (KM 189+000 to KM 260+000) of NH-48 (Old NH-4) in the state of Karnataka to be executed on Hybrid Mode under NHDP Phase V.

The map below illustrates the location of the Project and the corridor it covers



3.3.2. Summary of Project details of PCHPL are as follows:

Parameters	Details
Total Length	72.70 km
Nos. of Lanes	6
NH / SH	NH-48
State Covered	Karnataka
Area (Start and End)	Chitradurga to Davangere
Project Cost	INR 14,340 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	24 th June, 2021
Concession Period	15 years from commencement date
Number of Annuities	23
Operational Period	15 years
Construction period	910 days

Source: Investment Manager

3.3.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	144.70 Kms
2	Total Length of Main Carriageway with Rigid Pavement	0.75 Kms
3	Total length of Service Roads	64.26 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	34
6	Truck Lay Bays	2
7	No of Rest Areas	1
8	Major Junction	31
9	Minor Junctions	0 nos
10	No of Vehicular underpasses	7
11	No of Light Vehicular underpasses	20
12	No of Flyovers	3
13	Pedestrian/Cattle Underpass	9
14	Railway Over Bridge	2
15	Major Bridges	1
16	Minor Bridges	18
17	Box/Slab Culverts	42
18	Pipe Culverts	60

Source: Investment Manager

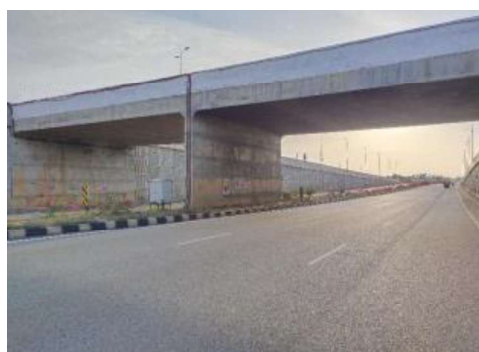
3.3.4. The shareholding of PCHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	4,30,19,990	100%
Total		4,30,20,000	100%

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.

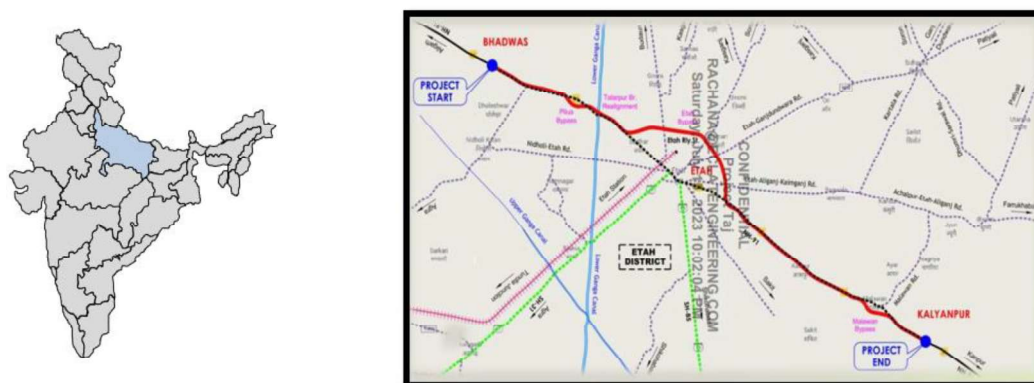
3.3.5. My team had conducted physical site visit for PCHPL on 8th February, 2025. The following are the pictures of the plant site:



3.4. PNC Aligarh Highways Private Limited ("PAHPL")

3.4.1. PNC Aligarh Highways Private Limited (the Company) is domicile and incorporated in India and is a wholly owned subsidiary of PNC Infraholdings Limited. The company is engaged in infrastructure development of "four laning of Aligarh-Kanpur Section from km 186.00 (Design Chainage 195.733) to km 229.00 (Design Chainage 240.897) (Pkg-II from Bhadwas-kalyanpur) of NH-91 in the state of Uttar Pradesh on Hybrid Annuity Mode under Bharatmala Pariyojna.

The map below illustrates the location of the Project and the corridor it covers



3.4.2. Summary of Project details of PAHPL are as follows:

Parameters	Details
Total Length	45.16 km
Nos. of Lanes	4
NH / SH	NH-91
State Covered	Uttar Pradesh
Area (Start and End)	Aligarh to Kanpur
Project Cost	INR 11,970 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	12 th June, 2021
Concession Period (CP)	15 years from commencement date
Number of Annuities	23
Operational Period	15 years
Construction period	730 days

Source: Investment Manager

3.4.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	44.564 Kms
2	Total Length of Main Carriageway with Rigid Pavement	0.6 Kms
3	Total length of Service Roads	34.12 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	6
6	Truck Lay Bays	2
7	No of Rest Areas	2
8	Major Junction	0 nos
9	Minor Junctions	50
10	No of Vehicular underpasses	9
11	No of Light Vehicular underpasses	17 nos
12	No of Flyovers	0 nos
13	Pedestrian/Cattle Underpass	17
14	Railway Over Bridge	0 nos
15	Major Bridges	1
16	Minor Bridges	9
17	Box/Slab Culverts	100
18	Pipe Culverts	0 nos

Source: Investment Manager

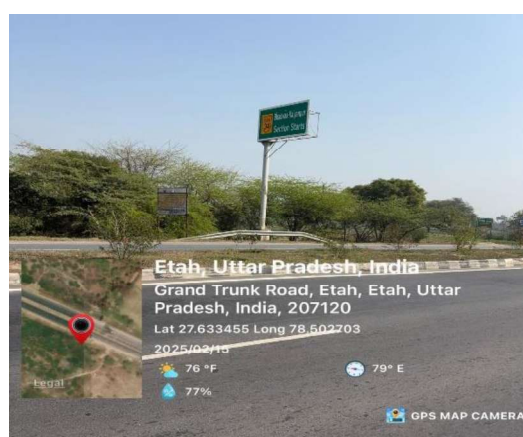
3.4.4. The shareholding of PAHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	6,68,09,990	100%
Total		6,68,10,000	100%

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.

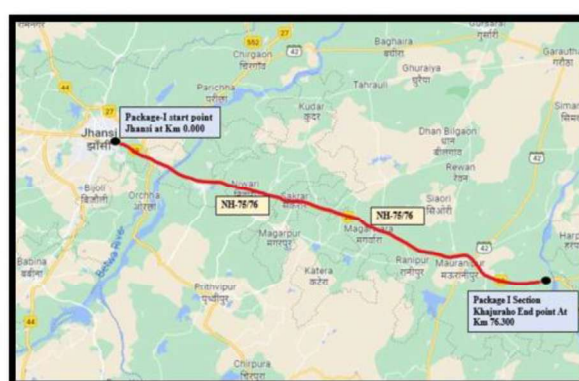
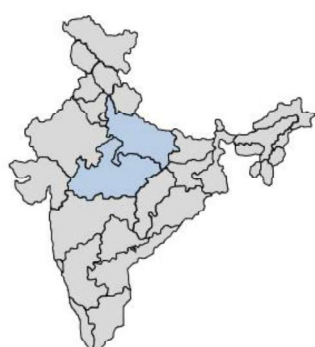
3.4.5. My team had conducted physical site visit for PAHPL on 14th January, 2025. Following are the pictures of the plant site:



3.5. PNC Bundelkhand Highways Private Limited ("PBHPL")

3.5.1. PNC Bundelkhand Highways Private Limited (the Company) has been awarded four laning of Jhansi-Khajuraho section (pkg-1) from Km 0.00 to Km 76.3 (existing km 108.300 of NH-25 Kanpur-Jhansi section to km 82.1) of NH-75/76 on state of UP/MP under NHDP phase-III on Hybrid Annuity Mode.

The map below illustrates the location of the Project and the corridor it covers



3.5.2. Summary of Project details of PBHPL are as follows:

Parameters	Details
Total Length	76.61 km
Nos. of Lanes	4
NH / SH	75/76
State Covered	Uttar Pradesh/Madhya Pradesh
Area (Start and End)	Jhansi to Chhati Pahadi
Project Cost	INR 14,100 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	28 th January, 2022
Concession Period	15 years from commencement date
Number of Annuities	25
Operational Period	15 years
Construction period	910 days

Source: Investment Manager

3.5.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	41.00 Kms
2	Total Length of Main Carriageway with Rigid Pavement	35.61 Kms
3	Total length of Service Roads	62.48 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	38
6	Truck Lay Bays	1
7	No of Rest Areas	1
8	Major Junction	3
9	Minor Junctions	124
10	No of Vehicular underpasses	21
11	No of Light Vehicular underpasses	0 nos
12	No of Flyovers	1
13	Pedestrian/Cattle Underpass	9
14	Railway Over Bridge	1
15	Major Bridges	6
16	Minor Bridges	21
17	Box/Slab Culverts	108
18	Pipe Culverts	227

Source: Investment Manager

3.5.4. The shareholding of PBHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	6,52,79,990	100%
Total		6,52,80,000	100%

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.

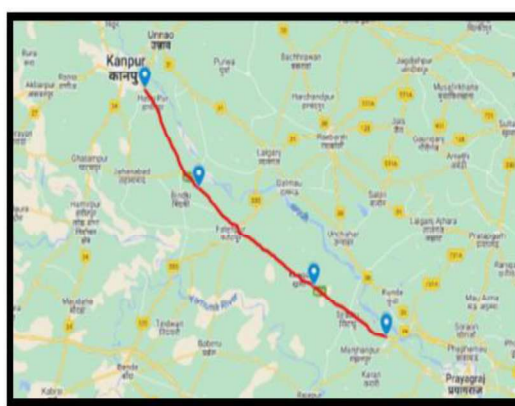
3.5.5. My team had conducted physical site visit for PBHPL on 18th February, 2025. Following are the pictures of the plant site:



3.6. PNC Triveni Sangam Highways Private Limited ("PTSHPL")

3.6.1. PNC Triveni Sangam Highways Private Limited has been awarded six laning comprising the section of National Highway NH-2 COMMENCING FROM 483+687 AT Chakeri to Km 628+753at Allahabdd in the state of Uttar Pradesh. The total length of the road is 145.066 km.

The map below illustrates the location of the Project and the corridor it covers



3.6.2. Summary of Project details of PTSHPL are as follows:

Parameters	Details
Total Length	145.066 Kms
Nos. of Lanes	6
NH / SH	NH-2
State Covered	Uttar Pradesh
Area (Start and End)	Kanpur to Prayagraj
PPP Model	HAM
Project Type	HAM
PCOD Date	01-03-2023
Concession Period (CP)	15 years
Number of Annuities	27
Operational Period	15 years
Construction period	910 days

Source: Investment Manager

3.6.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	127.394 Kms
2	Total Length of Main Carriageway with Rigid Pavement	163.132 Kms
3	Total length of Service Roads	154.829 Kms
4	Toll Plaza	2
5	Bus Bays with Shelters	6
6	Truck Lay Bays	8
7	No of Rest Areas	0 nos
8	Major Junction	3
9	Minor Junctions	101
10	No of Vehicular underpasses	17
11	No of Light Vehicular underpasses	29
12	No of Flyovers	3
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	0 nos
15	Major Bridges	1
16	Minor Bridges	7
17	Box/Slab Culverts	151
18	Pipe Culverts	40

Source: Investment Manager

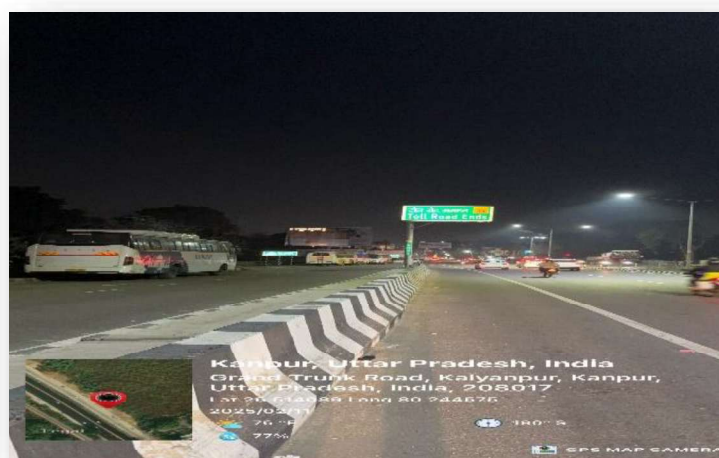
3.6.4. The shareholding of PTSHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	5,82,09,990	100%
Total		5,82,10,000	100%

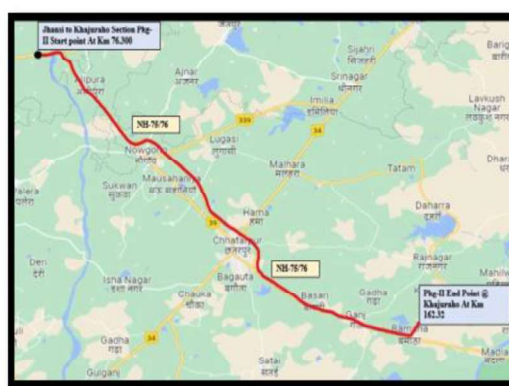
Source: Investment Manager

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.

3.6.5. My team had conducted physical site visit for PAHPL on 11th February, 2025. Following are the pictures of the plant site:



3.7.1. PNC Khajuraho Highways Private Limited (the company) has been awarded four laning of Jhansi-Khajuraho section (pkg-II) of NH-75/76 from design chainage Km 76.3 (existing chainage 82.100) near village chattipahari to design chainage Km 161.7 (existing chainage Km 57.9) near bamitha town in the state of Uttar Pradesh & Madhya Pradesh under NHDP (Phase-III) on Hybrid Annuity Mode.



Parameters	Details
Total Length	85.53
Nos. of Lanes	4
NH / SH	NH-75/76
State Covered	Uttar Pradesh/ Madhya Pradesh
Area (Start and End)	Jhansi to Khajuraho
Project Cost	INR 13,100 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	21 st June, 2021
Concession Period	15 years from commencement date
Number of Annuities	24
Operational Period	15 years
Construction period	910 days

Highways Infrastructure Trust
Fair Enterprise Valuation
31 December 2024

3.7.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	42.20 Kms
2	Total Length of Main Carriageway with Rigid Pavement	43.33 Kms
3	Total length of Service Roads	47.30 Kms
4	Toll Plaza	2
5	Bus Bays with Shelters	59
6	Truck Lay Bays	2
7	No of Rest Areas	1
8	Major Junction	5
9	Minor Junctions	65
10	No of Vehicular underpasses	22
11	No of Light Vehicular underpasses	0 nos
12	No of Flyovers	0 nos
13	Pedestrian/Cattle Underpass	8
14	Railway Over Bridge	1
15	Major Bridges	1
16	Minor Bridges	20
17	Box/Slab Culverts	120
18	Pipe Culverts	203

Source: Investment Manager

3.7.4. The shareholding of PKHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	3,92,99,990	100%
Total		3,93,0,000	100%

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.

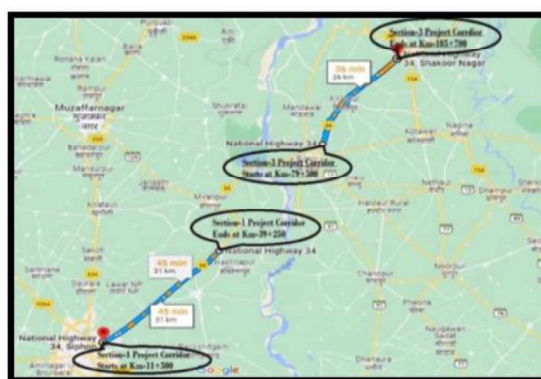
3.7.5. My team had conducted physical site visit for PKHPL on 18th February, 2025. Following are the pictures of the plant site:



3.8. PNC Meerut Haridwar Highways Private Limited ("PMHHPL")

- 3.8.1. PNC Meerut Haridwar Highways Private Limited (the Company) is domicile and incorporated in India and wholly owned subsidiary company of PNC Infraholdings limited. The company is engaged in infrastructure development of four laning from km 11+500 to km 39+240 and Km 86+590 to Km 112+545, Meerut to Nazibabad section of NH-34 on Hybrid Annuity Model under Bharatmala Pariyojna in state of Uttar Pradesh.

The map below illustrates the location of the Project and the corridor it covers



3.8.2. Summary of Project details of PMHHPL are as follows:

Parameters	Details
Total Length	53.95 km
Nos. of Lanes	4
NH / SH	NH -34
State Covered	Uttar Pradesh
Area (Start and End)	Meerut to Nazibabad
Project Cost	INR 14,120 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	04 th May, 2024
Concession Period	15 years from commencement date
Number of Annuities	29
Operational Period	15 years
Construction period	730 days

Source: Investment Manager

3.8.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	52.75 Kms
2	Total Length of Main Carriageway with Rigid Pavement	1.2 Kms
3	Total length of Service Roads	23.1 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	40
6	Truck Lay Bays	4
7	No of Rest Areas	0 nos
8	Major Junction	15
9	Minor Junctions	65
10	No of Vehicular underpasses	18
11	No of Light Vehicular underpasses	9
12	No of Flyovers	0 nos
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	1 nos
15	Major Bridges	1
16	Minor Bridges	10
17	Box/Slab Culverts	44
18	Pipe Culverts	25

Source: Investment Manager

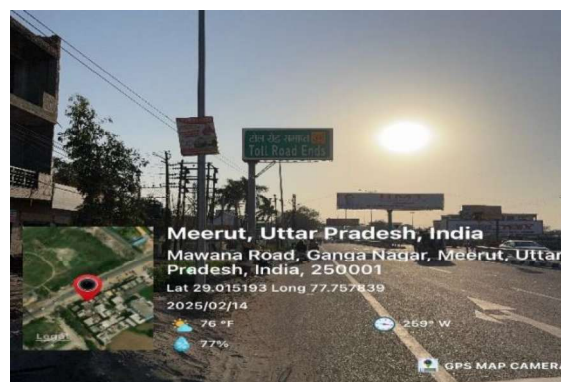
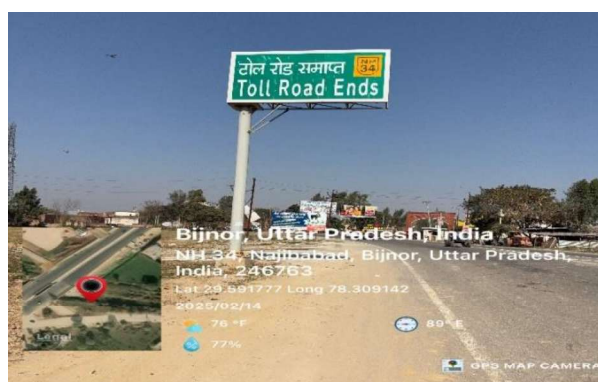
3.8.4. The shareholding of PMHHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	6,54,49,990	100%
Total		6,54,50,000	100%

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.

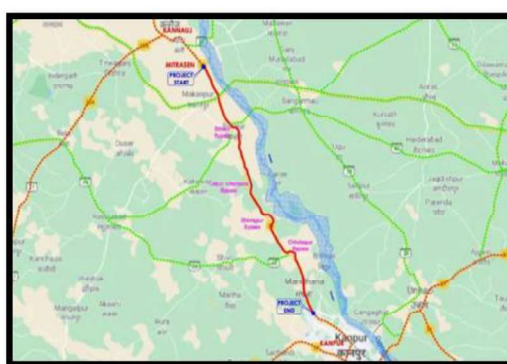
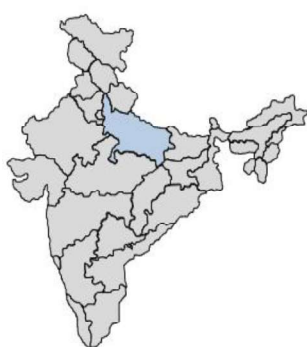
3.8.5. My team had conducted physical site visit for PMHHPL on 14th January, 2025. Following are the pictures of the plant site:



3.9. PNC Bithur Kanpur Highways Private Limited (“PBKHPL”)

3.9.1. PNC Bithpur Kanpur Highways Private Limited (the Company) is domicile and incorporated in India and is a wholly owned subsidiary of PNC Infraholdings Limited. The company is engaged in infrastructure development of “four lanning from km 356.00 to km 414.00, Aligarh to Kanpur section of NH-91” on Hybrid Annuity Mode under Bharatmala Pariyojna in the state of Karnataka.

The map below illustrates the location of the Project and the corridor it covers



3.9.2. Summary of Project details of PBKHPL are as follows:

Parameters	Details
Total Length	60.64 km
Nos. of Lanes	4
NH / SH	NH-91
State Covered	Uttar Pradesh
Area (Start and End)	Mitrassen to Kanpur
Project Cost	INR 20,520 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	4 th August, 2023
Concession Period	15 years from commencement date
Number of Annuities	28
Operational Period	15 years
Construction period	910 days

Source: Investment Manager

3.9.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	60.04 Kms
2	Total Length of Main Carriageway with Rigid Pavement	0.6 Kms
3	Total length of Service Roads	62.04 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	6
6	Truck Lay Bays	1
7	No of Rest Areas	1
8	Major Junction	0 nos
9	Minor Junctions	48
10	No of Vehicular underpasses	18
11	No of Light Vehicular underpasses	12
12	No of Flyovers	1
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	1
15	Major Bridges	2
16	Minor Bridges	18
17	Box/Slab Culverts	77
18	Pipe Culverts	18

Source: Investment Manager

3.9.4. The shareholding of PBKHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	9,88,89,990	100%
Total		9,88,90,000	100%

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.

3.9.5. My team had conducted physical site visit for PBKHPL on 11th February, 2025. Following are the pictures of the plant site:



3.10. PNC Unnao Highways Private Limited (“PUHPL”)

- 3.10.1. PNC Unnao Highways Private Limited (the company) is domicile and incorporated in India and wholly owned subsidiary company of PNC Infraholdings limited. The company is engaged in infrastructure development of Rehabilitation & Upgradation from two lanning to four lanning from Km 0 to Km 70.00, Unnao to Lalganj section of NH-31 (old NH-232A) on Hybrid Annuity Model under Bharatmala Pariyojna in the state of Uttar Pradesh.

The map below illustrates the location of the Project and the corridor it covers



- 3.10.2. Summary of Project details of PUHPL are as follows:

Parameters	Details
Total Length	70 Km
Nos. of Lanes	4
NH / SH	NH- 232A
State Covered	Uttar Pradesh
Area (Start and End)	Unnao to Lalganj
Project Cost	INR 16,020 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	12 th October, 2023
Concession Period	15 years from commencement date
Number of Annuities	28
Operational Period	15 years
Construction Period	910 days

Source: Investment Manager

3.10.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	-
2	Total Length of Main Carriageway with Rigid Pavement	70.00 Kms
3	Total length of Service Roads	38.74 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	33
6	Truck Lay Bays	4
7	No of Rest Areas	1
8	Major Junction	1
9	Minor Junctions	99
10	No of Vehicular underpasses	4
11	No of Light Vehicular underpasses	13
12	No of Flyovers	0 nos
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	0 nos
15	Major Bridges	1
16	Minor Bridges	8
17	Box/Slab Culverts	104
18	Pipe Culverts	74

Source: Investment Manager

3.10.4. The shareholding of PUHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	7,84,99,990	100%
Total		7,85,00,000	100%

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.

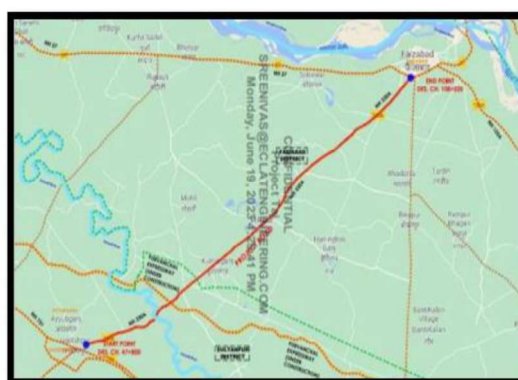
3.10.5. My team had conducted physical site visit for PUHPL on 12th February, 2025. Following are the pictures of the plant site:



3.11. PNC Gomti Highways Private Limited ("PGHPL")

- 3.11.1. PNC Gomti Highways Private Limited (the Company) is domicile and incorporated in India and wholly owned subsidiary company of PNC Infraholdings limited. The company is engaged in infrastructure development of four laning from km 47.930 to km 107.680, Jagdishpur to Faizabad section of NH-330A on Hybrid Annuity in state of Uttar Pradesh.

The map below illustrates the location of the Project and the corridor it covers



3.11.2. Summary of Project details of PGHPL are as follows:

Parameters	Details
Total Length	60.22 km
Nos. of Lanes	4
NH / SH	NH -330 A
State Covered	Uttar Pradesh
Area (Start and End)	Jagdishpur to Faizabad
Project Cost	INR 15,300 Mn
PPP Model	HAM
Project Type	HAM
PCOD Date	18 th November, 2023
Concession Period	15 years from commencement date
Number of Annuities	28
Operational Period	15 years
Construction period	730 days

Source: Investment Manager

3.11.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	59.17 Kms
2	Total Length of Main Carriageway with Rigid Pavement	1.05 Kms
3	Total length of Service Roads	17.2 Kms
4	Toll Plaza	1
5	Bus Bays with Shelters	32
6	Truck Lay Bays	4
7	No of Rest Areas	0 nos
8	Major Junction	3
9	Minor Junctions	28
10	No of Vehicular underpasses	3
11	No of Light Vehicular underpasses	0 nos
12	No of Flyovers	2
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	1
15	Major Bridges	2
16	Minor Bridges	9
17	Box/Slab Culverts	70
18	Pipe Culverts	20

Source: Investment Manager

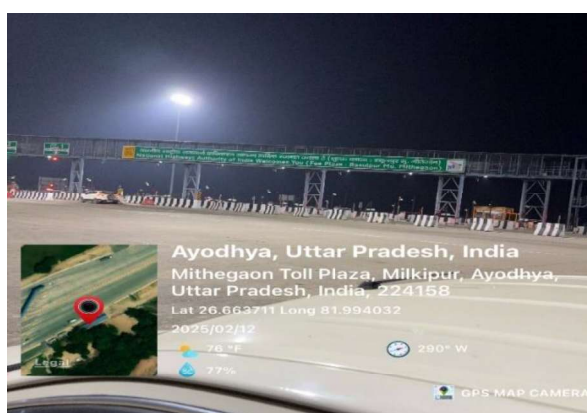
3.11.4. The shareholding of PGHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	7,13,09,990	100%
Total		7,13,10,000	100%

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.

3.11.5. My team had conducted physical site visit for PGHPL on 12th February, 2025. Following are the pictures of the plant site:



3.12. PNC Challakere (Karnataka) Highways Private Limited ("PCKHPL")

- 3.12.1. The National Highways Authority of India (NHAI) has awarded the project for the four-laning of the Challakere-Hiriyur section of NH-150A (old SH-18) in Karnataka to M/s. PNC Challakere Karnataka Highways Private Limited. This project spans a total length of 55.705 kilometers, extending from Km 358.500 to Km 414.205. The project includes a 10.800-kilometer bypass for Challakere town and a 12.750-kilometer bypass/realignment for Hiriyur town. It is being executed under the Hybrid Annuity Mode (HAM) as part of the Bharatmala Pariyojana initiative.

The map below illustrates the location of the Project and the corridor it covers



- 3.12.2. Summary of Project details of PCKHPL are as follows:

Parameters	Details
Total Length	55.705 Km
Nos. of Lanes	4
NH / SH	NH-150 A
State Covered	Karnataka
Area (Start and End)	Challakere-Hiriyur
Project Cost	INR 11570 Mn
PPP Model	DBFOT
Project Type	HAM
PCOD Date	11 th September, 2024
Concession Period	15 years from commencement date
Number of Annuities	30
Construction period	730 days

Source: Investment Manager

3.12.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	55.205 Kms
2	Total Length of Main Carriageway with Rigid Pavement	0.500 Kms
3	Total length of Service Roads	42.48 Km
4	Toll Plaza	1
5	Bus Bays with Shelters	40
6	Truck Lay Bays	2
7	No of Rest Areas	0 nos
8	Major Junction	0 nos
9	Minor Junctions	0 nos
10	No of Vehicular underpasses	6
11	No of Light Vehicular underpasses	3
12	No of Flyovers	7
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	1
15	Major Bridges	1
16	Minor Bridges	24
17	Box/Slab Culverts	111
18	Pipe Culverts	13

Source: Investment Manager

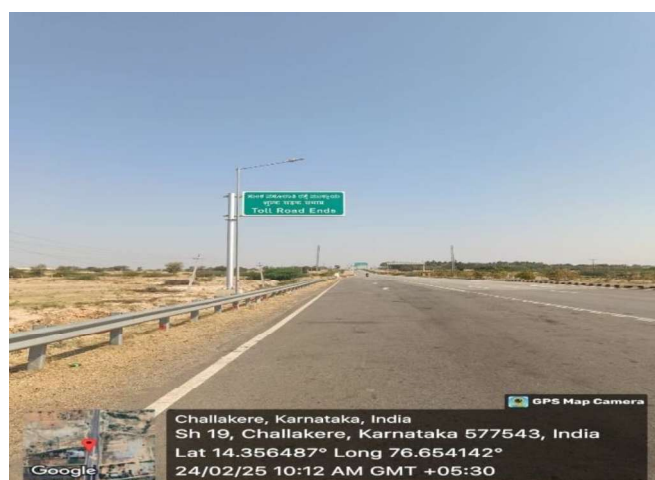
3.12.4. The shareholding of PCKHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra Holdings Limited	5,82,09,990	100%
Total			100%

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.

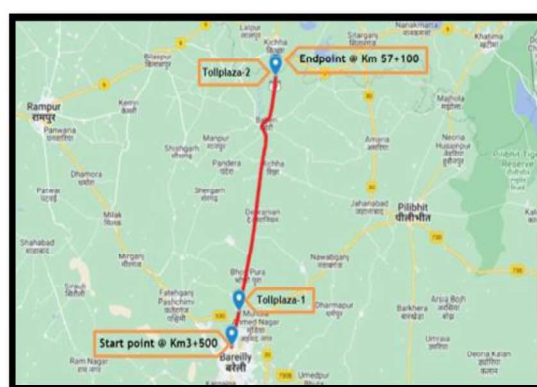
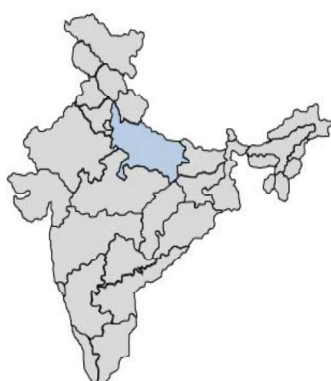
3.12.5. My team had conducted physical site visits for PCKHPL on 24th February, 2025. Following are the pictures of the plant site:



3.13. PNC Bareilly Nainital Highways Private Limited ("PBNHPL")

- 3.13.1 The map PNC Bareilly Nainital Highways Private Limited (the Company) is domicile and incorporated in India and wholly owned subsidiary company of PNC Infraholdings limited. The company is engaged in infrastructure development of four laning from km 3+500 to 57+100, from Bareilly to Kichha section of SH-37 on Hybrid Annuity Model in state of Uttar Pradesh.

The map below illustrates the location of the Project and the corridor it covers



- 3.13.2. Summary of Project details of PBNHPL are as follows:

Parameters	Details
Total Length	53.60 km
Nos. of Lanes	4
NH / SH	SH -37
State Covered	Uttar Pradesh
Area (Start and End)	CH 3.500 to CH 57.100
Project Cost	INR 5400 Mn
PPP Model	DBFOT
Project Type	Toll
PCOD Date	19 th October, 2015
COD Date	7 th March, 2021
Concession Period	25 years from Appointed date
Number of Annuities	NA
Construction Period	910 days

Source: Investment Manager

3.13.3. The salient features of the project are as follows:

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway with Flexible Pavement	53.06 Kms
2	Total Length of Main Carriageway with Rigid Pavement	0.5 Kms
3	Total length of Service Roads	4.00 Kms
4	Toll Plaza	2
5	Bus Bays with Shelters	6
6	Truck Lay Bays	0 nos
7	No of Rest Areas	0 nos
8	Major Junction	3
9	Minor Junctions	70
10	No of Vehicular underpasses	4
11	No of Light Vehicular underpasses	0 nos
12	No of Flyovers	1
13	Pedestrian/Cattle Underpass	0 nos
14	Railway Over Bridge	0 nos
15	Major Bridges	0 nos
16	Minor Bridges	9
17	Box/Slab Culverts	35
18	Pipe Culverts	21

Source: Investment Manager

3.13.4. The shareholding of PMHHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	PNC Infratech Limited	10	0%
2	PNC Infra holdings Limited	6,54,49,990	100%
Total		6,54,50,000	100%

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.

3.13.5. My team had conducted physical site visit for PMHHPL on 14th February, 2025. Following are the pictures of the plant site:



4. Overview of the Industry

4.1 Introduction of Indian Infrastructure Industry

As India strives towards becoming a developed economy, the transport sector plays a crucial role. In the 2025-26 Budget, the capital expenditure allocation is set at Rs 11.21 lakh crore.

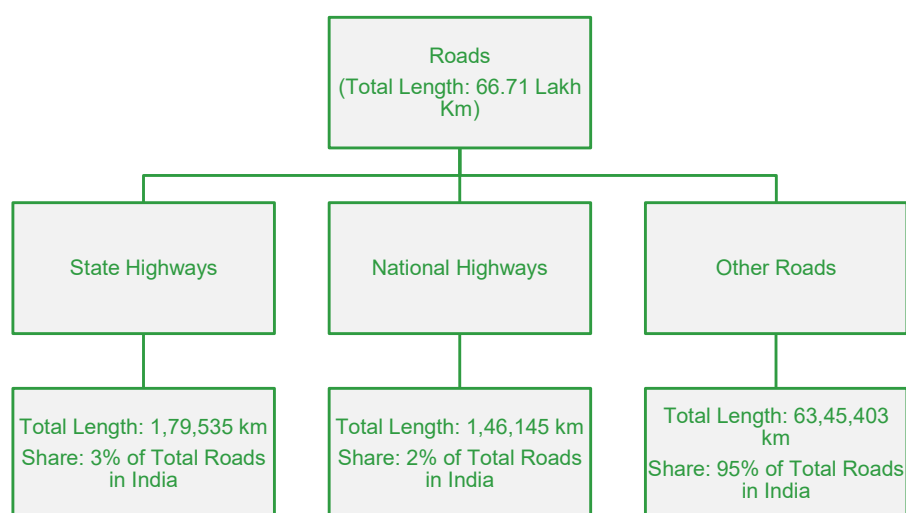
Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner Infrastructure related ministries to come up with 3-year pipeline of projects that can be implemented in public private partnership mode.

Rs1.5 lakh crore have been outlaid for 50-year interest free loans to states for capital expenditure and incentives for reforms.

The second asset monetization plan for 2025-30 is to be launched for generating capital of Rs 10 lakh crore for new projects.

4.2 Road Network in India

- 4.2.1 India has the second largest road network in the world, spanning over 6.67 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: MoRTH, Government of India

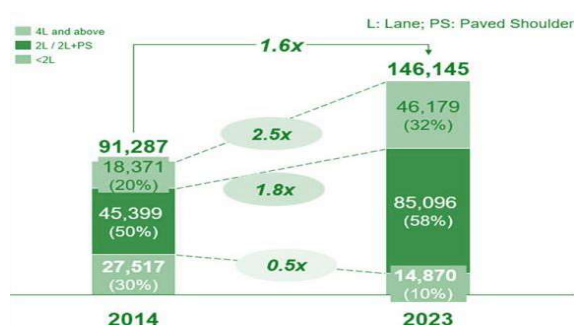
- 4.2.2 NHs constitute around 2 per cent of the total road network in the country but carry about 40% of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometer of land – is similar to that of the France (1.98) and much greater than China's (0.49) or USA's (0.68).

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4.2.3 National Highway (NH) network increased by ~60% from 91,287 km in 2014 to 1,46,145 km in year 2024.

Following table provides the construction of Km per day for NH:

Year	Construction (per year)	Project Awarded (in km)	Construction (in km/day)
2015-16	6061	6397	16.6
2016-17	8231	4335	22.6
2017-18	9829	7400	26.9
2018-19	10855	6000	29.7
2019-20	10237	8948	28.1
2020-21	13327	10467	36.5
2021-22	10457	12731	28.6
2022-23	10331	7497	28.3
2023-24	~12,300	~2,500	34.0



Source: MoRTH, Government of India

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 The National Highways Authority of India (NHAI) has made a big step towards improving the highway user experience, with the introduction of 'Rajmargyatra,' a citizen-centric unified mobile application. This user-friendly app provides travellers with in-depth knowledge of Indian National Highways as well as an effective procedure for filing complaints.
- 4.3.5 National Highways Authority of India (NHAI) has also recently introduced a 'Knowledge Sharing' platform for sharing of knowledge and innovative best practices. This effort, which is hosted on the NHAI website, will assist the authority in working with specialists and citizens who want to exchange knowledge and views about subjects including road design, construction, road safety, environmental sustainability, and related sectors. The platform

will promote the exchange of best practices from all around the world and work to strengthen the nation's national highway system.

- 4.3.6 A total of 261 road projects under different Schemes of MoRTH with a total sanctioned cost of Rs. 1,02,594 crore (US\$ 12.33 billion) are under implementation through the National Highways Authority of India (NHAI), National Highways & Infrastructure Development Corporation Ltd. (NHIDCL), and State Public Works Departments (PWDs) in the North-Eastern States. The Ministry of Development of the North-Eastern Region, under the erstwhile North-East Road Sector Development Scheme (NERSDS) and the present North-East Special Infrastructure Development Scheme (NESIDS), has sanctioned a total of 77 road projects amounting to Rs. 3,372.58 crore (US\$ 405.5 million).
- 4.3.7 The Government of India has been consistently revising 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.
- 4.3.8 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.
- 4.3.9 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.

4.4 Trend of Road and Highways Construction

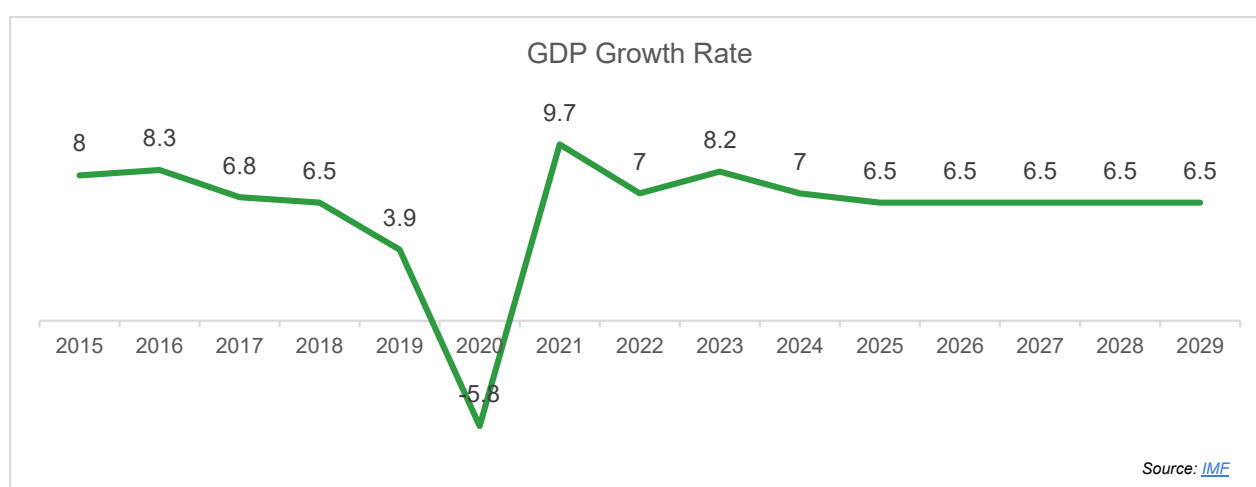
- 4.4.1 The current rate of road construction is almost three times that in 2007-08.
- 4.4.2 The launch of the Bharatmala Pariyojana in 2017 provided a big leap to construction activity, with the pace of construction doubling from 12 km per day in 2014-15 to 30 km per day in 2022-23, and peaking at 37 km per day in 2020-21.
- 4.4.3 Under Phase-I of Bharatmala Pariyojana, the Ministry has approved the implementation of 34,800 km of national highways in 5 years with an outlay of Rs. 5,35,000 crore (US\$ 76.55 billion). Under this scheme, 22 greenfield projects (8,000 km length) are being constructed; this is worth Rs. 3.26 lakh crore (US\$ 43.94 billion).
- 4.4.4 The government aims to take this up to 100 km per day in the next few years.
- 4.4.5 National Highway (NH) network increased by 60% from 91,287 km in 2014 to 1,46,145 km in year 2023
- 4.4.6 Length of 4 lanes and above NH increased by 2.5 times – 18,387 km (2014) to 46,179 km (Nov'23)
- 4.4.7 Length of less than 2 lane NH decreased from 30% (2014) to 10% (Nov'23)
- 4.4.8 Average pace of NH construction increased by 143% to 28.3 km/day from 2014
- 4.4.9 Expenditure is expected to increase by 9.4 times from 2014.
- 4.4.10 Out of 108 (3700 km) port connectivity road projects, 8 (294 km) are completed, 28 (1808 km) are awarded and DPR under-progress for 72 (1595 km) projects
- 4.4.11 With the Government permitting 100% Foreign Direct Investment (FDI) in the road sector, several foreign companies have formed partnerships with Indian players to capitalise on the sector's growth. Cumulative FDI inflows in construction development stood at US\$ 33.91 billion between April 2000 - March 2024.
- 4.4.12 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.
- 4.4.13 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.
- 4.4.14 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.

- 4.4.15 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).
- 4.4.16 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati shakti portal.
- 4.4.17 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.

4.5 Economic and Financial Outlook

4.5.1 GDP Growth

India's real GDP growth in FY26 is expected to be between 6.3 and 6.8%. The industrial sector is estimated to grow by 6.2 per cent in FY25. Strong growth rates in construction activities and electricity, gas, water supply and other utility services are expected to support industrial expansion.

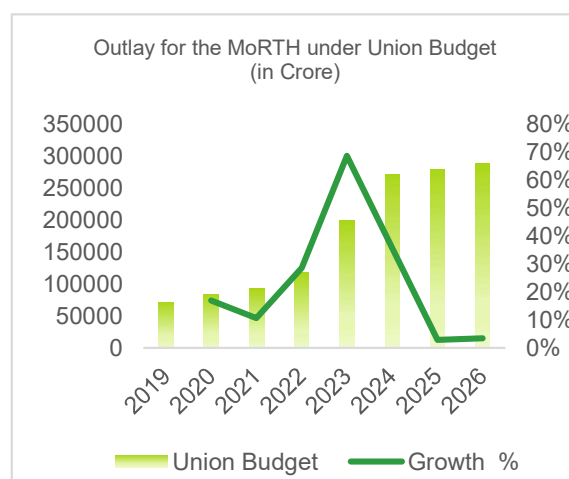


4.5.2 Government Spending

The Ministry of Road and Transport have been allocated Rs2.87 lakh crore under Budget 2025-26 which accounts to 5.7% of the total expenditure. This is an increase of 2.4% compared to the revised estimate for FY25.

Nearly 60% of the total allocation is set aside for the National Highways Authority of India (NHAI) at Rs1.7 lakh crore.

National Highways Authority of India (NHAI) spent a record-breaking Rs. 2,07,000 crore (US\$ 24.79 billion) on the construction of national highways in the fiscal year 2023-24. This was the highest capital expenditure ever recorded, representing a 20% increase from last year.



4.5.3 Financing & Capital Structure Government Spending

Public Financing - Funding from government sources includes budgetary allocations, which are financed from taxes, cesses, or dedicated road funds. Publicly funded projects are usually given to contractors under various contract models such as the Engineering Procurement Construction (EPC).

Private Financing - Under private financing, the private developer builds a road, and in return has the right to collect toll for a specified period of time. The developer is responsible for the maintenance of roads during this period.

4.5.4 Infrastructure debt funds (IDFs) - Government of India has set up the India Infrastructure Finance Company (IIFCL) to provide long-term funding for infrastructure projects. Interest payment on external commercial borrowings for infrastructure are now subject to a lower withholding tax of 5% vis-a-vis 20% earlier. IDF

4.6 Implementation of important projects and expressways:

4.6.1 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 26,000 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.

In Bharatmala Pariyojana, 60% projects are on Hybrid Annuity Mode (HAM), 10% projects on BOT (Toll) Mode and 30% projects on EPC mode have been envisaged respectively.

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

Component	Length (Km)	Cost (INR Mn)
Economic corridors development	9,000	12,00,000
Inter-corridor & feeder roads	6,000	8,00,000
National Corridors Efficiency	5,000	10,00,000
Border & International connectivity	2,000	2,50,000
Coastal & port connectivity roads	2,000	2,00,000
Expressways	800	4,00,000
Sub Total	24,800	38,50,000
Other works - under NHDP	10,000	15,00,000
Total	34,800	53,50,000

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

4.6.2 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.

4.6.3 Eastern peripheral and western peripheral expressway

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

4.6.4 NH-544G Bengaluru–Vijayawada Economic Corridor

Mr. Nitin Gadkari has recently approved the development of 32 km long 6-lane Access Controlled Greenfield Highway on NH-544G Bengaluru–Vijayawada Economic Corridor in Hybrid Annuity Mode in Andhra Pradesh worth US\$ 157 million (Rs. 1,292.65 crores).

4.6.5 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.

4.6.6 To further augment road infrastructure, more economic corridors are also being planned by Government of India.

- a. Prime Minister Mr. Narendra Modi has dedicated a six-lane Greenfield motorway part of the Amritsar-Jamnagar Economic Corridor and the first phase of the Inter-State Transmission Line for Green Energy Corridor.
- 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. In the Union Budget of 2024-25, the Government of India allocated Rs. 2.7 lakh crore (US\$ 32.68 Billion) to the Ministry of Road Transport and Highways.
- e. Up to FY24, the Ministry of Road Transport and National Highways had awarded a total length of 2,595 kms.

4.7 **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. 53.5 lakh Mn (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.

4.8 **Asset Monetisation**

4.8.1 **TOT Model** – Under this model, the right of collection of user fee (toll) in respect of selected operational highways constructed through public funding are assigned through a concession agreement as a result of bidding for a specified period of 15-30 years to the Concessionaire against upfront payment of a lump-sum amount quoted to the Government/NHAI. During the concession period, the responsibility for operations and maintenance of the road assets rests with the Concessionaire.

4.8.2 **InvIT Model** – NHAI has set up an InvIT under the SEBI InvIT Regulations, 2014 which is a pooled investment vehicle that issues units to investors, while having three entities for management of the Trust – Trustee, Investment Manager and Project Manager. The three entities have defined roles and responsibilities under the SEBI Regulations.

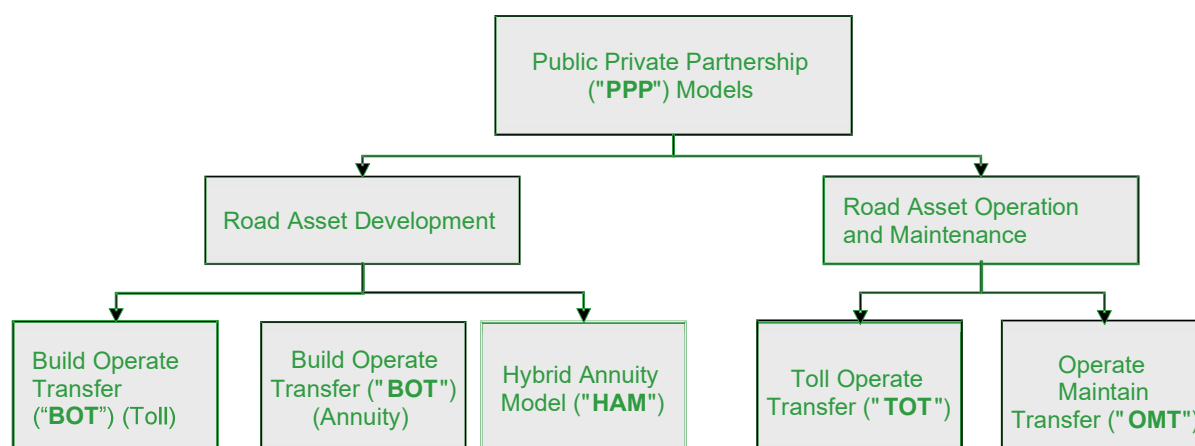
4.8.3 **Securitization through SPVs Model** – A SPV/DME (100% owned by NHAI), has been created by bundling road assets under consideration and securitizing the future user fee from the road assets. NHAI will collect tolls, maintain the road assets and periodically transfer payments to the SPV sufficient for servicing debt obligations at the SPV level. About Rs.3,70,000 Mn has already been raised through this method (DME- Delhi Mumbai Expressway) by NHAI so far.

4.9 **Utility Corridors**

Working towards development of around 10,000 km of Optic Fibre Cables (OFC) infrastructure across the country by FY2024-25, National Highways Logistics Management Limited (NHLML), a fully owned Company of NHAI, is implementing the network of Digital Highways by developing integrated utility corridors along the National Highways to develop OFC infrastructure. Around 1,367 km on Delhi – Mumbai Expressway and 512 km on Hyderabad - Bangalore Corridor have been identified for the Digital Highway Development.

4.10 Public Private Partnership ("PPP") Models of road development and maintenance in India

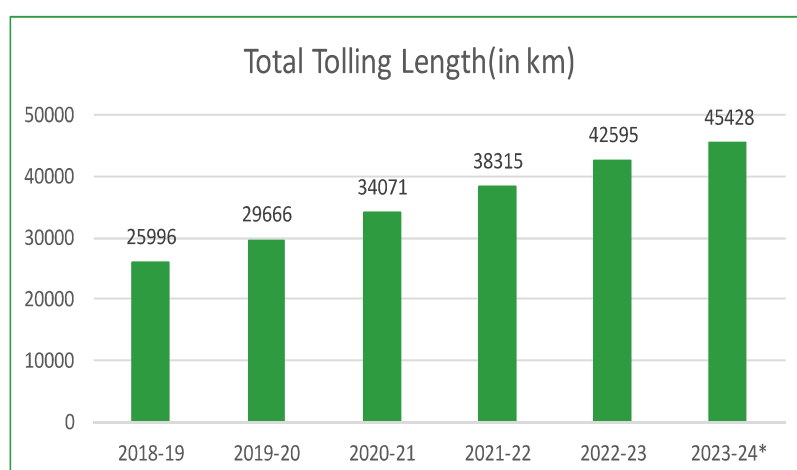
- 4.10.1 India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become 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.



4.11 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, is 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 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.

4.12 Major Events of 2023 and 2024

- In March 2024, Prime Minister Narendra Modi inaugurated and laid the foundation stone for 112 national highway projects across various states, with a total worth of approximately US\$ 12.04 billion (Rs. 1 lakh crore).
- The country's first elevated eight-lane access control Dwarka expressway of 29.6 km length is built at a cost of Rs. 1 lakh crore (US\$ 12.04 billion).
- In FY24 approximately 12,300 km of National Highways were constructed.
- Delhi-Vadodara Expressway: The Hon'ble Prime Minister dedicated to the nation 244.50 km long stretch of Delhi-Vadodara Expressway developed at a cost of about Rs. 1,18,950 Mn.
- The Hon'ble Prime Minister dedicated to the nation a road project 'four laning of 59 km long Suryapet to Khammam section of NH-365BB' built at a cost of about Rs.24,600 Mn.
- The Hon'ble Prime Minister laid the foundation stone of key road projects that are part of Nagpur -Vijayawada Economic Corridor.
- Foundation Stone laying for Karnataka Section of Six Lane Surat – Chennai Expressway (1270 Km)
- Hon'ble Prime Minister dedicated 118 km long Bengaluru-Mysuru Expressway to the nation and laid the foundation stone for the 92 km Mysuru-Kushalnagar 4-lane highway in Mandya, Karnataka
- Hon'ble Prime Minister inaugurated and laid the foundation stone of road projects worth about Rs.37,000 Mn at Chennai, Tamil Nadu.
- Hon'ble Prime Minister inaugurated and laid the foundation stones for upgradation of two lanes roads in Rajsamand and Udaipur.
- Foundation stones of five **National Highway projects worth Rs. 64,000 Mn** were laid in Raipur on 07th July 2023.
- **Sustainable Road with Bio-Bitumen:** India's first eco-friendly road using lignin-based bio-bitumen was inaugurated on December 21, 2024, on the Nagpur-Mansar Bypass
- **PMGSY Phase IV Approval:** The government approved ₹70,125 crore for Phase IV of PMGSY to improve rural connectivity and upgrade bridges in August 2024.
- **Bengaluru–Chennai Expressway:** The Karnataka section of the Bengaluru–Chennai Expressway was completed and opened for traffic on December 9, 2024, with full completion expected by August 2025.

4.13 Growth Drivers

4.13.1 Robust Demand :

Growing domestic trade flows have led to rise in commercial vehicles and freight movement; supported by rise in production of commercial vehicles which commands stronger road network in India. Higher individual discretionary spending has led to increased spending on two and four wheelers. Domestic sales of passenger vehicles, three-wheelers and two-wheelers, reached 3,069,499, 260,995, and 13,466,412 units, respectively. Road's traffic share of the total traffic in India has grown from 13.8% to 65% in freight traffic and from 32% to 90% in passenger traffic over 1951–2019.

4.13.2 Increasing Investment :

Huge investment have been made in the sector with total investment increasing more than three times from 2014-15 to 2018-19. Plans are in place to raise up to INR 45,00,000 Mn through monetization, of which INR 3,00,000 Mn will be raised through ToT mode and INR1,50,000 Mn through InvITs. NHAI will bid out nearly 75% of new highway projects on PPP. Projects worth over INR 5000 Mn will preferably be executed through PPP mode.

4.13.3 Policy Support :

100% FDI is allowed under automatic route subject to applicable laws and regulations, standardized process for bidding and tolling. Government of India has set up India Infrastructure Finance Company (IIFCL) to provide long-term funding for infrastructure projects.

4.14 **Challenges & Issues in the Sector**

4.14.1 Land Acquisition Delays & Cost :

- Land acquisition cost has increased more than 30% since 2017, primarily due to enhanced compensation payment requirements as per 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013'.
- Delay in pre-construction activities (such as land acquisition, relocation) affects project timelines. Land acquisition for road projects involves various stages. Each stage involves a number of stakeholders and regulatory bodies. Thus processes consume considerable time.

4.14.2 Regulatory Approvals & Disputes :

- Road development process requires a number of approvals such as environmental clearance, forest clearance, railways clearance, etc. Each of these activities takes considerable time and non-adherence to timelines result in cost overruns due to delays.
- Claims arising out of disputes between the concessionaire/ contractor and the government authorities are also a significant cost which can lead to large liabilities.

4.14.3 Operational Issues :

- Uncertainty of toll revenue collection and variation of collected toll revenue compared to projected levels as Actual traffic is much less than the anticipated traffic.
- Often unforeseen weather conditions require unplanned O&M, over and above the routine and periodic maintenance activities. This results in enhanced O&M expenses. The increase in O&M costs is also affecting the project returns.

4.14.4 Financing road construction projects :

- In the case of toll motorways, the challenge of financing construction projects is different but still remains. Traditionally, the construction of toll motorways is a profitable investment but in the times of recession, funding may be rare or nonexistent.
- Powerful national economies may be able to efficiently tackle the problem but weaker economies can hardly find the financing sources for road construction projects.

4.14.5 Climate Change:

- The road sector is vulnerable to climate change impacts. Climate change and extreme weather events pose a significant challenge to the safety, reliability, effectiveness and sustainability of road transportation systems. Tsunami waves, wildfires, floods and hurricanes constitute a big risk for passengers, vehicles and goods, as well as for the integrity of the transport infrastructure.
- Since reliable road transport is an essential driver of economic growth and social wellbeing worldwide, national road authorities and motorway operators must adapt the infrastructure to climate change and increase the resilience of road transport to extreme weather

4.14.6 Economy and cost effectiveness:

- Among all transport modes, road transport occupies a significant place in short- and medium distance travel operations. However, the unit cost of transportation (per ton × km), compared with other modes of transport, remains high and is getting higher and cost-ineffective as the travel distance increases.
- Road transport cost comprises direct costs (fuel, capital depreciation, maintenance, motorway tolls, ferry fares and wages) and external costs (noise, congestion, infrastructure damages, health and environmental issues).

a. Recent Initiatives by Government**i. 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.

ii. Central Road and Infrastructure Fund (CRIF)

A majority of the Ministry's expenditure is managed through transfers from the CRIF. A portion of the cess collected on motor spirit and high-speed diesel is earmarked for the development of NHs and SHs, and the amount is transferred to the non-lapsable CRIF. This amount is eventually released to the NHAI, and to the state/UT governments for the development of road infrastructure, and other projects (such as ports, railway track, airports) in the country. For 2024-25, the transfer from CRIF towards the Ministry is estimated at Rs 3,46,400 Mn.

iii. National Investment Fund (NIF)

The NIF was created in 2005, and is credited with proceeds from disinvestments of public sector enterprises. The Ministry finances the Special Accelerated Road Development Programme in North East (SARDP-NE) with funds from the NIF.

iv. Investment in roads and other infrastructure

- CareEdge Ratings estimates that India will require additional infrastructure investment of US\$ 18-20 trillion in the next 25 years to become a US\$ 25-30 trillion economy by 2047.
- The Cabinet Committee on Economic Affairs, has given the approval for the development of eight key National High-Speed Corridor projects, spanning a total length of 936 km, with an investment of Rs. 50,655 crore (US\$ 6.09 billion) nationwide.

v. 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.

vi. 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.

vii. Rural development

The Central government launched the Pradhan Mantri Gram Sadak Yojana to provide all-weather road connectivity to the eligible unconnected habitations in rural areas. Over 7 lakh kilometres of roads have been constructed under the first and second phases of the scheme, which is currently in its third phase. Under the Union Budget 2024-25, the Government of India allocated Rs.1,90,000 Mn (US\$ 2,370 million) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

viii. Improve safety standards

The Government of India has announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles. A memorandum of understanding (MoU) has been signed with the National Highways Authority of India (NHAI)

by Guru Nanak Dev University (GNDU) to conduct advanced research on various aspects, including highway architecture, protection and revitalisation. The GNDU will undertake studies on ~137 km length of the National Highways passing through Pathankot, Gurdaspur and Amritsar districts.

ix. Portfolios in roads & highways sector

The National Investment and Infrastructure Fund (NIIF) is constantly 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.

x. International Tie-ups

The Ministry of Road Transport and Highways signed a 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.

xi. Encourage private funding to reduce finance constraints

- FDI inflows in construction development stood at US\$ 33.91 billion between April 2000 – March 2024.
- Indian Government and Asian Development Bank signed US\$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar.
- The Government of India and New Development Bank (NDB) recently signed two loan agreements for US\$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.

b. Outlook

- i. 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.
- ii. 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.
- iii. 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 kilometers 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.
- iv. 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.
- v. The Government of India has allocated Rs. 111 lakh crore (US\$ 1.4 trillion) under the National Infrastructure Pipeline for FY25. The roads sector is likely to account for 18% capital expenditure over FY25.

Sources: IBEF Roads Report, August 2024; 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 SPVs.
- 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 31st December 2024 prepared as per Indian Accounting Standards (Ind AS) are as under :

INR Mn		
Sr. No.	SPV	Book EV
1	PRHPL (DL)	1,715
2	PCHPL (CD)	4,678
3	PAHPL (AK2)	3,117
4	PBHPL (JK1)	5,282
5	PKHPL (JK2)	5,293
6	PTSHPL (CA)	9,025
7	PMHHPL (MN)	5,825
8	PBKHPL (AK5)	8,595
9	PUHPL (UL)	6,286
10	PGHPL (JF)	6,028
11	PCKHPL(CH)	5,335
12	PBNHPL (BN)	3,974
		65,153

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 earn revenues through annuity payment that are pre-determined as per the concession agreement. 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

- 5.13. The present valuation exercise is to undertake fair EV of the SPVs engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPVs 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 SPVs, 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 SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Conclusion on Income Approach

- 5.14. Each of the SPVs 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:
- a) Build: upon successfully securing a project concession through a competitive bid, a concessionaire secures financing for, and completes construction, of a road;
 - b) 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 or annuity payments from the Concessioning Authority; and
 - c) 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.
 - d) A DBFOT project involves, in addition to the activities required under a BOT project, the provision of engineering and design for such project.

5.14.1. For HAM SPV's

The SPVs operate under HAM based concession agreement with the relevant regulatory authorities. The revenue of the SPVs is based on tenure, annuity payments, operations and other factors that are unique to the SPVs. The revenue of the SPVs is mainly derived from the annuity payments (annuity fees), interest income on balance annuity payments (which is linked to bank rate) and O&M payments (adjusted for inflation), that is defined under the respective Concession Agreement for the operation period.

The annuity fees are typically pre-determined with the relevant government authority (NHAI in this case) and cannot be modified to reflect prevailing circumstances. Interest on balance annuity payments are linked to bank rate, which is changed by RBI based on prevailing market conditions.

5.14.2. For Toll SPV

The revenue of the Toll SPV is based on tenure, tariff rates, traffic volumes, operations, macro-economic factors like GDP growth, WPI, and other factors that are unique to each of the Toll SPVs. The Toll SPV derive almost all of their revenue from their toll-road operations (toll collections) over the operation period. Traffic plying through the toll roads 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 all the SPV shall be transferred after the expiry of the Concession Period.

- 5.14.3 The rights in relation to underlying asset of the SPV shall be transferred after the expiry of the Concession Period. Accordingly, since the SPV is generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me with the financial projections of the SPV for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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6. Valuation of the 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 and cash equivalents to meet those liabilities. Accordingly, in the present case, I have considered it appropriate to consider cash flows at FCFF (Free Cash Flow to Firm) level i.e., cash flows that are available to all the providers of capital (equity shareholders, preference shareholders and lenders). Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund raising are not considered in the calculation of FCFF.
- 6.2. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the 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 SPVs 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:

6.4.1. Revenue cash flows for the Toll SPV:

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

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

Concession Period

The Concession Period refers to the period where the Concessionaire has the responsibility to construct the road asset and post-construction is granted with the exclusive rights, license and authority to demand, collect and appropriate fee, operate, manage and maintain the project highway subject to the terms and conditions mention in their respective concession agreement. As per the extant provisions of the Concession Agreement, the SPV is eligible for extension of the toll period in case the the actual revenue performance falling short of ~35.3% then the SPV will get extension of 20% of the concession period(i.e. 5 years). As per the current assement of the Investment Manager the toll collection period is expected to be be extended until 15th March, 2043 as per the extant provisions of the Concession Period. This is however, subject to the required approval from the regulatory authority.

Traffic Volumes

Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside of the control of the SPV, including: fuel prices in India; the frequency of traveler use; the quality, convenience and travel efficiency of alternative routes outside the SPV's network of toll roads; the convenience and extent of a toll road's connections with other parts of the local, state and national highway networks; the availability and cost of alternative means of transportation, including rail networks and air transport; the level of commercial, industrial and residential development in areas served by the SPV's projects; adverse weather conditions; and seasonal holidays. Moreover the CAGR of the traffic growth for Toll Plaza 1 is ~3.3% and for Toll Plaza 2 is 3.7% for the concession period.

Toll Rates

During the concession period, the SPV operate and maintain the road assets and earn revenues through charges, fees or tolls generated from the assets. The amount of charges, fees or tolls that they may collect are notified by the relevant government authorities, which are usually revised annually as specified in the concession period

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

In the present case, the Investment Manager has appointed Ramboll India Private Limited an independent third-party research agency to forecast the traffic volumes and toll revenues for the SPV. As confirmed by the Investment Manager, the traffic volumes and toll revenues for the SPV have been estimated by the traffic consultant after considering overall structure and condition of the projects including analysis of demand and supply and strategic geographical locations of the individual road projects. This was one of the most important input in projecting the toll revenues. The Traffic consultants have taken Wholesale Price Index (WPI) and Consumer Price Index (CPI) growth rate of around ~3.9%-4.9% p.a. which is an important factor for Tariff growth rate.

6.4.2. Revenue cash flows for the HAM SPVs:

The Cash flow for the SPVs can be divided into two segments:

Payment from NHAI during the Construction Period:

The SPVs is eligible to receive 40% of the Bid Project Cost (BPC), adjusted for the price index multiple, in 5 installments of 8% each during the construction period. I have been represented by the Investment Manager that SPVs has received the agreed portion of the inflation adjusted bid project cost (of 40%) as per the respective concession agreements.

Payment by NHAI during the Operation Period: Accordingly, the revenue of the SPVs would mainly consist of the following receipts:

- a) **Annuity payments:** The Bid Project Cost remaining, adjusted for the price index multiple, to be paid in pursuance of the concession agreement (i.e. the Balance Completion Cost) is eligible to be received by the SPVs by way of specified biannual installments as mentioned in its concession agreement for the balance period of operations.

The following table represents the balance number of biannual annuity installments expected to be received by the respective SPV's after 31st December 2024:

Sr. No.	SPV	Annuities received till valuation date	Balance annuities to be received
1	PRHPL (DL)	9	21
2	PCHPL (CD)	7	23
3	PAHPL (AK2)	7	23
4	PBHPL (JK1)	5	25
5	PKHPL (JK2)	6	24
6	PTSHPL (CA)	3	27
7	PMHHPL (MN)	1	29
8	PBKHPL (AK5)	2	28
9	PUHPL (UL)	2	28
10	PGHPL (JF)	2	28
11	PCKHPL (CH)	0	30

- b) **Interest:** As per the concession agreement, the SPVs is entitled to receive interest on reducing Balance Completion Cost equal to applicable Bank Rate (as decided by the Monetary Policy Committee and published by the Reserve Bank of India) + 3.00% spread. Such interest is due and payable along with each of the biannual installments as mentioned above; and
- c) **Operation and Maintenance Revenue:** In lieu of O&M expenses to be incurred by SPVs, SPVs is eligible for certain O&M income (as defined in the concession agreement) at each biannual installment date, duly adjusted for an appropriate inflation rate.

6.4.3. Operating and Maintenance Expenses:

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

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, Incident management, Toll collection expenses 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 escalated these costs by approximately ~5.5% p.a. . The following table shows the breakup of O&M cost for FY 2026 (exclusive of GST) which is used in our valuation:

	INR Mn											
Payments	PRHPL (DL)	PCHPL (CD)	PAHPL (AK2)	PBHPL (JK1)	PKHPL (JK2)	PTSHPL (CA)	PMHHPL (MN)	PBKHPL (AK5)	PUPHL (UL)	PGHPL (JF)	PBKHPL (CH)	PBNHPL (BN)
O&M Cost	126	161	114	155	165	236	150	137	127	118	113	154
CSR	1	12	19	12	11	6	17	23	20	22	12	0
PM Fees	15	15	15	15	15	15	15	15	15	15	7	14
Total Payout	142	188	147	181	191	257	181	174	162	155	132	167

Further, Operation & Maintenance Costs have been considered based on the Technical Due Diligence ("TDD") Reports prepared by Eclat Engineering consultants for PBNHPL(BN) , PAHPL (AK2) , PBKHPL (AK5) , PGHPL (JF) , PMHHPL (MN), PUPHL(UL) and PBKHPL (CH) and M/s. Sri Infra Consulting Engineers Pvt Ltd for PTSHPL (CA) , PCHPL (CD) , PRHPL (DL) , PBHPL(JK1) and PKHPL (JK2) as provided to me by the Investment Manager. Given the technical nature of this study, I have relied on the expert's report for these costs. Further, no payment schedule for O&M Costs was provided to me and hence to that extent I have relied on the management's

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 anticipates an annual escalation of around 4%, based on the 10-year historical Bitumen prices movement (One of the key commodities required in the Major Maintenance activities). Additionally, the Compound Annual Growth Rate (CAGR) for the same indicates a lower than 4% escalation over 10-year period. Taking a conservative approach, we have applied a 4% escalation for our forecasted period

Further, Major Maintenance Costs have been considered based on the Technical Due Diligence ("TDD") Report for all the SPVs prepared by Eclat Engineering consultants for PBNHPL , PAHPL , PBKHPL , PGHPL , PMHHPL and PUPHL and M/s. Sri Infra Consulting Engineers Pvt Ltd for PTSHPL , PCHPL , PRHPL , PBHPL and PKHPL respectively as provided to me by the Investment Manager. Given the technical nature of this study, I have relied on the expert's report for these costs.

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

6.4.5. **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.

6.4.6. **Direct Taxes:** As per the discussions with the Investment Manager, the new provisions of Income Tax Act, 1961 (Section 115BAA) have been considered for the projected period of the SPVs. The SPVs has been filing its income tax returns on the basis of IND AS Income, adjusted for adjustments prescribed by Income Computation and Deduction Standards IV i.e Revenue Recognition and ICDS III i.e. Construction Contracts which can be substantiated from the income tax returns and tax audit report of the SPVs.

6.4.7. **Working Capital:**

For the HAM SPVs,

The working capital for the HAM SPVs mainly consists of EPC dues, Input GST credit and payable to O&M contractors. In case of CD and JK2, the annuities due based on their respective concession period is expected to be received in January. I have relied on the information provided by the Investment Manager.

For the Toll SPV,

The Investment Manager has provided me with the projected Working Capital for the Toll SPV which mainly consists of a debtors with relation to delay in toll collection and the credit period allowed by the O&M contractor. I have relied on the same.

6.5. **GST Claim:** The Investment Manager has informed us that due to the changes in extant provision of the Goods & Services Tax ("GST") laws, the HAM SPVs is eligible to receive GST claims from NHAI which are as follows:

- (i) **On Annuity:** As per the Policy circular of Ministry of Road Transport & Highways as on 23rd December 2022, SPVs are eligible to claim reimbursement of GST on annuity, considering change in law, after adjusting GST input credit lying with the SPVs.
- (ii) **On Interest on Annuity:** As per the Ministry of Finance circular dated 17th June 2021, GST will be applicable on annuity (deferred payments) paid for construction of roads i.e. annuity plus interest, additionally Ministry of Road Transport & Highways issued clarification dated 17th June 2021 that the SPVs will be eligible to claim reimbursement of GST on interest.
- (iii) **Change in GST Rates:** Ministry of Finance vide notification no. 03/2022 dated 13th July 2022, increased the GST rates applicable on road construction services from 12% to 18%. As per the Policy circular of Ministry of Road Transport & Highways as on 23rd December 2022, the above increase in GST rates are eligible for reimbursement from NHAI as it is considered as change in law (i.e. change of rate).

6.6. **Impact of Ongoing Litigations on Valuation**

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

6.7. **Calculation of Weighted Average Cost of Capital for the SPV**

6.7.1. **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).

6.7.2. Risk Free Rate:

I have applied a risk free rate of return of 6.79% on the basis of the zero coupon yield curve as on 31st December, 2024 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

6.7.3. 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. For my estimation of the ERP, I have considered rolling historical returns of 10, 15 & 20 year of Nifty 50 index from year 2000 to 2024. The 10 year rolling return, 15 year rolling return and the 20 year return for several periods were calculated. I have computed equity risk premium for each rolling period and accordingly I have arrived at ERP in the range of 6.2%, 6.4% & 8.1% which averages to ~7.0%. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.7.4. Debt – Equity Ratio:

I have considered the target debt-equity ratio as per the industry standards. I have considered the industry benchmark since the cost of capital is a forward looking measure, and captures the cost of raising new funds to buy the asset at any valuation date (not the current actually deployed). Specifically, such benchmark is required to consider the nature of the asset class, and the comparative facts from the industry to arrive at the correct assumption.

Current Debt – EV ratio of Highway Infrastructure Trust is 35%

Given the risk profile of HAM projects, and considering the leverage at 70-80% of the total project cost based on a rating agencies report available in public domain, and further considering the InvIT Regulations allowing in general upto 70% leverage in assets where AAA rating has been obtained, a debt-to-equity ratio of 70% for HAM asset was found to be appropriate.

Given the risk profile of toll projects, and considering the leverage at 50-60% of the total project cost based on a rating agencies report available in public domain, and further considering the InvIT Regulations allowing in general upto 49% leverage in assets where the AAA rating has not been obtained, a debt-to-equity ratio of 50% for Toll asset was found to be appropriate.

6.7.5. 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 namely

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

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

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

Further I have re-levered it based on debt-equity at 50:50 based on the industry Debt: Equity ratio of a road toll based BOT/DBFOT 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 Toll SPVs (Refer Appendix 3)

For the valuation of the HAM SPVs, I find it appropriate to consider the beta of Powergrid Infrastructure Investment Trust, and IRB InvIT Fund 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 70:30 based on the industry Debt: Equity ratio of HAM based projects using the following formula:

Re-levered Beta = Unlevered Beta * [1 + (Debt / Equity) * (1-T)]

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2) Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 3)

6.7.6. 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.

As of the valuation date, PMHHPL (MN), PCKHPL (CH) and PUHPL (UL) have made significant progress on their respective projects, but none are fully completed. As at the Valuation Date, the percentage completion for MN is ~98%, UL is ~99% and CH is ~91%. As of the valuation date, no annuities have been received in PCKHPL(CH). Additionally, there has been a descoping event within this SPV.

While the projects of MN, UL and CH are progressing well, there are several risks involved that could affect their completion and financial performance. These risks primarily arise from changes in the scope of work, which could lead to delays or changes in the expected costs and timelines for completion. As per the settlement agreement of PBKHPL (CH), it is expected to receive COD based on the work. The amount of annuities and other revenue is subject to necessary approvals from the authority. Additionally, the projects still need to obtain regulatory approvals before they can fully recognize the cash flows from the project. The completion timelines for these projects, as well as the process of obtaining necessary regulatory approvals, are uncertain at this stage. This creates financial risks, as the projects could face delays or additional costs beyond what is currently expected. For instance the final costs of some aspects of the projects may not be fully recognized until regulatory approval is received and the timing of the approvals, and therefore the associated payments, may not align perfectly with the project completion schedule.

Given the inherent uncertainties surrounding the completion timelines and the timing and approval of the annuity payments, it is prudent to incorporate a company-specific risk premium in the valuation. Following discussions with the Investment Manager and an assessment of the relative risks associated with the two SPVs, a CSRP of 1% has been assigned to the value of PMHHPL (MN) and PUHPL (UL). Additionally, a CSRP of 1.5% has been assigned to the value of PCKHPL (CH).

In case of PBNHPL (BN), I found it appropriate to consider a CSRP of 1.5% mainly on account of factors like length, expected extension period approval from authority, size of the explicit period for the SPVs and basis my discussion with Investment Manager.

Accordingly, following is summary of risk premium considered for each of the SPVs:

Sr. No.	SPVs	CSRP	Sr. No.	SPVs	CSRP
1	PRHPL (DL)	0.0%	7	PMHHPL (MN)	1.0%
2	PCHPL (CD)	0.0%	8	PBKHPL (AK5)	0.0%
3	PAHPL (AK2)	0.0%	9	PUHPL (UL)	1.0%
4	PBHPL (JK1)	0.0%	10	PGHPL (JF)	0.0%
5	PKHPL (JK2)	0.0%	11	PCKHPL (CH)	1.5%
6	PTSHPL (CA)	0.0%	12	PBNHPL (BN)	1.5%

6.7.7. 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) = Cost of debt

T = tax rate as applicable

For valuation exercise, pre-tax cost of debt has been considered as 8.25% for the SPVs, as represented by the Investment Manager based on the weighted average Cost of Debt of the SPVs.

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 at the WACC for the explicit period of the SPVs.

(Refer appendix 2 for detailed working)

6.7.8. 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 HAM Projects, the annuities are received bi-annually at a predetermined date and the concession agreement provides that the annuities would be realized in 15 days from the annuity date. Hence we have considered the annuity realizations date for the purpose of determination of the CAF Accordingly, the cash flows during each year of the projected period are discounted back from the respective annuity realization to Valuation Date.

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.

6.7.9. Discounting Factor:

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.

$$\text{DCF} = [\text{CF}_1 / (1+r)^{\text{CAF}_1}] + [\text{CF}_2 / (1+r)^{\text{CAF}_2}] + \dots + [\text{CF}_n / (1+r)^{\text{CAF}_n}]$$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

r = Discount Rate (i.e. WACC)

- 6.8.** At the end of the agreed concession period, the rights in relation to the underlying assets, its operations, the obligation to maintain 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 development 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:

INR Mn					
Sr. No.	SPVs	Asset Type	End of Projected period	Approximate Balance Period	Enterprise Value (INR in Mn)
1	PRHPL (DL)	HAM	14-Feb-35	~10 Years 2 Months	2,097
2	PCHPL (CD)	HAM	24-Jun-36	~11 Years 6 Months	5,510
3	PAHPL (AK2)	HAM	12-Jun-36	~11 Years 5 Months	5,114
4	PBHPL (JK1)	HAM	28-Jan-37	~12 Years 1 Months	6,370
5	PKHPL (JK2)	HAM	21-Jun-36	~11 Years 6 Months	5,686
6	PTSHPL (CA)	HAM	1-Mar-38	~13 Years 2 Months	8,841
7	PMHHPL (MN)	HAM	4-May-39	~14 Years 4 Months	7,051
8	PBKHPL (AK5)	HAM	4-Aug-38	~13 Years 7 Months	11,109
9	PUHPL (UL)	HAM	12-Oct-38	~13 Years 9 Months	8,291
10	PGHPL (JF)	HAM	18-Nov-38	~13 Years 11 Months	8,094
11	PCKHPL(CH)	HAM	11-Sep-39	~14 Years 8 Months	6,249
12	PBNHPL (BN)	Toll	18-Mar-43	~18 Years 3 Months	6,167
Total					80,579

(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 and cash equivalents to meet those liabilities.
- 7.5. 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.
- 7.6. 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.

While the SEBI InvIT Regulations are not applicable in the present case, as a matter of prudence, I have made these additional disclosures in Para 8.3 below.

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 4. As informed by the Investment Manager, there are no applications for government sanctions/ licenses by the SPVs for which approval is pending as on 31st December 2024. Further, I have been informed by the Investment Manager that any applicable approvals required for any work 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 SPVs is not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st December 2024.

C. Statement of assets included:

The details of assets of the SPVs as at 31st December, 2024 are as mentioned below:

INR Mn

Sr. No.	SPVs	Net Fixed Assets	Net Intangible Asset	Non-Current Assets	Current Assets
1	PRHPL (DL)	4	-	2,046	1,287
2	PCHPL (CD)	10	-	3,982	1,664
3	PAHPL (AK2)	2	-	3,065	2,459
4	PBHPL (JK1)	3	-	5,197	1,333
5	PKHPL (JK2)	7	-	4,404	1,291
6	PTSHPL (CA)	8	-	8,817	1,833
7	PMHHPL (MN)	-	-	5,712	590
8	PBKHPL (AK5)	-	-	8,232	1,206
9	PUHPL (UL)	-	-	6,022	1,126
10	PGHPL (JF)	0	-	5,681	990
11	PCKHPL(CH)	-	-	5,792	329
12	PBNHPL (BN)	13	4,828	4,842	218
Total		48	4,828	63,793	14,325

Source: Investment Manager

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. Further, I have been represented by the Investment Manager, that there have been no major repairs were undertaken with regards to the SPVs till 31st December, 2024.

Forecasted Major Repairs and Maintenance

SPVs	INR Mn										
	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35
PRHPL (DL)	-	587	531	-	-	21	22	-	-	265	275
PCHPL (CD)	-	193	-	-	627	653	-	-	-	-	-
PAHPL (AK2)	-	132	-	-	-	638	-	-	-	-	-
PBHPL (JK1)	-	68	-	-	276	287	-	-	-	-	-
PKHPL (JK2)	-	58	-	-	310	323	-	-	-	-	-
PTSHPL (CA)	-	588	19	20	21	1,311	1,431	-	25	26	27
PMHHPL (MN)	-	37	-	-	-	-	432	449	-	-	-
PBKHPL (AK5)	-	37	-	-	-	-	481	500	-	-	-
PUHPL (UL)	-	66	-	-	-	-	169	176	-	-	-
PGHPL (JF)	-	99	21	21	22	23	238	348	26	27	28
PCKHPL(CH)	-	24	-	-	-	-	408	413	-	-	-
PBNHPL (BN)	-	-	471	489	-	-	-	-	-	-	510

SPVs	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43	FY 44
PRHPL (DL)	-	-	-	-	-	-	-	-	-
PCHPL (CD)	844	188	-	-	-	-	-	-	-
PAHPL (AK2)	480	107	-	-	-	-	-	-	-
PBHPL (JK1)	327	346	-	-	-	-	-	-	-
PKHPL (JK2)	508	115	-	-	-	-	-	-	-
PTSHPL (CA)	1,113	1,244	44	-	-	-	-	-	-
PMHHPL (MN)	-	-	471	490	-	-	-	-	-
PBKHPL (AK5)	-	-	725	162	-	-	-	-	-
PUHPL (UL)	-	-	261	117	-	-	-	-	-
PGHPL (JF)	29	30	219	125	-	-	-	-	-
PCKHPL(CH)	-	-	888	-	-	-	-	-	-
PGHPL (JF)	547	-	-	592	-	-	-	1,414	-

Source: Technical Due Diligence Report

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, there are no litigations outstanding as at the Valuation Date, and hence I have relied on the same

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.

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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 2022, 31st March 2023 and 31st March 2024;
 - ii. Provisional Financial Statements of the SPVs for the period ended 31st December, 2024;
 - iii. Projected financial information for the remaining project life for the SPVs;
 - iv. Details of projected Major Maintenance & Repairs (MMR) Expenditure;
 - v. Technical Due Diligence ("TDD") Report dated February 2024 prepared by Eclat Engineering consultants for PBNHPL (BN) , PAHPL (AK2) , PBKHPL (AK5) , PGHPL (JF) , PMHHPL (MN), PUPHL (UL) and PCKHPL (CH) and M/s. Sri Infra Consulting Engineers Pvt Ltd for PTSHPL (CA) , PCHPL(CD) , PRHPL (DL) , PBHPL (JK1) and PKHPL(JK2);
 - vi. Traffic Study Report prepared by Ramboll India Private Limited for PBNHPL (BN);
 - vii. Details of Depreciation (as per Income Tax Act) of assets as at Valuation Date;
 - viii. Concession Agreement of the SPVs with the respective authority including the supplementary agreement;
 - ix. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
 - x. Shareholding pattern as on the report date of the SPVs and other entities mentioned in this Report;
 - xi. Management Representation Letter by the Investment Manager dated 24th February 2025;
 - xii. 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 31st December 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPVs till 31st December 2024. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31st December 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 31st December 2024 and the Report date.
- 10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the 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 SPVs 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,

SWAMINATHA N
SUNDARARAMAN
AN

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2025.03.04
21:14:15 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 25028423BMOMXC2834

Appendix 1.1 – Valuation of PRHPL (DL) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+ E+F+G+H	J	K	L	M=I*L
14-Feb-25	277	(68)	29	(30)	-	-	(92)	(25)	92	0.16	8.39%	0.99	91
14-Aug-25	109	(95)	364	(71)	(294)	-	-	-	14	0.66	8.39%	0.95	13
14-Feb-26	114	(98)	364	(71)	(294)	-	-	-	15	1.16	8.39%	0.91	14
14-Aug-26	120	(87)	340	(75)	(266)	-	-	-	32	1.66	8.39%	0.87	28
14-Feb-27	124	(91)	341	(76)	(266)	-	-	-	32	2.16	8.39%	0.84	27
14-Aug-27	130	158	79	(79)	-	-	-	-	288	2.66	8.39%	0.81	232
14-Feb-28	121	167	79	(79)	-	-	-	(2)	286	3.16	8.39%	0.77	222
14-Aug-28	112	166	84	(84)	-	-	-	(42)	236	3.66	8.39%	0.74	176
14-Feb-29	102	175	83	(84)	-	-	-	(42)	235	4.17	8.39%	0.71	168
14-Aug-29	93	162	99	(89)	(10)	-	-	(36)	219	4.66	8.39%	0.69	150
14-Feb-30	84	171	99	(89)	(10)	-	-	(36)	218	5.17	8.39%	0.66	144
14-Aug-30	75	168	105	(94)	(11)	-	-	(33)	209	5.66	8.39%	0.63	133
14-Feb-31	65	176	104	(94)	(11)	-	-	(33)	208	6.17	8.39%	0.61	126
14-Aug-31	56	185	99	(99)	-	-	-	(33)	208	6.66	8.39%	0.58	121
14-Feb-32	45	192	99	(99)	-	-	-	(32)	206	7.17	8.39%	0.56	115
14-Aug-32	35	189	105	(105)	-	-	-	(28)	195	7.67	8.39%	0.54	105
14-Feb-33	24	189	105	(105)	-	-	-	(26)	187	8.17	8.39%	0.52	97
14-Aug-33	14	59	244	(111)	(132)	-	-	-	72	8.67	8.39%	0.50	36
14-Feb-34	11	66	243	(111)	(132)	-	-	-	76	9.17	8.39%	0.48	36
14-Aug-34	7	47	255	(118)	(137)	-	-	-	54	9.67	8.39%	0.46	25
14-Feb-35	5	83	209	(72)	(137)	-	-	-	87	10.17	8.39%	0.44	38
Enterprise Value													2,097

Appendix 1.2 – Valuation of PCHPL (CD) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
24-12-2024*	-	-	-	(40)	-	-	654	(104)	510	0.02	8.02%	1.00	509
24-Jun-25	278	186	185	(95)	(97)	-	15	(65)	407	0.52	8.02%	0.96	391
24-Dec-25	267	196	184	(94)	(97)	-	-	(65)	391	1.02	8.02%	0.92	362
24-Jun-26	257	290	93	(100)	-	-	-	(86)	454	1.52	8.02%	0.89	404
24-Dec-26	240	304	93	(100)	-	-	-	(86)	452	2.02	8.02%	0.86	387
24-Jun-27	225	308	99	(100)	-	-	-	(83)	449	2.52	8.02%	0.82	370
24-Dec-27	208	323	99	(100)	-	-	-	(82)	447	3.02	8.02%	0.79	354
24-Jun-28	190	16	418	(105)	(314)	-	-	(0)	205	3.52	8.02%	0.76	156
24-Dec-28	188	13	418	(105)	(314)	-	-	-	200	4.02	8.02%	0.73	147
24-Jun-29	188	(13)	437	(111)	(326)	-	-	-	175	4.52	8.02%	0.71	124
24-Dec-29	188	(15)	436	(111)	(326)	-	-	-	172	5.02	8.02%	0.68	117
24-Jun-30	190	295	117	(117)	-	-	-	(54)	430	5.52	8.02%	0.65	281
24-Dec-30	173	309	116	(117)	-	-	-	(70)	411	6.02	8.02%	0.63	258
24-Jun-31	156	311	123	(124)	-	-	-	(66)	401	6.52	8.02%	0.60	242
24-Dec-31	139	323	123	(124)	-	-	-	(65)	397	7.02	8.02%	0.58	231
24-Jun-32	122	326	131	(131)	-	-	-	(61)	386	7.53	8.02%	0.56	216
24-Dec-32	103	339	130	(131)	-	-	-	(60)	382	8.03	8.02%	0.54	205
24-Jun-33	85	341	138	(139)	-	-	-	(56)	370	8.53	8.02%	0.52	192
24-Dec-33	66	350	138	(138)	-	-	-	(53)	362	9.03	8.02%	0.50	180
24-Jun-34	47	341	146	(147)	-	-	-	(46)	341	9.53	8.02%	0.48	164
24-Dec-34	28	360	146	(146)	-	-	-	(46)	341	10.03	8.02%	0.46	157
24-Jun-35	8	(47)	576	(155)	(422)	-	(7)	-	(46)	10.53	8.02%	0.44	(21)
24-Dec-35	11	(66)	576	(155)	(422)	-	(10)	-	(66)	11.03	8.02%	0.43	(28)
24-Jun-36	14	259	227	(40)	(188)	-	-	-	272	11.53	8.02%	0.41	112
Enterprise Value													5,510

*Annuity due but to be received after valuation date

Appendix 1.3 – Valuation of PAHPL (AK2) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
9-Jun-25	289	157	130	(105)	(66)	-	19	(78)	346	0.48	7.89%	0.96	334
9-Dec-25	278	167	130	(74)	(66)	-	14	(68)	382	0.98	7.89%	0.93	354
9-Jun-26	271	231	68	(79)	-	-	-	(66)	425	1.48	7.89%	0.89	380
9-Dec-26	257	243	68	(79)	-	-	-	(82)	407	1.98	7.89%	0.86	350
9-Jun-27	245	246	72	(74)	-	-	-	(80)	409	2.48	7.89%	0.83	339
9-Dec-27	231	258	72	(74)	-	-	-	(79)	407	2.98	7.89%	0.80	325
9-Jun-28	217	264	77	(78)	-	-	-	(77)	402	3.48	7.89%	0.77	308
9-Dec-28	201	275	76	(78)	-	-	-	(76)	398	3.98	7.89%	0.74	294
9-Jun-29	187	(40)	400	(82)	(319)	-	-	(74)	72	4.48	7.89%	0.71	51
9-Dec-29	188	(43)	400	(82)	(319)	-	-	-	143	4.98	7.89%	0.68	98
9-Jun-30	192	261	86	(87)	-	-	-	-	452	5.48	7.89%	0.66	298
9-Dec-30	176	274	85	(86)	-	-	-	(52)	397	5.98	7.89%	0.63	252
9-Jun-31	162	277	91	(91)	-	-	-	(67)	372	6.48	7.89%	0.61	227
9-Dec-31	147	288	91	(91)	-	-	-	(66)	369	6.98	7.89%	0.59	217
9-Jun-32	131	293	96	(97)	-	-	-	(63)	361	7.48	7.89%	0.57	204
9-Dec-32	114	305	96	(96)	-	-	-	(62)	357	7.99	7.89%	0.55	195
9-Jun-33	98	309	102	(102)	-	-	-	(59)	348	8.48	7.89%	0.52	182
9-Dec-33	80	317	101	(102)	-	-	-	(56)	341	8.99	7.89%	0.51	172
9-Jun-34	63	312	108	(108)	-	-	-	(51)	324	9.48	7.89%	0.49	158
9-Dec-34	46	329	107	(108)	-	-	-	(51)	324	9.99	7.89%	0.47	152
9-Jun-35	28	105	354	(114)	(240)	-	-	(50)	82	10.48	7.89%	0.45	37
9-Dec-35	22	97	354	(114)	(240)	-	-	-	118	10.99	7.89%	0.43	51
9-Jun-36	17	306	132	(25)	(107)	-	-	-	323	11.49	7.89%	0.42	135
Enterprise Value													5,114

Appendix 1.4 – Valuation of PBHPL (JK1) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
27-Jan-25	1,662	(1,037)	36	(39)	-	-	(191)	(105)	325	0.12	7.78%	0.99	322
27-Jul-25	320	218	119	(91)	(34)	-	97	(81)	548	0.61	7.78%	0.96	523
27-Jan-26	307	234	119	(91)	(34)	-	53	(82)	506	1.12	7.78%	0.92	466
27-Jul-26	296	262	90	(97)	-	-	-	(86)	465	1.61	7.78%	0.89	412
27-Jan-27	281	279	90	(97)	-	-	-	(86)	466	2.12	7.78%	0.85	398
27-Jul-27	268	276	95	(98)	-	-	-	(82)	458	2.61	7.78%	0.82	377
27-Jan-28	253	291	95	(98)	-	-	-	(82)	459	3.12	7.78%	0.79	364
27-Jul-28	238	154	239	(103)	(138)	-	-	(44)	345	3.61	7.78%	0.76	263
27-Jan-29	228	161	239	(103)	(138)	-	-	(44)	344	4.12	7.78%	0.73	252
27-Jul-29	221	146	250	(109)	(144)	-	-	(38)	327	4.61	7.78%	0.71	231
27-Jan-30	212	154	250	(108)	(144)	-	-	(38)	327	5.12	7.78%	0.68	223
27-Jul-30	205	288	113	(115)	-	-	-	(70)	422	5.61	7.78%	0.66	277
27-Jan-31	189	302	112	(114)	-	-	-	(69)	421	6.12	7.78%	0.63	266
27-Jul-31	174	300	119	(120)	-	-	-	(65)	408	6.61	7.78%	0.61	249
27-Jan-32	159	313	119	(120)	-	-	-	(64)	406	7.12	7.78%	0.59	238
27-Jul-32	142	313	126	(127)	-	-	-	(60)	394	7.62	7.78%	0.57	223
27-Jan-33	125	325	126	(127)	-	-	-	(59)	390	8.12	7.78%	0.54	212
27-Jul-33	109	323	134	(134)	-	-	-	(54)	377	8.62	7.78%	0.52	197
27-Jan-34	91	336	133	(134)	-	-	-	(53)	373	9.12	7.78%	0.50	188
27-Jul-34	74	330	141	(142)	-	-	-	(47)	356	9.62	7.78%	0.49	173
27-Jan-35	56	331	140	(141)	-	-	-	(43)	343	10.12	7.78%	0.47	161
27-Jul-35	39	172	313	(150)	(164)	-	-	-	210	10.62	7.78%	0.45	95
27-Jan-36	30	186	313	(150)	(164)	-	-	-	215	11.12	7.78%	0.43	93
27-Jul-36	20	158	331	(158)	(173)	-	-	-	178	11.62	7.78%	0.42	75
27-Jan-37	12	226	250	(78)	(173)	-	-	(14)	223	12.12	7.78%	0.40	90
Enterprise Value													6,370

Appendix 1.5 – Valuation of PKHPL (JK2) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
18-12-2024*	-	-	-	(41)	-	-	604	(88)	474	0.01	7.79%	1.00	474
18-Jun-25	273	206	119	(96)	(29)	-	47	(67)	453	0.50	7.79%	0.96	436
18-Dec-25	260	218	119	(96)	(29)	-	61	(66)	467	1.01	7.79%	0.93	433
18-Jun-26	250	245	95	(96)	-	-	-	(71)	424	1.50	7.79%	0.89	379
18-Dec-26	236	257	96	(103)	-	-	-	(70)	416	2.01	7.79%	0.86	358
18-Jun-27	224	258	101	(102)	-	-	-	(67)	413	2.50	7.79%	0.83	342
18-Dec-27	210	269	101	(103)	-	-	-	(66)	411	3.01	7.79%	0.80	328
18-Jun-28	196	117	262	(104)	(155)	-	-	(25)	292	3.51	7.79%	0.77	224
18-Dec-28	189	120	262	(109)	(155)	-	-	(24)	283	4.01	7.79%	0.74	210
18-Jun-29	184	107	275	(109)	(161)	-	-	(19)	275	4.51	7.79%	0.71	196
18-Dec-29	177	110	274	(115)	(161)	-	-	(18)	267	5.01	7.79%	0.69	183
18-Jun-30	172	263	120	(115)	-	-	-	(56)	384	5.51	7.79%	0.66	254
18-Dec-30	158	275	119	(121)	-	-	-	(55)	376	6.01	7.79%	0.64	239
18-Jun-31	144	274	126	(121)	-	-	-	(51)	372	6.51	7.79%	0.61	228
18-Dec-31	130	284	126	(127)	-	-	-	(50)	363	7.01	7.79%	0.59	214
18-Jun-32	115	285	134	(128)	-	-	-	(47)	359	7.51	7.79%	0.57	204
18-Dec-32	99	295	133	(134)	-	-	-	(45)	348	8.01	7.79%	0.55	191
18-Jun-33	84	295	142	(135)	-	-	-	(41)	344	8.51	7.79%	0.53	182
18-Dec-33	68	301	141	(142)	-	-	-	(39)	329	9.01	7.79%	0.51	167
18-Jun-34	53	291	150	(143)	-	-	-	(32)	318	9.51	7.79%	0.49	156
18-Dec-34	37	306	149	(150)	-	-	-	(32)	309	10.01	7.79%	0.47	146
18-Jun-35	21	62	412	(151)	(254)	-	-	-	90	10.51	7.79%	0.45	41
18-Dec-35	18	50	412	(159)	(254)	-	-	-	67	11.01	7.79%	0.44	29
18-Jun-36	15	292	154	(151)	(115)	-	-	-	195	11.51	7.79%	0.42	82
18-Dec-36	-	(0)	-	(29)	-	-	-	-	-29	12.01	7.79%	0.41	-12
Enterprise Value													5,686

*Annuity due but to be received after valuation date

Appendix 1.6 – Valuation of PTSHPL (CA) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
1-Mar-25	889	187	55	(57)	-	-	(315)	(187)	572	0.21	8.65%	0.98	562
1-Sep-25	445	182	419	(129)	(294)	-	113	(76)	660	0.71	8.65%	0.94	622
1-Mar-26	432	178	419	(130)	(294)	-	161	(72)	694	1.21	8.65%	0.90	628
1-Sep-26	425	465	142	(138)	(10)	-	160	(142)	903	1.71	8.65%	0.87	784
1-Mar-27	397	477	142	(136)	(10)	-	153	(138)	886	2.21	8.65%	0.83	738
1-Sep-27	373	497	150	(143)	(10)	-	-	(137)	730	2.71	8.65%	0.80	583
1-Mar-28	345	512	150	(144)	(10)	-	-	(133)	720	3.21	8.65%	0.77	552
1-Sep-28	317	530	159	(151)	(11)	-	-	(131)	713	3.71	8.65%	0.73	524
1-Mar-29	286	546	158	(151)	(11)	-	-	(127)	702	4.21	8.65%	0.71	495
1-Sep-29	258	(78)	812	(159)	(655)	-	-	-	178	4.71	8.65%	0.68	120
1-Mar-30	261	(96)	811	(159)	(655)	-	-	-	162	5.21	8.65%	0.65	105
1-Sep-30	267	(173)	881	(168)	(715)	-	-	-	92	5.71	8.65%	0.62	57
1-Mar-31	275	(196)	880	(168)	(715)	-	-	-	77	6.21	8.65%	0.60	46
1-Sep-31	288	496	175	(177)	-	-	-	-	782	6.71	8.65%	0.57	448
1-Mar-32	260	510	175	(178)	-	-	-	(29)	739	7.21	8.65%	0.55	406
1-Sep-32	232	511	197	(187)	(12)	-	-	(105)	636	7.72	8.65%	0.53	335
1-Mar-33	203	526	197	(187)	(12)	-	-	(101)	625	8.21	8.65%	0.51	316
1-Sep-33	175	537	209	(197)	(13)	-	-	(97)	613	8.72	8.65%	0.49	298
1-Mar-34	145	553	208	(197)	(13)	-	-	(93)	602	9.21	8.65%	0.47	280
1-Sep-34	115	564	220	(208)	(13)	-	-	(89)	589	9.72	8.65%	0.45	263
1-Mar-35	83	581	219	(208)	(13)	-	-	(85)	578	10.21	8.65%	0.43	248
1-Sep-35	52	42	775	(219)	(557)	-	-	-	93	10.72	8.65%	0.41	38
1-Mar-36	49	14	775	(220)	(557)	-	(1)	-	61	11.21	8.65%	0.39	24
1-Sep-36	49	(65)	853	(232)	(622)	-	(3)	-	-20	11.72	8.65%	0.38	-8
1-Mar-37	52	(62)	852	(232)	(622)	-	3	-	-9	12.21	8.65%	0.36	-3
1-Sep-37	56	473	288	(245)	(44)	-	-	-	528	12.72	8.65%	0.35	184
1-Mar-38	29	537	217	(155)	(44)	-	-	-	585	13.21	8.65%	0.33	195
Enterprise Value													8,841

Appendix 1.7 – Valuation of PMHHPL (MN) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
04-May-25	375	216	101	(123)	(19)	-	(41)	(96)	413	0.38	7.88%	0.97	401
04-Nov-25	361	223	100	(91)	(19)	-	106	(108)	574	0.88	7.88%	0.94	537
04-May-26	351	236	87	(95)	-	-	103	(100)	582	1.38	7.88%	0.90	524
04-Nov-26	336	253	87	(95)	-	-	104	(101)	585	1.88	7.88%	0.87	507
04-May-27	324	249	92	(100)	-	-	101	(96)	570	2.38	7.88%	0.83	476
04-Nov-27	310	265	92	(101)	-	-	101	(96)	571	2.88	7.88%	0.80	459
04-May-28	295	266	98	(99)	-	-	98	(94)	564	3.38	7.88%	0.77	436
04-Nov-28	279	282	97	(99)	-	-	29	(95)	494	3.89	7.88%	0.74	368
04-May-29	265	279	103	(104)	-	-	-	(90)	454	4.38	7.88%	0.72	325
04-Nov-29	248	298	103	(103)	-	-	-	(91)	455	4.89	7.88%	0.69	314
04-May-30	233	80	325	(110)	(216)	-	-	(86)	226	5.38	7.88%	0.66	151
04-Nov-30	228	87	325	(109)	(216)	-	-	(87)	227	5.89	7.88%	0.64	145
04-May-31	224	64	340	(116)	(224)	-	-	(82)	206	6.38	7.88%	0.62	127
04-Nov-31	221	67	340	(116)	(224)	-	-	(82)	205	6.89	7.88%	0.59	122
04-May-32	217	280	122	(122)	-	-	-	(78)	419	7.39	7.88%	0.57	239
04-Nov-32	200	294	122	(122)	-	-	-	(77)	417	7.89	7.88%	0.55	229
04-May-33	185	291	129	(129)	-	-	-	(72)	404	8.39	7.88%	0.53	214
04-Nov-33	168	306	129	(128)	-	-	-	(72)	403	8.89	7.88%	0.51	205
04-May-34	152	304	137	(136)	-	-	-	(67)	390	9.39	7.88%	0.49	191
04-Nov-34	135	319	136	(136)	-	-	-	(67)	388	9.89	7.88%	0.47	183
04-May-35	118	317	144	(144)	-	-	-	(62)	374	10.39	7.88%	0.45	170
04-Nov-35	100	331	144	(144)	-	-	-	(61)	371	10.89	7.88%	0.44	162
04-May-36	82	331	153	(152)	-	-	-	(56)	358	11.39	7.88%	0.42	151
04-Nov-36	64	339	152	(152)	-	-	-	(53)	350	11.89	7.88%	0.41	142
04-May-37	45	90	398	(161)	(236)	-	-	(45)	92	12.39	7.88%	0.39	36
04-Nov-37	40	96	397	(160)	(236)	-	-	(45)	92	12.89	7.88%	0.38	35
04-May-38	35	85	416	(170)	(245)	-	-	(43)	78	13.39	7.88%	0.36	28
04-Nov-38	30	84	405	(169)	(245)	-	-	(39)	66	13.89	7.88%	0.35	23
04-May-39	26	466	5	(26)	-	-	-	(25)	446	14.39	7.88%	0.34	150
Enterprise Value													7,051

Appendix 1.8 – Valuation of PBKHPL (AK5) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+ E+F+G+H	J	K	L	M=I*L
31-Jan-25	3,170	(2,170)	32	(37)	-	-	40	(184)	850	0.13	7.73%	0.99	842
31-Jul-25	542	295	94	(87)	(19)	-	151	(143)	834	0.62	7.73%	0.95	796
31-Jan-26	523	318	94	(87)	(19)	-	151	(144)	837	1.13	7.73%	0.92	770
31-Jul-26	509	331	80	(94)	-	-	152	(143)	834	1.62	7.73%	0.89	739
31-Jan-27	488	354	80	(94)	-	-	148	(144)	833	2.13	7.73%	0.85	711
31-Jul-27	471	352	85	(90)	-	-	123	(139)	802	2.62	7.73%	0.82	660
31-Jan-28	451	374	85	(90)	-	-	-	(140)	681	3.13	7.73%	0.79	539
31-Jul-28	431	377	90	(95)	-	-	-	(135)	667	3.62	7.73%	0.76	510
31-Jan-29	408	398	90	(94)	-	-	-	(135)	666	4.13	7.73%	0.74	490
31-Jul-29	388	398	95	(99)	-	-	-	(130)	652	4.62	7.73%	0.71	462
31-Jan-30	364	423	95	(99)	-	-	-	(130)	653	5.13	7.73%	0.68	446
31-Jul-30	343	182	341	(104)	(240)	-	-	(64)	458	5.62	7.73%	0.66	301
31-Jan-31	331	193	341	(103)	(240)	-	-	(64)	457	6.13	7.73%	0.63	290
31-Jul-31	322	172	356	(109)	(250)	-	-	(56)	436	6.62	7.73%	0.61	266
31-Jan-32	313	180	356	(109)	(250)	-	-	(56)	434	7.13	7.73%	0.59	255
31-Jul-32	303	420	113	(114)	-	-	-	(114)	607	7.63	7.73%	0.57	344
31-Jan-33	278	441	112	(114)	-	-	-	(113)	604	8.13	7.73%	0.55	330
31-Jul-33	255	442	119	(121)	-	-	-	(108)	588	8.63	7.73%	0.53	309
31-Jan-34	229	464	119	(120)	-	-	-	(107)	585	9.13	7.73%	0.51	296
31-Jul-34	205	465	126	(127)	-	-	-	(101)	568	9.63	7.73%	0.49	278
31-Jan-35	179	487	126	(127)	-	-	-	(100)	564	10.13	7.73%	0.47	265
31-Jul-35	153	491	133	(134)	-	-	-	(94)	549	10.63	7.73%	0.45	249
31-Jan-36	126	503	133	(134)	-	-	-	(90)	537	11.13	7.73%	0.44	235
31-Jul-36	98	493	141	(142)	-	-	-	(81)	510	11.63	7.73%	0.42	214
31-Jan-37	70	520	141	(141)	-	-	-	(81)	509	12.13	7.73%	0.41	206
31-Jul-37	42	182	512	(150)	(363)	-	-	-	223	12.63	7.73%	0.39	87
31-Jan-38	32	168	511	(149)	(363)	-	-	-	200	13.13	7.73%	0.38	75
31-Jul-38	23	411	246	(85)	(162)	-	-	(34)	399	13.63	7.73%	0.36	145
Enterprise Value													11,109

Appendix 1.9 – Valuation of PUHPL (UL) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L	
12-Apr-25	610	6	104	(115)	(33)	-	79	(102)	548	0.32	7.58%	0.98	535
12-Oct-25	406	197	104	(81)	(33)	-	109	(101)	601	0.82	7.58%	0.94	566
12-Apr-26	398	227	75	(86)	-	-	112	(98)	628	1.32	7.58%	0.91	570
12-Oct-26	383	239	76	(83)	-	-	112	(106)	621	1.82	7.58%	0.88	544
12-Apr-27	372	239	80	(83)	-	-	110	(103)	615	2.32	7.58%	0.84	519
12-Oct-27	359	250	80	(86)	-	-	110	(102)	610	2.82	7.58%	0.81	496
12-Apr-28	345	255	85	(86)	-	-	21	(100)	519	3.32	7.58%	0.78	407
12-Oct-28	329	266	84	(91)	-	-	-	(99)	489	3.82	7.58%	0.76	370
12-Apr-29	316	266	90	(91)	-	-	-	(96)	485	4.32	7.58%	0.73	354
12-Oct-29	300	280	89	(96)	-	-	-	(95)	477	4.82	7.58%	0.70	336
12-Apr-30	286	196	179	(96)	(84)	-	-	(92)	389	5.32	7.58%	0.68	264
12-Oct-30	274	205	179	(101)	(84)	-	-	(70)	402	5.82	7.58%	0.65	263
12-Apr-31	264	198	188	(101)	(88)	-	-	(66)	394	6.32	7.58%	0.63	248
12-Oct-31	253	205	188	(107)	(88)	-	-	(64)	386	6.82	7.58%	0.61	235
12-Apr-32	242	291	106	(107)	-	-	-	(61)	471	7.33	7.58%	0.59	276
12-Oct-32	224	303	106	(113)	-	-	-	(82)	437	7.83	7.58%	0.56	247
12-Apr-33	209	304	112	(113)	-	-	-	(79)	434	8.33	7.58%	0.54	236
12-Oct-33	191	317	112	(120)	-	-	-	(77)	423	8.83	7.58%	0.52	222
12-Apr-34	175	317	119	(119)	-	-	-	(73)	419	9.33	7.58%	0.51	212
12-Oct-34	156	330	118	(126)	-	-	-	(72)	407	9.83	7.58%	0.49	198
12-Apr-35	139	331	125	(126)	-	-	-	(68)	402	10.33	7.58%	0.47	189
12-Oct-35	121	343	125	(133)	-	-	-	(66)	390	10.83	7.58%	0.45	177
12-Apr-36	102	341	133	(133)	-	-	-	(61)	382	11.33	7.58%	0.44	167
12-Oct-36	83	340	132	(141)	-	-	-	(56)	358	11.83	7.58%	0.42	151
12-Apr-37	64	216	272	(140)	(131)	-	-	(53)	228	12.33	7.58%	0.41	93
12-Oct-37	52	234	271	(149)	(131)	-	-	(21)	256	12.83	7.58%	0.39	100
12-Apr-38	39	291	207	(11)	(58)	-	-	(15)	454	13.33	7.58%	0.38	171
12-Oct-38	23	423	69	(0)	(58)	-	-	(55)	401	13.83	7.58%	0.36	146
Enterprise Value													8,291

Appendix 1.10 – Valuation of PGHPL (JF) as on 31st December 2024 under the DCF Method

INR Mn													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+ E+F+G+H	J	K	L	M=I*L
18-May-25	417	190	117	(118)	(49)	-	110	(125)	543	0.42	7.64%	0.97	526
18-Nov-25	404	208	117	(78)	(49)	-	110	(105)	607	0.92	7.64%	0.93	568
18-May-26	395	239	82	(82)	(10)	-	107	(101)	631	1.42	7.64%	0.90	568
18-Nov-26	380	257	83	(83)	(10)	-	115	(111)	630	1.92	7.64%	0.87	547
18-May-27	368	252	87	(77)	(11)	-	112	(107)	624	2.42	7.64%	0.84	522
18-Nov-27	354	269	87	(77)	(11)	-	77	(108)	592	2.92	7.64%	0.81	477
18-May-28	339	270	92	(81)	(11)	-	-	(104)	505	3.42	7.64%	0.78	392
18-Nov-28	322	286	92	(80)	(11)	-	-	(104)	504	3.93	7.64%	0.75	378
18-May-29	308	282	97	(85)	(12)	-	-	(100)	491	4.42	7.64%	0.72	355
18-Nov-29	291	301	97	(85)	(12)	-	-	(100)	493	4.93	7.64%	0.70	343
18-May-30	276	192	210	(90)	(119)	-	-	(96)	373	5.42	7.64%	0.67	250
18-Nov-30	264	204	210	(90)	(119)	-	-	(69)	400	5.93	7.64%	0.65	259
18-May-31	254	142	270	(95)	(174)	-	-	(65)	333	6.42	7.64%	0.62	207
18-Nov-31	247	149	270	(95)	(174)	-	-	(51)	346	6.93	7.64%	0.60	208
18-May-32	238	303	115	(100)	(13)	-	-	(47)	496	7.42	7.64%	0.58	287
18-Nov-32	220	317	114	(100)	(13)	-	-	(86)	453	7.93	7.64%	0.56	253
18-May-33	204	316	121	(106)	(14)	-	-	(82)	440	8.42	7.64%	0.54	236
18-Nov-33	186	332	121	(106)	(14)	-	-	(82)	438	8.93	7.64%	0.52	227
18-May-34	168	331	128	(112)	(14)	-	-	(77)	424	9.42	7.64%	0.50	212
18-Nov-34	149	346	128	(111)	(14)	-	-	(76)	422	9.93	7.64%	0.48	203
18-May-35	131	346	135	(118)	(15)	-	-	(72)	408	10.42	7.64%	0.46	190
18-Nov-35	112	360	135	(118)	(15)	-	-	(70)	405	10.93	7.64%	0.45	181
18-May-36	92	356	143	(125)	(15)	-	-	(64)	387	11.43	7.64%	0.43	167
18-Nov-36	72	357	143	(125)	(15)	-	-	(59)	373	11.93	7.64%	0.42	155
18-May-37	53	161	354	(132)	(219)	-	-	(57)	161	12.43	7.64%	0.40	64
18-Nov-37	44	178	354	(132)	(219)	-	-	(7)	217	12.93	7.64%	0.39	84
18-May-38	34	252	269	(140)	(125)	-	-	-	289	13.43	7.64%	0.37	108
18-Nov-38	20	366	146	(19)	(125)	-	-	(35)	353	13.93	7.64%	0.36	126
Enterprise Value													8,094

Appendix 1.11 – Valuation of PCKHPL (CH) as on 31st December 2024 under the DCF Method

INR MN													
Date	Finance Income	Changes in Financial Asset	O&M Income	O&M Expense	MM Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E	F	G	H	I=A+B+C+D+E+F+G+H	J	K	L	M=I*L
11-Mar-25	1,540	(1,039)	3	(6)	-	-	(350)	(117)	31	0.23	8.31%	0.98	31
11-Sep-25	336	106	68	(63)	(12)	-	94	(82)	447	0.74	8.31%	0.94	422
11-Mar-26	328	256	75	(70)	(12)	-	93	(82)	590	1.23	8.31%	0.91	535
11-Sep-26	316	214	68	(75)	-	-	95	(84)	534	1.74	8.31%	0.87	465
11-Mar-27	303	218	68	(75)	-	-	94	(82)	525	2.23	8.31%	0.84	439
11-Sep-27	292	228	72	(75)	-	-	94	(81)	529	2.74	8.31%	0.80	425
11-Mar-28	280	232	72	(75)	-	-	92	(79)	522	3.24	8.31%	0.77	403
11-Sep-28	267	242	76	(79)	-	-	67	(78)	494	3.74	8.31%	0.74	366
11-Mar-29	252	248	76	(79)	-	-	-	(76)	421	4.24	8.31%	0.71	300
11-Sep-29	240	257	81	(83)	-	-	-	(75)	419	4.74	8.31%	0.68	287
11-Mar-30	224	263	80	(83)	-	-	-	(72)	413	5.24	8.31%	0.66	272
11-Sep-30	211	69	289	(88)	(204)	-	-	(20)	258	5.74	8.31%	0.63	163
11-Mar-31	206	65	289	(87)	(204)	-	-	(17)	252	6.24	8.31%	0.61	153
11-Sep-31	204	60	296	(92)	(206)	-	-	(15)	247	6.74	8.31%	0.58	144
11-Mar-32	200	56	296	(92)	(206)	-	-	(13)	241	7.24	8.31%	0.56	135
11-Sep-32	197	258	95	(97)	-	-	-	(63)	391	7.74	8.31%	0.54	211
11-Mar-33	182	266	95	(97)	-	-	-	(61)	385	8.24	8.31%	0.52	199
11-Sep-33	169	272	101	(103)	-	-	-	(59)	380	8.74	8.31%	0.50	189
11-Mar-34	153	280	101	(102)	-	-	-	(57)	374	9.24	8.31%	0.48	179
11-Sep-34	138	286	107	(109)	-	-	-	(54)	368	9.74	8.31%	0.46	169
11-Mar-35	122	295	106	(108)	-	-	-	(52)	362	10.24	8.31%	0.44	160
11-Sep-35	106	300	113	(115)	-	-	-	(49)	356	10.74	8.31%	0.42	151
11-Mar-36	89	310	113	(115)	-	-	-	(47)	350	11.24	8.31%	0.41	143
11-Sep-36	72	315	120	(121)	-	-	-	(44)	342	11.75	8.31%	0.39	134
11-Mar-37	55	321	119	(121)	-	-	-	(41)	333	12.24	8.31%	0.38	125
11-Sep-37	37	(128)	571	(128)	(444)	-	(16)	-	(108)	12.75	8.31%	0.36	(39)
11-Mar-38	44	(137)	570	(127)	(444)	-	(17)	-	(111)	13.24	8.31%	0.35	(39)
11-Sep-38	52	297	134	(136)	-	-	33	-	381	13.75	8.31%	0.33	127
11-Mar-39	35	309	123	(124)	-	-	-	-	343	14.24	8.31%	0.32	110
11-Sep-39	19	336	95	(96)	-	-	-	-	354	14.75	8.31%	0.31	109
Enterprise Value													6,249

Appendix 1.12 – Valuation of PBNHPL (BN) as on 31st December 2024 under the DCF Method

											INR Mn
Year	Revenue	EBITDA	MMR Expense	Capex	Wcap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	C=A-B	E	F	G	H	I=A+B+C+ D+E+F+G+ H	J	K	L	M=I*L
3MFY25	166	166	-	-	-	9	157	0.12	10.68%	0.99	155
FY26	729	562	-	114	-	52	397	0.75	10.68%	0.93	368
FY27	795	616	471	-	-	-	145	1.75	10.68%	0.84	122
FY28	879	691	489	-	-	-	202	2.75	10.68%	0.76	153
FY29	962	761	-	-	-	87	675	3.75	10.68%	0.68	461
FY30	1,055	844	-	-	-	114	730	4.75	10.68%	0.62	451
FY31	1,151	926	-	-	-	169	758	5.75	10.68%	0.56	423
FY32	1,264	1,025	-	-	-	194	830	6.75	10.68%	0.50	419
FY33	1,380	1,123	-	-	-	220	903	7.75	10.68%	0.46	411
FY34	1,509	1,237	-	-	-	249	988	8.75	10.68%	0.41	407
FY35	1,647	1,355	510	-	-	151	693	9.75	10.68%	0.37	258
FY36	1,794	1,485	547	-	-	175	763	10.75	10.68%	0.34	256
FY37	1,956	1,630	-	-	-	349	1,281	11.75	10.68%	0.30	389
FY38	2,126	1,781	-	-	-	388	1,394	12.75	10.68%	0.27	382
FY39	2,317	1,946	592	-	-	282	1,072	13.75	10.68%	0.25	266
FY40	2,528	2,133	-	-	-	479	1,655	14.75	10.68%	0.22	370
FY41	2,743	2,323	-	-	-	528	1,795	15.75	10.68%	0.20	363
FY42	2,976	2,527	-	-	-	580	1,947	16.75	10.68%	0.18	356
FY43	3,085	2,623	1,414	-	-	253	956	17.73	10.68%	0.17	158
Total of PVFCFF											6,167

Appendix 2.1 – Weighted Average Cost of Capital of the HAM SPVs as on 31st December 2024

Particulars	PRHPL (DL)	PCHPL (CD)	PAHPL (AK2)	PBHPL (JK1)	PKHPL (JK2)	PTSHPL (CA)	PMHHPL (MN)	PBKHPL (AK5)	PUHPL (UL)	PGHPL (JF)	PCKHPL (CH)	Remarks
Risk free return (Rf)	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	6.79%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st December 2024 of Government Securities having maturity period of 10 years, as quoted on CQIL's website
Market Risk Premium (ERP)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	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)	0.64	0.61	0.60	0.59	0.59	0.64	0.58	0.59	0.58	0.58	0.60	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Cost of Equity (Ke)	11.26%	11.07%	11.01%	10.95%	10.95%	11.24%	10.85%	10.92%	10.85%	10.88%	10.99%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRFP)	0%	0%	0%	0%	0%	1%	1%	0%	0%	0%	1.5%	Based on SPV specific risk(s)
Revised Cost of Equity (Ke)	11.26%	11.07%	11.01%	10.95%	10.95%	12.24%	11.85%	10.92%	10.85%	10.88%	12.49%	Adjusted Ke = Rf + (β x ERP) + CSRFP
Pre-tax Cost of Debt (Kd)	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	As per the Existing Cost of Debt of the SPVs, as represented by the Investment Manager
Tax rate of SPV	13.24%	18.64%	20.52%	22.12%	22.02%	13.80%	25.17%	22.96%	25.17%	24.27%	20.97%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt (Kd)	7.16%	6.71%	6.56%	6.43%	6.43%	7.11%	6.17%	6.36%	6.17%	6.25%	6.52%	Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)
Debt/(Debt+Equity)	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	Debt : Equity ratio computed as [D/(D+E)]
WACC	8.39%	8.02%	7.89%	7.78%	7.79%	8.65%	7.88%	7.73%	7.58%	7.64%	8.31%	WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]

Appendix 2.2 – Weighted Average Cost of Capital of the Toll SPV as on 31st December 2024

Particulars	PBNHPL (BN)	Remarks
Risk free return (Rf)	6.79%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st December 2024 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Market Risk Premium (ERP)	7.00%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (Relevered)	0.94	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Cost of Equity (Ke)	13.35%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	1.50%	Based on SPV specific risk(s)
Revised Cost of Equity (Ke)	14.85%	Adjusted Ke = Rf + (β x ERP) + CSRP
Pre-tax Cost of Debt (Kd)	8.25%	As represented by the Investment Manager
Tax rate of SPV	21.00%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt (Kd)	6.52%	Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)
Debt/(Debt+Equity)	50.00%	Debt : Equity ratio computed as [D/(D+E)]
WACC	10.68%	WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]

Appendix 3.1 – Computation of Unlevered and Re-levered Beta for HAM SPVs

Particulars	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate (%)	Unlevered Beta
IRB InvIT Fund	0.40	77%	25.17%	0.25
PowerGrid Infrastructure Investment Trust	0.18	4%	25.17%	0.17
		Average		0.21

Particulars	PRHPL (DL)	PCHPL (CD)	PAHPL (AK2)	PBHPL (JK1)	PKHPL (JK2)	PTSHPL (CA)	PMHHPL (MN)	PBKHPL (AK5)	PUHPL (UL)	PGHPL (JF)	PCHKPL (CH)
Unlevered Beta	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
Debt Equity Ratio Considered	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33
Effective Tax rate of SPVs	13.24%	18.64%	20.52%	22.12%	22.02%	13.80%	25.17%	22.96%	25.17%	24.27%	20.97%
Relevered Beta	0.64	0.61	0.60	0.59	0.59	0.64	0.58	0.59	0.58	0.58	0.60

Source: Information provided by database sources, market research, other published data and internal workings.

Justification of Companies used for calculation of Beta for HAM SPV's:

The following companies are integral players in the Indian road infrastructure sector and contributes significantly to the development, operation and maintenance of road and highway project. Their strong market presence, diversified portfolios and cosistent involvement in the key road infrastructure projects make them relevant for the computation of beta of HAM SPV's in the context of road business valuation.

1) IRB InvIT Fund

The IRB InvIT fund is a dedicated trust that manages toll roads and related infrastructure projects. With a portfolio comprising six highway assets, the fund has a focused strategy in the road sector, making it comparable to other infrastructure trusts. Its structure shares similarities with entites like Highways Infrasturcture Trust, which makes IRB InvIT Fund a key player in the road sector for the purpose of beta computation in the valuation exercise under consideration. Further, the IRB InvIT is operating and earning cash flows from completed and earning cash flows from completed road assets similar to Highways Infrastructure Trust. Hence for the reasons mentioned above I found it appropriate to consider the same for Beta calculation.

2) **PG InviT**

PG InviT primarily holds and operates high-voltage power transmission lines, providing essential services for the transmission of electricity across the country. The trust collects fees from utilities for the use of its infrastructure, which are typically based on long-term, fixed contracts. Similar to PG InviT, HIT's valuation could be evaluated using standard InviT valuation techniques, such as Discounted Cash Flow (DCF), which focus on future cash flows and the yield investors can expect. EV/EBITDA multiples, which are commonly used for infrastructure-based valuations, can also be compared between PG InviT and HIT, as both are expected to generate long-term returns for their investors. Considering this history, I found it appropriate to use these projects as a basis for calculation Beta, as the valuation arrived by the company is similar to those of HAM SPV's.

Source: The above information has been derived from annual reports, investor presentations, investor call transcripts and other relevant data which is publicly available and can be verified independently by any reader.

Appendix 3.2 – Computation of Unlevered and Re-levered Beta for Toll SPVs

Particulars	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate (%)	Unlevered Beta
IRB Infrastructure Developer	1.42	2.41	25%	0.51
G R Infraprojects Ltd	1.10	0.37	25%	0.86
IRB InvIT Fund	0.40	0.71	25%	0.26
Dilip Buildcon Limited	1.06	1.68	25%	0.47
Average				0.52

Particulars	PBNHPL
Unlevered Beta	0.52
Debt Equity Ratio Considered	50%
Effective Tax rate of SPVs	21%
Relevered Beta	0.94

Justification of Companies used for calculation of Beta for Toll SPV:

The following companies are integral players in the Indian road infrastructure sector and contributes significantly to the development, operation and maintenance of road and highway project. Their strong market presence, diversified portfolios and cosistent involvement in the key road infrastructure projects make them relevant for the computation of beta of TollSPV in the context of road business valuation.

1) IRB InvIT Fund

The IRB InvIT fund is a dedicated trust that manages toll roads and related infrastructure projects. With a portfolio comprising six highway assets, the fund has a focused strategy in the road sector, making it comparable to other infrastructure trusts. Its structure shares similarities with entitites like Highways Infrastruncture Trust, which makes IRB InvIT Fund a key player in the road sector for the purpose of beta computation in the valuation exercise under consideration. Further, the IRB InvIT is operating and earning cash flows from completed and earning cash flows from completed road assets similar to Highways Infrastructure Trust. Hence for the reasons mentioned above I found it appropriate to consider the same for Beta calculation.

2) **IRB Infrastructure Developers Limited**

IRB Infrastructure Developers Limited is among the India's largest and most diversified integrated transport infrastructure developers, with a strong presence in the BOT sector. The company boasts a well-balanced portfolio that included BOT, TOT and HAM projects. As of the valuation date, approximately 80% of IRB's order book is composed of O&M projects, primarily under BOT and TOT models. Additionally, the company holds ownership stake in two InvIT's (Infrastructure Investment Trusts) that focus on the road sector. Together with these InvIT's, IRB generates a significant portion of its cash flows from toll assets. Accordingly, I have considered these factors appropriate for the computation of beta for toll assets, as they reflect the entity's underlying risk profile.

3) **G R Infraprojects Ltd**

G R Infraprojects Limited, established in 1995, is a prominent Indian infrastructure company specializing in the engineering, procurement and also engages in the development, operation, and maintenance of roads and highways through Build-Operate-Transfer (BOT) and Hybrid Annuity Model (HAM) frameworks. GRIL's revenue is generated from construction and operational activities (including toll roads it may operate under BOT or HAM contracts), while HIT generates revenue from toll collections on its owned infrastructure. Both companies thus have a substantial portion of their revenue tied to toll roads and highway usage, making their earnings potential comparable. Accordingly, I have considered these factors appropriate for the computation of beta, as it is similar to that of Toll SPV.

4) **Dilip Buildcon**

Dilip Buildcon Ltd. is a prominent Indian infrastructure company, specializing in the construction of roads, highways, bridges, and other civil engineering projects. The company operates across multiple sectors, including road construction (EPC projects), road asset ownership (via toll roads and highway projects) and is heavily tied to infrastructure, especially highways, which exposes them to similar market risks to that of Highway Infrastructure Trust such as policy changes, traffic volume, and toll revenue fluctuations. Hence, I deemed it appropriate to include Dilip Buildcon Ltd in my beta calculation, as its risk and policy aligns with the scope of this analysis similar to that of Toll SPV.

Source: The above information has been derived from annual reports, investor presentations, investor call transcripts and other relevant data which is publicly available and can be verified independently by any reader.

Appendix 4.1 – PRHPL(DL) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consent to Operate industry at Rabawata Toll Plaza, NH-11A, Kothun Lalsot Road File no- F(Ack)/Tonk(Newai)/14(1)/2024-2025/609-610	Central Pollution Control Board	26 th December 2024	
2	Consent to Operate industry at Titoli Toll Plaza, Old Route No NH11A File No- F(Tech)/Dausa(Lalsot)/2767(1)/2024-2025/1866-1867	Central Pollution Control Board	10 th January 2025	
3	Approval for Tree cutting on National Highway No 11AX	Ministry of Environment & Forest, NHAI	2 nd December 2016	
4	Approval for Tree cutting on National Highway No 11AX Extn.	Ministry of Environment & Forest, NHAI	8 th March 2017	

Appendix 4.2 – PCHPL(CD) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Approval of Installation of DG set	Government of Karnataka, Electoral Inspectorate	26 th July 2024	30 th April 2029
2	Diversion of forest land and upgradation of 4/6 lane to six laning with service road	Ministry of Environment, Forest & Climate Change, Integrated Regional Office	8 th February 2023	

Appendix 4.3 – PAHPL(AK) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consolidated Consent to operate and authorization under Section 25 of Water Act, 1974 and Air Act, 1981 (At Seithari)	Ministry of Environment, Forest & Climate Change, Uttar Pradesh	17 th January 2025	31 st March 2026
2	Consolidated Consent to operate and authorization under Section 25 of Water Act, 1974 and Air Act, 1981 (At Asspur Toll plaza)	Ministry of Environment, Forest & Climate Change, Uttar Pradesh	17 th January 2025	31 st March 2026

Appendix 4.4 – PBHPL : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consolidated Consent to operate and authorization under Section 25 of Water Act, 1974 and Air Act, 1981			
i	KM No 0 At village Digara Jhansi 228050/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
ii	KM No 10 at village Bamguwan Jhansi 228052/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
iii	KM No 13 at village Baruasagar Jhansi 228114/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
iv	KM No 14 at village Baruasagar Jhansi 228054/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
v	KM No 16 at village Baruasagar Jhansi 228055/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
vi	KM No 28 at village Baruasagar Jhansi 228057/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
vii	KM No 3 at village Pratapura Jhansi 228051/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
viii	KM No 30 at village Sakrar Mauranipur Jhansi 228058/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
ix	KM No 34 at village Luhari Mauranipur Jhansi 228077/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
x	KM No 56 at village Ras Pahariya Mauranipur Jhansi 228080/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
xi	KM No 58 at village Gursarai road Mauranipur Jhansi 228082/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
xii	KM No 59 at village Churari road Mauranipur Jhansi 228092/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
xiii	KM No 60 at village Dhimloni Mauranipur Jhansi 228106/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
xiv	KM No 71 at village Basariya Mauranipur Jhansi 228111/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
xv	KM No 73 at village Devri Ghat Mauranipur Jhansi 228112/UPPCB/Jhansi(UPPCBRO)/CTO/both/JHANSI/2024	Uttar Pradesh Pollution Control Board	28 th December 2024	31 st March 2025
2	Permission for readymix concrete plant	Madhya Pradesh Pollution Control Board	28 th November 2017	
3	Tree cutting			

Appendix 4.5 – PKHPL(JK2) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Certificate of Registration under the Building and Other Construction Workers (BOCW) Act.	Department of Labour - Govt of Uttar Pradesh	25 th January 2024	31 st December 2026
2	Borrow Earth and Sand			

Appendix 4.6 – PTSHPL(CA) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consolidated Consent certificate to operate and authorize under the Section 25 of the Water and Section 21 of the Air Act, 1981			
i	207175/UPPCB/Allahabad (UPPCBRO) CTO/both/FATHEHPUR/2024	Uttar Pradesh Pollution Control Board	27 th April 2024	31 st March 2025
ii	227542/UPPCB/Allahabad (UPPCBRO) CTO/both/FATHEHPUR/2024	Uttar Pradesh Pollution Control Board	26 th December 2024	31 st March 2025
iii	227540/UPPCB/Allahabad (UPPCBRO) CTO/both/FATHEHPUR/2024	Uttar Pradesh Pollution Control Board	26 th December 2024	31 st March 2025
2	Tree Cutting			

Appendix 4.7 – PMHHPL(MN) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Approval for cutting 240 obstructed trees of NH-119	National Highway Authority of India	15 th December 2021	
2	Approval related to tree cutting work on NH-119	National Highway Authority of India	30 th August 2022	

Appendix 4.8 – PBKHPL(AK5) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consolidated Consent certificate to operate and authorize under Section 25 of the Water and Section 21 of the Air Act, 1981			
i	227262/UPPCB/Allahabad (UPPCBRO) CTO/both/FATHEHPUR/2024	Uttar Pradesh Pollution Control Board	17 th December 2024	31 st July 2025
ii	227261/UPPCB/Kanpur Nagar (UPPCBRO) CTO/both/KANPURNAGAR/2024	Uttar Pradesh Pollution Control Board	17 th December 2024	31 st July 2025
iii	227254/UPPCB/Kanpur Nagar (UPPCBRO) CTO/both/KANPURNAGAR/2024	Uttar Pradesh Pollution Control Board	17 th December 2024	31 st July 2025
iv	227259/UPPCB/Kanpur Nagar (UPPCBRO) CTO/both/KANPURNAGAR/2024	Uttar Pradesh Pollution Control Board	18 th December 2024	31 st July 2025
v	227260/UPPCB/Kanpur Nagar (UPPCBRO) CTO/both/KANPURNAGAR/2024	Uttar Pradesh Pollution Control Board	18 th December 2024	31 st July 2025

Appendix 4.9 – PUHPL(UL) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consent to Establish for New Unit/Expansion/Diversification under the provisions of Water and Air (Prevention and control of Pollution) Act 1981			
i	122306/UPPCB/Unnao (UPPCBRO) /CTE/UNNAO/2021	Uttar Pradesh Pollution Control Board	6 th March 2021	
ii	122366/UPPCB/Unnao (UPPCBRO) /CTE/UNNAO/2021	Uttar Pradesh Pollution Control Board	6 th March 2021	
iii	227543/ UPPCB/Unnao (UPPCBRO)/CT0/both/UNNAO/2021	Uttar Pradesh Pollution Control Board	20 th December 2024	

Appendix 4.10 – PGHPL(JF) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Consolidated Consent to operate and authorization under Section 25 of Water Act, 1974 and Air Act, 1981 227537/UPPCB/Faizabad(UPPCBRO)/CTO/both/AYODHYA/2024	Uttar Pradesh Pollution Control Board	31 st December 2024	31 st December 2025
2	Tree cutting	Ministry of Environment, Forest & Integrated Regional Office, Lucknow	27 th October 2020	

Appendix 4.11 – PCKHPL(CH) : Summary of approval and licences

Sr. No.	Description of permits	Issuing Authority	Date of issue	Validity/Current Status
1	Approval of electrical installation pertaining to Temporary DG - DCEI(CTA)/AEI(O)/Temp-DG/2023-2024	Governement of Karnataka	14th February 2024	
2	Extention of Consent for Operation	Karnataka State Pollution Control Board		
i	KSPCB/RESCO(CTA)/CFO/2021-2-22	Karnataka State Pollution Control Board	22nd February 2022	
3	Approval of electrical installation pertaining to Temporary DG - DCEI(CTA)/AEI(O)/Temp-DG/2024-2025	Governement of Karnataka	12th July 2024	

Appendix 5.1 – PUHPL: Summary of Ongoing Litigations

Sr No	Matter	Pending Before	Particulars
1	Ram Pal and Others vs. Vinda Ratan and Others	Civil Judge, South Unnao (Case no. 506/2021)	<p>Basis our review of the translated copies of the case files, we understand that this case is in relation to alleged encroachment of land no. 469 admeasuring 0.6580 hectares, land no. 470 admeasuring 0.4110 hectares and land no. 471 admeasuring 1.1090 hectares in the district Unnao. It is alleged in the petition that PUHPL attempted to dig soil from the area around the foundation of the plaintiff's land without obtaining due approval.</p> <p>We note from the responses provided by the Representatives that the case is currently beaing heard by the Civil Judge, South Unnao. We have requested the Representatives to provide a status update on the litigation and copies of the documents filed with the Court, and are awaiting a response.</p>

Appendix 5.2 – PRHPL: Summary of Ongoing Litigations

Sr No	Matter	Pending Before	Particulars
1	Case no. 1286/22, State v. Mr. Kaushalendra Pratap Singh	Judicial Magistrate, Dausa	<p>The NHAI, by way of letter no. 19871 dated 14 February 2024 issued to PRHPL requested PRHPL to submit its observations regarding the arrest warrant issued for Mr. Kaushalendra Pratap Singh (who was the chief project manager for the PRHPL project during the construction period), in the case no. 1286/22, State v. Mr. Kaushalendra Pratap Singh.</p> <p>PRHPL, by way of letter no. 1520 dated 23 February 2024 issued to the NHAI, stated that the arrest warrant for Mr. Kaushalendra Pratap Singh is not effective, since the order pursuant to the arrest warrant was issued was set aside by the Sessions Judge, Dausa and the matter was remanded to Judicial Magistrate, Dausa for fresh assessment. We have sought: (a) details of this case (including why the arrest warrant was issued); (b) clarification on whether Mr. Kaushalendra Pratap Singh is an employee of PRHPL or PNC Infratech; (c) whether the matter is pending before Judicial Magistrate, Dausa or if any order is passed by the Judicial Magistrate, Dausa; and (d) the copies of the arrest warrant, the order for setting aside the warrant, the original FIR and all other relevant documentation on this matter.</p>
2	Legal notice from advocate Laxminarayan Meena	N/A	<p>We note from letter no. 2629 dated 28 August 2023 issued by the IE to PRHPL that a legal notice dated 8 August 2023 was issued from advocate Laxminarayan Meena regarding the accident of Mr. Nasiram which occurred during the O&M period of the PRHPL project. The IE has also requested PRHPL to submit comments/replies to the points raised in the legal notice and subsequent actions taken by PRHPL.</p> <p>The legal notice (issued to, amongst others, PRHPL), alleges improper maintenance of the Titoli toll plaza on the PRHPL project by PRHPL resulting in the death of the Mr. Nasiram. The legal notice also raised a claim of INR 52,00,000 for total compensation towards loss of life, medical and funeral expenses, etc. In this regard, we have requested the Representatives to confirm: (i) the details of current status of matter; (ii) PRHPL has responded to this matter; (iii) whether any proceedings have been filed in this matter; (iv) whether any compensation has been paid and whether improper maintenance issues have been resolved, and are awaiting a response.</p>

Appendix 5.3 – PCHPL: Summary of Ongoing Litigations

Sr No	Matter	Pending Before	Particulars
1	MVC 107/2023	Additional District and Sessions Court, Koppal, Karnataka:	<p>PCHPL is a party to a motor accident claim case filed with the Additional District and Sessions Court, Koppal, Karnataka, bearing registration number MVC 107/2023. We have been provided with a copy of an affidavit dated 11 August 2023 filed by petitioner number 3, Smt. Rajeshwari Aluvandi, impleading PCHPL and PNC Infratech as respondents number 4 and 5, respectively.</p> <p>We have not been provided with any further documentation in relation to the current ongoing litigation (including details of the motor accident and the claim relief being sought from PCHPL and PNC Infratech). We have requested the Representatives to provide us with a copy of the submissions made by PCHPL, copy of the impleadment application and all other relevant documentation for this litigation, and are awaiting a response.</p>
2	Legal Notice issued by Shri P S Manjunath	N/A	<p>We note from letter no. 2430 dated 11 January 2022, issued by the NHAI to PCHPL, that the NHAI has forwarded a copy of the legal notice issued by Shri P S Manjunath regarding alleged illegal and unauthorised digging by PCHPL. Further, Shri P S Manjunath has also requested the NHAI to deposit INR 5,000 towards notice charges to the landowners.</p> <p>PCHPL In its reply to the NHAI through letter no. 693 dated 3 February 2022, has stated that the: (i) excavation of land beyond the right of way available was on account of requests made by villagers in relation to stagnation of water; and (ii) excavation work has stopped.</p> <p>We have not been provided with any further documentation in relation to the above-mentioned legal notice. We have requested the Representatives to confirm the status and provide all relevant documentation, and are awaiting a response.</p>
3	MVC/622/2024	PCHPL Vs. Mutthapa Huchappa Maradi & Ors.	<p>This matter has been filed by PCHPL before the Additional Senior Civil Judge and CJM, Chitradurga regarding the damage of gantry board by the respondents. As per this petition, PCHPL has claimed that respondent 1 (who is the bus driver) has damaged the gantry board and the respondents are joint and severally liable to pay damages to PCHPL. We understand that the matter is still pending and the next date of hearing is 05.03.2025.</p> <p>In this regard, we have requested the Representatives to confirm: (i) the details of current status of matter; (ii) whether respondents has responded to this claim; (iii) whether any compensation has been paid, and provide the complete set of documentation in this regard, and are awaiting a response.</p>

Appendix 6: Brief Details about the Valuer

Professional Experience

Sundararaman is a fellow member from the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation. He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations. He possesses more than 30 years of experience in servicing large and medium sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services.

His areas of specialization include valuation for various Infrastructure Companies including valuation for Investment Infrastructure Trusts (InvITs)

Professional Qualifications & Certifications

- FCA
- Grad CWA
- Certificate Courses on Valuation
- Certificate Course on IFRS
- Information Systems Audit (DISA of ICAI)
- Registered Insolvency Professional
- IBBI Registered Valuer

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Registration Details

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

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