



NATIONAL HIGHWAYS INFRA TRUST

(Registered in the Republic of India as an irrevocable trust set up under the Indian Trusts Act, 1882, on October 19, 2020, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, on October 28, 2020, having registration number IN/InvIT/20-21/0014. Units of the National Highways Infra Trust were listed on private placement basis on the Stock Exchanges on November 10, 2021.)

Principal Place of Business: G - 5 & 6, Sector 10, Dwarka, New Delhi - 110 075; **Tel:** +91 11 2507 6536; **Fax:** +91 11 2507 6536; **E-mail:** nhit@nhai.org; **Website:** www.nhaiinvit.in

Chief Financial Officer: Mathew George; **Tel:** +91 11 2507 4100; **Email:** cfo.nhim@nhai.org
Compliance Officer: Smt. Gunjan Singh; **Tel:** +91 11 25074100; **E-mail:** cs.nhim@nhai.org
Permanent Account Number: AADTN5721E

| TRUSTEE | SPONSOR | INVESTMENT MANAGER |
|--|---|--|
| IDBI TRUSTEESHIP SERVICES LIMITED | NATIONAL HIGHWAYS AUTHORITY OF INDIA Tel: + 91 11 2507 4100 E-mail: memberfinance@nhai.org | NATIONAL HIGHWAYS INFRA INVESTMENT MANAGERS PRIVATE LIMITED |

PUBLIC ISSUE BY THE NATIONAL HIGHWAYS INFRA TRUST (THE "TRUST" OR THE "ISSUER") OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF RS. 1000/- EACH, (COMPRISING THREE SEPARATELY TRANSFERABLE AND REDEEMABLE PRINCIPAL PARTS ("STRPP", AS DETAILED HEREINAFTER) NAMEDLY 1 STRPP A OF FACE VALUE OF RS. 300/-, 1 STRPP B OF FACE VALUE OF RS. 300/- AND 1 STRPP C OF FACE VALUE OF RS. 400/-, FOR AN AMOUNT OF UPTO RS. 7,500 MILLION ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS. 7,500 MILLION ("GREEN SHOE OPTION") AGGREGATING TO AN AMOUNT OF UPTO RS. 15,000 MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE").
THE ISSUE WILL BE OF UPTO 15,000,000 NCDs (CONSISTING OF 15,000,000 STRPP A, 15,000,000 STRPP B AND 15,000,000 STRPP C). THE THREE STRPPs WILL BE OF DIFFERENT FACE VALUE, DIFFERENT MATURITY AND SHALL BE REDEEMABLE (I) AT PAR; AND (II) IN A STAGGERED MANNER. THIS ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE "GUIDELINES FOR ISSUANCE OF DEBT SECURITIES BY REAL ESTATE INVESTMENT TRUSTS (REITs) AND INFRASTRUCTURE INVESTMENT TRUSTS (InvITs)" DATED APRIL 13, 2018 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA (THE "SEBI DEBT ISSUE GUIDELINES"), THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, TOGETHER WITH ANY AMENDMENTS, CIRCULARS AND GUIDELINES ISSUED THEREUNDER (THE "INVIT REGULATIONS"), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, TOGETHER WITH ANY AMENDMENTS, CIRCULARS AND GUIDELINES ISSUED THEREUNDER (THE "SEBI ILNCS REGULATIONS") READ WITH SECURITIES AND EXCHANGE BOARD OF INDIA OPERATIONAL CIRCULAR FOR ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES, SECURITISED DEBT INSTRUMENTS, SECURITY RECEIPTS, MUNICIPAL DEBT SECURITIES AND COMMERCIAL PAPER DATED AUGUST 10, 2021 ("SEBI OPERATIONAL CIRCULAR"). FOR FURTHER DETAILS, PLEASE SEE THE SECTIONS TITLED "THE ISSUE" AND "ISSUE STRUCTURE" ON PAGES 51 AND 263, RESPECTIVELY.

GENERAL RISKS

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "Risk Factors" and "Material Developments" on page 16 and 250 respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

INVESTMENT MANAGER'S ABSOLUTE RESPONSIBILITY

The Investment Manager (acting on behalf of the Trust), having made all reasonable inquiries, accepts responsibility for, and confirms that, the Draft Prospectus and this Prospectus contains all information with regard to the Trust and the Issue, which is material in the context of this Issue and that the information included in the Draft Prospectus and this Prospectus, and the information included in this Prospectus is true and correct in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading.

CREDIT RATING

The NCDs proposed to be issued pursuant to this Issue have been rated 'CARE AAA;Stable' by CARE Ratings Limited for an amount of up to ₹ 15,000 million by way of their letter dated October 10, 2022 and rated as 'IND AAA/Stable' by India Ratings and Research Private Limited for an amount of up to ₹ 15,000 million by way of the letter dated October 10, 2022. The ratings provided by CARE Ratings Limited and India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding the rating letters and press release for the aforementioned rating, please see the "CARE Rating and Press Release" and "India Ratings Rating and Press Release", attached as Annexure B1 and Annexure B2 of this Prospectus, respectively. For further details related to applicable risks, please see the section titled "Risk Factors – Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt." on page 36.

PUBLIC COMMENTS

The Draft Prospectus dated September 30, 2022 was filed with BSE and NSE, pursuant to the provisions of the SEBI ILNCS Regulations and was open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of the Draft Prospectus with the BSE and NSE.

LISTING

The NCDs of the Trust offered through this Prospectus are proposed to be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (collectively, the "Stock Exchanges"). The Trust has received in-principle approvals from BSE and NSE for listing of the NCDs to be allotted pursuant to the Issue through their letters dated October 10, 2022 bearing number DCS/BM/PI-BOND/014/22-23 and dated October 10, 2022 bearing number NSE/LIST/D/2022/0147, respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Maturity Date and Maturity Amount of the NCDs, each term as defined hereinafter, please see the section titled "General Terms of the Issue" on page 251. For details relating to eligible investors, please see the section titled "Issue Structure" on page 263.

UNDERWRITING

This Issue will not be underwritten.

LEAD MANAGERS TO THE ISSUE

| | | | | |
|---|---|---|--|--|
| JM FINANCIAL LIMITED 7 th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Tel: (91 22) 6630 3300 Fax: (91 22) 6630 3330 E-mail: nhit.bondissue2022@jmf.com Investor Grievance Email: grievance.jbd@jmf.com Website: www.jmf.com Contact Person: Prachee Dhuri Compliance Officer: Sunny Shah SEBI Registration No.: INM000010361 CIN: L67120MH1986PLC038784 | A. K. CAPITAL SERVICES LIMITED 603, 6 th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098 Tel: +91 22 6754 6500 Fax: +91 22 6610 0594 E-mail: nhaiinvit2022@akgroup.co.in Investor Grievance E-mail: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Aanchal Wagle / Mathew Thomas Compliance Officer: Tejas Davda SEBI Registration No.: INM000010411 CIN: L74899MH1995PLC274881 | ICICI SECURITIES LIMITED ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6807 7100 Fax: +91 22 6807 7801 E-mail: nhitinvind@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Rupesh Khant / Sumit Singh Compliance Officer: Ankit Sharma SEBI Registration Number: INM000011179 CIN: L67120MH1995PLC086241 | SBI CAPITAL MARKETS LIMITED 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005 Maharashtra, India Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 E-mail: nhaiinvit.ncdisue@sbicaps.com Investor Grievance E-mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Mandeeep Singh Compliance Officer: Bhaskar Chakraborty SEBI Registration Number: INM000003531 CIN: U99999MH1986PLC040298 | TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109 & 110, First FL, Balarama Premises Co-Op Soc., Vilg Parikhari, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 Tel: +91 22 4084 5000 Fax: +91 22 4084 5066 E-mail: Trust.nhitNCD@trustgroup.in Investor Grievance E-mail: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Sumit Singh Compliance Officer: Brijmohan Bohra SEBI Registration Number: INM000011120 CIN: U67190MH2006PTC162464 |
|---|---|---|--|--|

CREDIT RATING AGENCIES

REGISTRAR TO THE ISSUE

STATUTORY AUDITORS TO THE TRUST

DEBENTURE TRUSTEE**

| | | | | |
|---|---|--|--|---|
| CARE Ratings Limited 32, Titanium, Prahaladnagar Corporate Road Satellite Ahmedabad 380 015 Tel: +91 79402 65656 Fax: +91 79402 65657 E-mail: Maulesh.Desai@careedge.in Website: www.careratings.com Contact Person: Maulesh Desai Compliance Officer: Nehal Shah SEBI Registration Number: IN/CRA/004/1999 CIN: L67190MH1993PLC071691 | India Ratings and Research Private Limited Wockhardt Towers, 4 th floor, Bandra Kurla Complex, Bandra East, Mumbai 400 051 Tel: +91 22 4000 1700 Fax: +91 22 4000 1701 E-mail: info@indiaratings.co.in Contact Person: Rishabh Jain Compliance Officer: Arunima Basu SEBI Registration Number: IN/CRA/002/1999 CIN: U67100MH1995FTC140049 | KFin Technologies Limited (formerly, KFin Technologies Private Limited) Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramuguda, Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: nhit.ncdipo@kfinitech.com Investor Grievance E-mail: einward.nis@kfinitech.com Website: www.kfinitech.com Contact Person: M. Murali Krishna Compliance officer: Anshul Kumar Jain SEBI Registration No.: INR000002221 CIN: U72400TG2017PLC117649 | A.R. & Co. A-403, Gayatri Apartment, Airlines Group Housing Society, Plot No 27, Sector - 10, Dwarka, New Delhi 110 075 Tel: 9810195084, 9810444051 E-mail: ar_co1981@yahoo.co.in, pawankgoel1@gmail.com Contact Person: CA. Pawan K Goel Firm Registration No: 002744C Peer Review No: 011988 | SBICAP Trustee Company Limited** Mistry Bhavan, 4 th Floor, 122 Dinshaw Vachha Road, Churchgate, Mumbai 400 020 Tel: +91 22 4302 5500/66 E-mail: dt@sbicaptrustee.com Investor Grievance Email: investor.cell@sbicaptrustee.com Website: www.sbicaptrustee.com Contact Person: Jatin Bhat Compliance Officer: Jatin Bhat SEBI Registration No.: INDC00000536 CIN: U65991MH2005PLC158386 |
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ISSUE SCHEDULE*

ISSUE OPENS ON: Monday, October 17, 2022

ISSUE CLOSES ON: Monday, November 7, 2022

* The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during the period indicated in this Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) or on before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case may be, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section titled "General Information – Issue Schedule" on page 49.

** SBICAP Trustee Company Limited has, pursuant to Regulation 8 of the SEBI ILNCS Regulations and by way of letter dated September 22, 2022, given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and this Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue. For further details please see the section titled "General Information – Debenture Trustee" on page 43 of this Prospectus and please see "Consent of the Debenture Trustee" attached as Annexure F.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Prospectus uses the definitions and abbreviations provided below which you should consider when reading the information contained in this Prospectus. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

The words and expressions used in this Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI Debt Issue Guidelines, the SEBI ILNCS Regulations, the InvIT Regulations, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the sections titled “Legal Proceedings”, “Industry Overview”, “Regulations and Policies” and “Statement of Possible Tax Benefits” on pages 311, 80, 324 and 67, respectively, shall have the meanings ascribed to such terms in those respective sections.

In this Prospectus, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to the Trust and the Project SPV, on a consolidated basis.

Trust Related Terms

| Term | Description |
|--------------------------------------|--|
| A&F Policy | The Asset acquisition and unit funding policy adopted by the Investment Manager pursuant to the resolution of the IM Board dated September 30, 2021 |
| Abu Road Swaroopganj Project Highway | The Abu Road – Swaroopganj section of NH 27 with a total length of 31 kms, in the state of Rajasthan |
| Additional Concession Agreements | The following concession agreements entered into between NHAI and NHIPPL on September 26, 2022: <ul style="list-style-type: none"> (i) Concession Agreement for the tolling, operation, maintenance transfer of Agra bypass Section (from km 0.000 to km 32.800) of NH-19 in the state of Uttar Pradesh; (ii) Concession Agreement for the tolling, operation, maintenance transfer of Borkhedi-Wadner-Deodhari-Kelapur Section (from km 36.600 to km 175.000) of NH-44 in the state of Maharashtra; and (iii) Concession Agreement for the tolling, operation, maintenance transfer of Shivpuri – Jhansi Section (from km 1305.087 to km 1380.387) of NH-27 in the states of Madhya Pradesh and Uttar Pradesh. |
| Agra Bypass | Agra bypass section connecting NH-19 (old NH-2) to NH-44(old NH-7) in the state of Uttar Pradesh |
| Associate | Associate shall have the meaning set forth in Regulation 2(1)(b) of the InvIT Regulations. Since (i) the Sponsor is a body corporate whose capital is funded by the Central Government and members are appointed and executive decisions taken by the President of India (acting through the Department of Personnel and Training and MoRTH), and (ii) the President of India is the Promoter of the Investment Manager, persons or entities that may be classified as “associates” of the Sponsor and Investment Manager in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as ‘associates’ of the Sponsor and the Investment Manager. |
| Audited Financial Information | The audited standalone financial information of the Trust, for the financial year ended March 31, 2021 (for the period from October 19, 2020 up to March 31, 2021) and March 31, 2022, together with the auditor’s report thereon, and the audited consolidated financial information of the Trust and the SPV for the financial year ended March 31, 2022, together with the auditor’s report thereon |
| Auditors | A.R. & Co., Chartered Accountants, statutory auditors of the Trust |
| Audit Committee | The audit committee of the Investment Manager constituted in accordance with the Companies Act |
| Borkhedi Kelapur Stretch | Borkhedi-Kelapur-Maharashtra/Telangana border on NH-44 (old NH-7) in the state of Maharashtra |
| Borrowing Policy | The borrowing policy of the Trust adopted by the Investment Manager pursuant to a resolution of the IM Board dated February 3, 2021, as amended pursuant to the resolution of the IM Board dated September 27, 2021. |
| Compliance Officer | The compliance officer of the Investment Manager (acting on behalf of the Trust), Smt. Gunjan Singh |
| Concession Agreements | Collectively, the Initial Concession Agreements and Additional Concession Agreements |
| Chittorgarh Kota Project Highway | Chittorgarh – Kota section of NH 27 with a total length of 160.50 kms, in the state of Rajasthan |
| Current Ratio | Total current assets / Total current liabilities |
| Debt Service Coverage Ratio | EBITDA/ (Finance costs + Principal repayments made during the period/year) |
| Debt to Equity Ratio | Total borrowings / Total Unitholders’ equity |
| Distribution Policy | The distribution policy adopted by the Investment Manager pursuant to a resolution of its board of directors dated February 3, 2021, as amended pursuant to the resolution of the IM Board dated September 27, 2021 and as amended from time to time |
| EBIT (earnings before interest | Total comprehensive income for the period / year + Finance costs + Total tax expenses - Income from |

| Term | Description |
|---|--|
| and taxes) | investment in mutual funds - Interest income on investment in fixed deposits - Other finance income |
| EBITDA (earnings before interest, taxes, depreciation and amortization) | Total comprehensive income for the period / year + Finance costs + Total tax expenses + Depreciation expense + Impairment / (reversal of impairment) of property, plant and equipment |
| ESDD Report | Limited environment and social due diligence reports, issued by Ramboll India Private Limited dated September 2022, in relation to the Target Toll Reports as set out in Annexure E of this Prospectus |
| Initial Concession Agreements | The following concession agreements entered into between NHAI and NHIPPL on March 30, 2021: <ul style="list-style-type: none"> i. Concession Agreement for the tolling, operation, maintenance transfer of Maharashtra/Karnataka border (Kagal) (from km 515+000 to km 592+705) of NH-48 in the State of Maharashtra/Karnataka; ii. Concession Agreement for the tolling, operation, maintenance transfer of Chittorgarh Bypass to Kota Section (from km 891+929 to km 1052+429) of NH-27 in the State of Rajasthan; iii. Concession Agreement for the tolling, operation, maintenance transfer of Kothakota Bypass – Kurnool Section (from km 135+469 to km 211+000) of NH-44 in the State of Telangana; iv. Concession Agreement for the tolling, operation, maintenance transfer of Abu Road to Swaroopganj Section (from km 646+000 to km 677+000) of NH-27 in the State of Rajasthan; and v. Concession Agreement for the tolling, operation, maintenance transfer of Palanpur/ Khemana to Abu-Road Section (from km 601+000 to km 646+000) of NH-27 in the State of Gujarat, Rajasthan. |
| Initial Toll Roads | Collectively, (i) Abu Road - Swaroopganj Project; (ii) Chittorgarh – Kota and Chittorgarh Bypass Project; (iii) Kothakota Bypass – Kurnool Project; (iv) Maharashtra/Karnataka Border (Kagal) – Belgaum Project; and (v) Palanpur/Khemana Abu Road Project |
| Interest Service Coverage Ratio | EBITDA/ Finance costs |
| Investment Management Agreement | Investment management agreement dated October 21, 2020, entered into between the Trustee (on behalf of the Trust) and the Investment Manager |
| Investment Manager or NHIIMPL | National Highways Infra Investment Managers Private Limited |
| Investment Objectives | The investment objectives of the Trust, as provided under the section titled “ <i>Overview of the Trust</i> ” on page 131 |
| “InvIT Assets” or “Portfolio Assets” | InvIT assets as defined in Regulation 2(1)(zb) of the InvIT Regulations, in this case being the concessions granted under the Concession Agreements, in respect of the (i) Kotha Kota Kurnool Project Highway, (ii) Chittorgarh Kota Project Highway, (iii) Maharashtra Belgaum Project Highway, (iv) Abu Road Swaroopganj Project Highway; (v) Palanpur Abu Road Project Highway; (vi) Agra Bypass; (vii) Borkhedi-Kelapur-Maharashtra/Telangana; and (viii) Shivpuri Jhansi section. |
| InvIT Documents | (i) The Trust Deed; (ii) the Investment Management Agreement; (iii) the Project Implementation and Management Agreement; and (iv) such other policies, documents, agreements and letters executed in connection with the Trust, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any |
| Kotha Kota Kurnool Project Highway | The Kothakota bypass – Kurnool section of NH 44 with a total length of 74.6 kms, connecting the states of Telangana to Andhra Pradesh. |
| Maharashtra Belgaum Project Highway | The Belgaum – Kagal section of NH 48 with a total length of 77.7 kms, connecting the states of Karnataka and Maharashtra |
| Palanpur Abu Road Project Highway | The Palanpur/Khemana – Abu Road section of NH 27 with a total length of 45 kms, connecting the states of Gujarat and Rajasthan |
| Parties to the Trust | The Sponsor, the Trustee, the Investment Manager and the Project Manager |
| Project Implementation and Management Agreement | Project implementation and management agreement dated March 30, 2021, together with the amendment dated September 27, 2022 entered into amongst the Trustee (on behalf of the Trust), the Project Manager, the Investment Manager and the Project SPV, as amended by way of an amendment agreement to the project implementation and management agreement dated September 29, 2021. |
| “Project Manager” or “NHIPMPL” | National Highways InvIT Project Managers Private Limited |
| Project SPV Facilities | The loans provided by the Trust to the Project SPV in accordance with the Project SPV Facility Agreements, as entered into from time to time |
| Project SPV Facility Agreements | The facility agreements each dated September 30, 2021, entered into between the Trust (acting through the Trustee), the Trustee, the Investment Manager and the Project SPV in relation to the Initial Toll Roads and the facility agreements proposed to be entered into between the Trust (acting through the Trustee), the Trustee, the Investment Manager and the Project SPV in relation to the Target Toll Roads |
| “Project SPV” or “NHIPPL” | National Highways Infra Projects Private Limited |
| Related Parties | Related parties, as defined under Regulation 2(1)(zv) of the InvIT Regulations |
| Share Purchase Agreement | The share purchase agreement dated September 30, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and the Project SPV, in respect of the acquisition by the Trust of the equity shareholding of the Project SPV |
| Shivpuri Jhansi Stretch | Shivpuri – Jhansi section Km 1305.000 to Km 1380.387 of NH-27 in the state of Madhya Pradesh and Uttar Pradesh |

| Term | Description |
|---|--|
| “Sponsor” or “NHAI” | National Highways Authority of India |
| SPV(s) | Special purpose vehicles, as defined in Regulation 2(1)(zy) of the InvIT Regulations |
| Target Toll Roads | Collectively, (i) Agra Bypass Project; (ii) Borkhedi - Kelapur Project; and (iii) Shivpuri Jhansi Project |
| Technical Consultant(s) | Collectively, Samarth Infraengg Technocrats Private Limited and Consulting Engineers Group Limited |
| Technical Reports | Technical due diligence reports concerning the Target Toll Roads titled “ <i>Technical Due Diligence of the National Highway stretches viz: Agra Bypass (32.80 Km) connecting km. 176.80 of NH 2 to Km 13.030 of NH 3 in the state of Uttar Pradesh, and Four lane of Shivpuri-Jhansi from Km. 1305+000 to Km. 1380+387 (Total Length- 75 Km) on NH-27 in the state of Madhya Pradesh & Uttar Pradesh</i> ” issued by M/s Consulting Engineers Group Ltd. dated August 29, 2022 and technical report titled “ <i>Tolling, Operation, Maintenance and Transfer of Borkhedi-Wadner - Deodhari – Kelapur – Maharashtra / Telangana Border (from km 36.600 to km 175.000) of NH-44 in the State of Maharashtra</i> ”, issued by Samarth Infraengg Technocrats Private Limited dated August 29, 2022, which forms part of this Prospectus, as set out in Annexure H |
| Traffic Consultant(s) | Ramboll India Private Limited, Steer Davies Gleave India Private Limited and CRISIL Research |
| Traffic Reports | The traffic reports prepared by the Traffic Consultants in respect of the InvIT Assets |
| Trademark License Agreement | Trademark license agreement dated September 26, 2022, entered into between the Sponsor and the Trustee |
| Transitional Support Agreement | The transitional support agreement dated September 26, 2022 entered into amongst the Sponsor, Project Manager and the Project SPV in relation to the Target Toll Roads. For further details, please see the section titled “ <i>Related Party Transactions – Transitional Support Agreement</i> ” on page 249. |
| Trust | National Highways Infra Trust |
| Trust Deed | Trust deed dated October 19, 2020, entered into between the Sponsor and the Trustee |
| Trustee | IDBI Trusteeship Services Limited |
| Unaudited Interim Financial Information | The unaudited consolidated interim financial information of the Trust and the Project SPV, and the unaudited standalone interim financial information of the Trust, each as of and for the quarter ended June 30, 2022 and reviewed in accordance with Ind AS 34 and the standard on review engagements |
| Unexpired Cash Flow | The amount calculated by multiplying the concession fee with the percentages provided in the relevant Concession Agreements |
| Unit | An undivided beneficial interest in the Trust, and such Units together represent the entire beneficial interest in the Trust |
| Unitholders | The holders of Units of the Trust from time to time |
| UPSI Policy | The unpublished price sensitive information policy adopted by the Investment Manager pursuant to a resolution of its board of directors dated February 3, 2021, as amended pursuant to the resolution of the IM Board dated September 27, 2021 and March 30, 2022 |
| Valuation Report | The valuation report dated August 30, 2022, issued by the Valuer, which sets out their opinion as to the fair enterprise value of the Initial Toll Roads and Target Toll Roads as on July 31, 2022, which is set out in Annexure C to the Draft Prospectus |
| Valuer | RBSA Valuation Advisors LLP |

Issue related terms

| Term | Description |
|---|--|
| Abridged Prospectus | A memorandum containing the salient features of this Prospectus |
| Acknowledgement Slip / Transaction Registration Slip / TRS | The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form |
| Allot / Allotment / Allotted | Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Issue to the Allottees |
| Allotment Advice | The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment |
| Allottee(s) | The successful applicant to whom the NCDs are Allotted |
| Applicant / Investor | The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of this Prospectus and Abridged Prospectus and the Application Form |
| Application Amount | The aggregate value of the NCDs applied for, as indicated in the Application Form for the Issue |
| Application Form /ASBA Form | The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs and in terms of this Prospectus. |
| Application / ASBA Application / Application Supported by Blocked Amount / ASBA | An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the specified bank account maintained with such SCSB or ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to ₹ 500,000 (UPI Application Limit) will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of this Prospectus |
| ASBA Account | An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto ₹ 500,000 |
| ASBA Applicant | Any Applicant who applies for NCDs through the ASBA process |
| Banker to the Issue | Collectively, Public Issue Account Bank(s), Refund Account(s) and Sponsor Bank, being ICICI Bank |

| Term | Description |
|--|---|
| | Limited |
| Base Issue Size | ₹ 7, 500 million |
| Basis of Allotment | The basis on which NCDs will be allotted to applicants as described in “Issue Procedure – Basis of Allotment of NCDs” on page 296 |
| Bidding Centres | Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs. |
| Board or Board of Directors | The board of directors of the Investment Manager |
| Bridge Loan Facility | Term loan facility for an amount aggregating up to ₹ 15,000 million proposed to be availed by the Issuer from State Bank of India on or about the date hereof. |
| Broker Centres | Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com |
| CARE | CARE Ratings Limited |
| Category I Investor / Institutional Investor | <ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs Provident funds and pension funds with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs Alternative investment funds, subject to investment conditions applicable to them under the SEBI AIF Regulations, 2012 Resident Venture Capital Funds registered with SEBI Insurance companies registered with the IRDAI State industrial development corporations Insurance funds set up and managed by the army, navy, or air force of the Union of India Insurance funds set up and managed by the Department of Posts, the Union of India Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5000 million as per the last audited financial statements; National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India Mutual funds registered with SEBI <p><i>Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.</i></p> |
| Category II Investor / Non-Institutional Investors | <ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013 Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs Co-operative banks and regional rural banks Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs Scientific and/or industrial research organisations, which are authorised to invest in the NCDs Partnership firms in the name of the partners Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009) Association of Persons Any other incorporated and/ or unincorporated body of persons <p><i>Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.</i></p> |
| Category III Investor / High Net Worth Individual Investor / HNI | High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all NCDs in this Issue |
| Category IV Investor | Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than ₹500,000 in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism |
| Client ID | Client identification number maintained with one of the Depositories in relation to the demat account |
| Collecting Depository Participants / CDPs | A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations, in terms of the SEBI Operational Circular |
| Collecting Registrar and Share Transfer Agents or CRTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations |
| Consortium Agreement | Consortium Agreement dated October 11, 2022 between the Trust (acting through the Trustee), Investment Manager (on behalf of the Trust), Lead Managers and Consortium Members to the Issue. |
| Consortium Members | JM Financial Services Limited, A.K. Stockmart Private Limited, SBICAP Securities Limited, Trust |

| Term | Description |
|---|--|
| | Financial Consultancy Services Private Limited and Trust Securities Services Private Limited |
| Consortium/ Members of the Consortium (each individually, a Member of the Consortium) | The Lead Managers and the Consortium Members |
| Coupon Rate | The rate of interest payable in connection with STRPP A, STRPP B and STRPP C in accordance with this Prospectus. For further details, see “Issue Structure” on page 263. |
| Credit Rating Agencies | Collectively, CARE Ratings Limited and India Rating and Research Private Limited |
| CRISIL | CRISIL Ratings Limited |
| Debenture Holder(s)/NCD Holder(s) | The holders of the NCDs (including any STRPP of an NCD) whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by the Investment Manager if required under applicable law. Unless repugnant to the context, any reference to the term ‘NCD Holder’ / ‘Debenture Holder’ shall include reference to each holder(s) of any STRPP of an NCD. |
| Debenture Trust Deed | The debenture trust deed to be executed by the Trust (represented by the Trustee) and the Investment Manager and the Debenture Trustee in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100 % security cover for the NCDs and the interest due thereon issued pursuant to the Issue. The contents of the Debenture Trust Deed shall be as prescribed by the Securities and Exchange Board of India or any other applicable statutory/regulatory body from time to time. |
| Debenture Trustee | Trustees for the Debenture Holders in this case being, SBICAP Trustee Company Limited appointed by the Board of Directors |
| Debenture Trustee Agreement | Agreement dated September 30, 2022 entered into between the Trust (as represented by the Trustee), the Investment Manager and the Debenture Trustee in relation to the Issue. |
| Deemed Date of Allotment | The date on which the Board of Directors of the Investment Manager approves the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment. |
| Demographic Details | The demographic details of an Applicant such as the address, bank account details, category, PAN, UPI ID etc. for printing on refund or used for refunding through electronic mode as applicable. |
| Depository(ies) | National Securities Depository Limited and /or Central Depository Services (India) Limited |
| Designated Branches | Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other weblink as may be prescribed by SEBI from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchange at www.bseindia.com and www.nseindia.com . |
| Designated Date | The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of this Prospectus and the Public Issue Account and Sponsor Bank Agreement following which the NCDs will be Allotted in the Issue. |
| Designated Intermediaries | The members of the Consortium, Sub-Consortium/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue. In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA applications submitted by Retail Individual Investors where the amount was blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchanges where applications have been submitted through the app/web interface, as provided in the SEBI Operational Circular. |
| Designated RTA Locations | Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of ₹ 500,000) are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time |
| Designated Stock Exchange | BSE Limited |
| Direct Online Application Mechanism | An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility. |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| Draft Prospectus | The draft prospectus dated September 30, 2022 which was filed with the Designated Stock Exchange and NSE for receiving public comments and with SEBI for its records in accordance with the SEBI Debt Issue Guidelines, the SEBI ILNCS Regulations, SEBI Operational Circular, and the InvIT Regulations |
| Equity Shares | Fully paid-up equity shares of the Project SPV. |
| Green Shoe Option | ₹ 7, 500 million |
| Hypothecated Assets | Assets of the Trust, including moveable plant and machinery, machinery spares, tools and accessories, |

| Term | Description |
|---|---|
| | furniture, fixtures, vehicles, all other movable assets, inventories, securities, equipment, book debts, operating cash flows, scheduled and unscheduled receivables and revenues, commissions, revenues of whatsoever nature and wherever arising, both present and future; (ii) the Receivables, both present and future; (iii) the intellectual property rights, both present and future; (iv) all rights, titles, interests, benefits, claims and demands, whatsoever of the Trust in any real estate and leasehold rights held by the Trust, both present and future; (v) all rights, title, interest, benefits, claims and demands whatsoever of the Issuer under all insurance contracts and insurance proceeds, both present and future; (vi) all rights, titles, interests, benefits, claims and demands, whatsoever of the Trust in respect of the bank accounts of the Trust (opened in relation to the financial assistance availed by the Trust) and all sub-accounts thereunder including the debt service reserve account, investments, all receivables, monies, funds, and cash flows deposited in or to be deposited in the bank accounts of the Trust (opened in relation to the financial assistance availed by the Trust) and all sub-accounts thereunder (including pursuant to the terms of the Transaction Documents), and all other assets, and securities which represent amounts lying in or to be credited in such accounts; and (vii) all rights, titles, interests, benefits, claims and demands, whatsoever of the Trust against the Project SPV and/or the Projects including in all indebtedness granted/to be granted by the Issuer to the Project SPV (including the interest and principal repayments thereof) and the rights of substitution and termination available to the Trust in its capacity as the 'Lender' (as defined under the respective Concession Agreements executed by the Project SPV) to the Project SPV. |
| India Ratings | India Ratings and Research Private Limited |
| ISIN | International Securities Identification Number |
| Issue | Public issue by the Issuer of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000/- each, (comprising 3 (three) separately transferable and redeemable principal parts ("STRPP") namely 1 STRPP A of face value of ₹ 300/-, 1 STRPP B of face value of ₹ 300/- and 1 STRPP C of face value of ₹ 400/-, for an amount aggregating up to ₹ 15,000 million. |
| Issue Agreement | The agreement dated September 30, 2022 entered into by the Investment Manager (acting in its capacity as the Investment Manager of the Trust), the Trustee (acting in its capacity as Trustee of the Trust), and the Lead Managers |
| Issue Closing Date | Monday, November 7, 2022 |
| Issue Document(s) or Issue Document | The Draft Prospectus and this Prospectus, the Abridged Prospectus, the Application Form including all amendments, corrections, corrigenda, supplements or notices to be issued to the prospective Applicants in connection with the Issue, if any |
| Issue Opening Date | Monday, October 17, 2022 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms, as specified in this Prospectus |
| Issuer | National Highways Infra Trust |
| Lead Managers | JM Financial Limited, A.K. Capital Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and Trust Investment Advisors Private Limited |
| Listing Agreement | The uniform listing agreement to be entered into between the Investment Manager (acting on behalf of the Trust) and the Stock Exchanges in connection with the listing of debentures of the Trust, in line with the format as specified under the Securities and Exchange Board of India circular number CIR/CFD/CMD/6/2015 dated October 13, 2015 on "Format of uniform Listing Agreement" |
| NCDs/Debentures | Secured, rated, listed, redeemable, non-convertible debentures having face value aggregating to ₹ 1,000 (Rupees One Thousand only) each, issued in the form of Separately Transferable Redeemable Principal Parts ("STRPPs"), with each NCD consisting of three STRPPs, i.e. STRPP A, STRPP B and STRPP C. Unless repugnant to the context, any reference to the term 'NCD' / 'Debentures' shall include reference to any STRPP of an NCD. |
| Negative Lien Undertaking | Negative lien undertaking executed or to be executed, inter alia, by the Project SPV and the Trust in favour of the Debenture Trustee in order to provide a negative lien over the immovable and movable assets (including current assets and cash flows) of the Projects, and as set out in detail under the Debenture Trust Deed. |
| Prospectus | This Prospectus dated October 11, 2022 filed with the SEBI and the Stock Exchanges in accordance with the InvIT Regulations, SEBI ILNCS Regulations, SEBI Debt Issue Guidelines and SEBI Operational Circular, containing <i>inter alia</i> the coupon rate for the NCDs and other such information. |
| Public Issue Account | Account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date |
| Public Issue Account and Sponsor Bank Agreement | Agreement dated October 11, 2022 entered into amongst the Trust (acting through the Trustee), Investment Manager (on behalf of the Trust), the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Managers for the appointment of the Sponsor Bank and for collection of the Application Amounts from ASBA Accounts from the Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof |
| Public Issue Account Bank | ICICI Bank Limited |
| Receivables | All the current and future cash and non-cash receivables of or accruing to the Trust, including those arising from or on account of any dividends and distributions in relation to any equity infused/loans granted by the Trust in the Project SPV, repayment of all amounts including principal as well as interest in relation to any financial indebtedness advanced by the Trust to the Project SPV, any buyback proceeds from the Project SPV or any other amounts paid or payable to the Trust by the Project SPV. |
| Record Date | The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each |

| Term | Description |
|---|--|
| | <p>relevant STRPP or such other date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the record date.</p> <p>In case of Maturity Date (being the date of last redemption installment) of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.</p> |
| Recovery Expense Fund | An amount which will be deposited by the Investment Manager (acting on behalf of the Trust) with the Designated Stock Exchange, equal to 0.01% of the issue size, subject to a maximum deposit of ₹25,00,000 at the time of making the application for listing of NCDs |
| Redemption Amount / Maturity Amount | Each STRPP will be redeemed at face value in equal annual instalments on Redemption Dates as given under “ <i>Issue Structure</i> ” on page 263. |
| Redemption Date | The redemption of the respective STRPP shall be made in equal annual instalments starting from (i) the 8th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 13th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 18th anniversary of the Deemed Date of Allotment for STRPP C, more particularly set out in the Redemption Schedule in the “ <i>General Terms of the Issue</i> ” on page 251. |
| Redemption Schedule | Schedule of redemption of each STRPP forming part of an NCD as specified under “ <i>Issue Structure – Principal Redemption Schedule and Redemption Amounts</i> ” on page 270 |
| Refund Account(s) | The account(s) opened by the Trust with the Refund Bank(s), from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made and as specified in this Prospectus |
| Refund Bank | ICICI Bank Limited |
| Register of Debenture holder | A register of debenture holders maintained by the Investment Manager and by the Depositories in case of NCDs held in dematerialised form, and/or the register of NCD Holders maintained by the Registrar. For details, please see the section titled “ <i>General Terms of the Issue</i> ” on page 251 |
| Registered Brokers or Brokers | Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants |
| Registrar Agreement | The agreement dated September 30, 2022 entered into between the Investment Manager (acting on behalf of the Trust), the Trustee and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue |
| Registrar to the Issue | KFin Technologies Limited (formerly known as “KFin Technologies Private Limited”) |
| SCSBs or Self Certified Syndicate Banks | The banks registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 offering services in relation to ASBA and UPI, including blocking of an ASBA Account, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI or at such other web-link as may be prescribed by SEBI from time to time. A list of the branches of the SCSBs where ASBA Applications submitted to the Lead Managers, Members of the Syndicate or the Trading Member(s) of the Stock Exchange, will be forwarded by such Lead Manager, Members of the Syndicate or the Trading Members of the Stock Exchange is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other web-link as may be prescribed by SEBI from time to time |
| Security Interest | Mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect. |
| Specified Locations / Specified Cities | Centers where the member of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time |
| Sponsor Bank | ICICI Bank Limited, being Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto ₹ 500,000 and carry out any other responsibilities in terms of the SEBI Operational Circular and as specified in this Prospectus |
| Stock Exchanges or Exchanges | NSE and BSE |
| STRPP | Each Separately Transferrable Redeemable Principal Part of each NCD. |
| STRPP A | STRPP of face value of ₹ 300, having a tenor of 13 years, which shall be redeemed as per the Redemption Schedule. |
| STRPP B | STRPP of face value of ₹ 300, having a tenor of 18 years, which shall be redeemed as per the Redemption Schedule. |
| STRPP C | STRPP of face value of ₹ 400, having a tenor of 25 years, which shall be redeemed as per the Redemption Schedule. |
| Syndicate or Members of the Syndicate | Collectively, the Lead Managers and the Consortium Members appointed in relation to the Issue |

| Term | Description |
|-------------------------|---|
| Syndicate SCSB Branches | In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time |
| Tenor | Tenor shall mean the tenor of each of the STRPPS of the NCDs as specified in this Prospectus. For further details please see “ <i>General Terms of the Issue</i> ” on page 251 |
| Trading Members | Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges |
| Transaction Documents | Transaction Documents shall mean the Draft Prospectus, this Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and related power of attorney and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by the Issuer with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreement(s), the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. |
| Tripartite Agreements | Tripartite agreement between the Trust, Registrar to the Issue, and CDSL dated March 19, 2021 and Tripartite agreement between the Trust, Registrar to the Issue, and NSDL dated March 24, 2021, respectively. |
| UPI ID | Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India |
| UPI Mandate Request | Request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount and subsequent debit of funds in case of Allotment |
| UPI or UPI Mechanism | Unified Payments Interface mechanism to block funds for application value up to ₹ 500,000 submitted through intermediaries, namely the Registered Stockbrokers, Registrar and the Depository Participants |
| Wilful Defaulter | Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter |
| Working Day | Working day means all days on which commercial banks in Delhi, are open for business. In respect of bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI |

Technical and Industry related terms

| Term | Description |
|---------------|---|
| % | Percentage |
| 2A | 2 Axle truck |
| 3A | 3 Axle truck |
| AADT | Annual Average Daily Traffic |
| ADT | Average Daily Traffic |
| AR | Alternate Route |
| BIA | Broad Influence Area |
| BOT | Build Operate Transfer |
| BRO | Border Roads Organisation |
| CAGR | Compounded Annual Growth Rate |
| CJV | Cars / Jeeps / Vans |
| CK | Chittorgarh-Kota |
| COD | Commercial Operations Date |
| CRISIL Report | Report titled “ <i>Report on Roads and Highways</i> ” released in Mumbai by CRISIL Research in September 2022 |
| DBFOT | Design, Build, Finance, Operate and Transfer |
| DEA | Department of Economic Affairs |
| DME | Delhi Mumbai Expressway |
| DPR | Detailed Project Report |
| ETC | Electronic Toll Collection |
| FY | Financial Year |
| GDP | Gross Domestic Product |

| Term | Description |
|-------------------|---|
| GSDP | Gross State Domestic Product |
| HAM | Hybrid Annuity Model |
| HCV | Heavy Commercial Vehicles |
| HME | Heavy Machinery and Equipment |
| IDC | Interest during construction |
| IHMCL | Indian Highways Management Company Limited |
| IIA | Immediate Influence Area |
| IRC | Indian Road Congress |
| InvIT | Infrastructure Investment Trust |
| JEPL | Jadcherla Expressways Private Limited |
| KK | Kotha Kota-Kurnool |
| Km | Kilometre |
| LCV | Light Commercial Vehicle |
| M Bus | Minibus |
| MAV | Multi Axle Vehicle |
| MLCV | Mini LCV |
| NCT | National Capital Territory |
| NH | National Highway |
| NHAI | National Highways Authority of India |
| NHDP | National Highways Development Program |
| NHIIMPL or NHIMPL | National Highways Infra Investment Managers Private Limited |
| NHTIS | National Highway Toll Information System |
| NIP | National Infrastructure Pipeline |
| NPV | Net Present Value |
| NRRDA | National Rural Road Department Agency |
| NSDP | National State Domestic Production |
| O&M | Operation and Maintenance |
| OD | Origin Destination |
| OD | Origin-Destination survey |
| OECD | Organisation for Economic Cooperation and Development |
| PCU | Passenger Car Unit |
| PIA | Project Influence Area |
| PR | Project Road |
| PWD | Public Works Departments |
| RNP | Registered Number Plate |
| RUCS | Road User Cost Study |
| SCF | Seasonality Correction Factors |
| SCOD | Scheduled commercial operations date |
| SEZ | Special Economic Zone |
| SH | State Highway |
| SPV | Special Purpose Vehicle |
| T&R | Traffic and Revenue |
| TMS | Traffic Management System |
| TOT | Toll-Operate-Transfer |
| TP | Toll Plaza |
| TVC | Traffic Volume Count |
| VOC | Vehicle Operating Cost |
| VOT | Value of Time |
| WATL | Western Andhra Expressways Limited |
| WPI | Wholesale Price Index |
| YOY | Year on Year |
| YTD | Year to Date |

Conventional and general terms

| Term | Description |
|---------------------|--|
| AIF | Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations |
| BSE | BSE Limited |
| CCEA | Cabinet Committee on Economic Affairs |
| CCI | Competition Commission of India |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate Identity Number |
| Companies Act | Companies Act, 1956 and/or the Companies Act, 2013, as applicable |
| Companies Act, 1956 | Companies Act, 1956 |
| Companies Act, 2013 | Companies Act, 2013 |
| Competition Act | Competition Act, 2002 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and |

| Term | Description |
|---|---|
| | Participants) Regulations, 2018 |
| Depositories Act | Depositories Act, 1996 |
| DIN | Director Identification Number |
| FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year or Fiscal Year or Fiscal | Period of 12 months ended March 31 of that particular year, unless otherwise stated |
| FPI | Foreign portfolio investors |
| FVCI | Foreign venture capital investors, as defined under the SEBI FVCI Regulations |
| GAAR | General Anti-Avoidance Rules |
| GoI or Government | Government of India |
| GST | Goods and Services Tax |
| ICAI | Institute of Chartered Accountants of India |
| Income Tax Act or IT Act | The Income-tax Act, 1961 |
| Ind AS | Companies (Indian Accounting Standards) Rules, 2015, notified on February 19, 2015 by the MCA, including any amendments or modifications thereto |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Indian GAAS | Generally Accepted Auditing Standards in India |
| InvIT | Infrastructure investment trust |
| InvIT Regulations | Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 |
| IRDAI | Insurance Regulatory and Development Authority of India |
| MCA | Ministry of Corporate Affairs, Government of India |
| MoEF | Ministry of Environment, Forest and Climate Change |
| MoRTH | Ministry of Road Transport and Highways |
| NACH | National Automated Clearing House |
| NEFT | National Electronic Funds Transfer |
| NHAI | National Highways Authority of India |
| NHAI Act | National Highways Authority of India Act, 1988, as amended |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| PAN | Permanent account number |
| RBI | Reserve Bank of India |
| Regulation S | Regulation S under the Securities Act |
| RoC | Registrar of Companies, Delhi and Haryana at New Delhi |
| Rs./Rupees/INR/₹ | Indian Rupees |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI Circular on Financial Disclosures | SEBI Circular (CIR/IMD/DF/114/2016) dated October 20, 2016 on 'Disclosure of Financial Information in Offer Document/Placement Memorandum for InvITs' |
| SEBI Debt Issue Guidelines | "Guidelines for Issuance of Debt Securities by Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)" dated April 13, 2018 issued by SEBI |
| SEBI Debenture Trustees Regulations | Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| Securities Act | U.S. Securities Act of 1933 |
| Stock Exchanges | BSE Limited and the National Stock Exchange of India Limited |
| U.S./U.S.A./United States | United States of America |
| USD/US\$ | United States Dollars |

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “propose”, “project”, “pursue”, “seek to”, “shall”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Trust are also forward-looking statements and accordingly, should be read together with such assumptions and notes thereto. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Trust’s expected financial condition, results of operations and cash flows, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Trust’s business strategy, planned projects, acquisition or investment revenue and profitability, new business and other matters discussed in this Prospectus that are not historical facts.

The Valuation Report included in this Prospectus, is based on certain projections and accordingly, should be read together with assumptions and notes thereto. For further details, please see the “*Valuation Report*” attached as Annexure C.

Actual results may differ materially from those suggested by the forward-looking statements due to certain known or unknown risks or uncertainties associated with the Investment Manager’s expectations with respect to, but not limited to, the actual growth in the infrastructure sector, the Investment Manager’s ability to successfully implement the strategy, growth and expansion plans, cash flow projections, exposure to market risks, the outcome of any legal or regulatory proceedings, the future impact of new accounting standards, regulatory changes pertaining to the infrastructure sector in India and our ability to respond to them, general economic and political conditions in India which have an impact on our business activities or investments, changes in competition, and the Project Manager’s ability to operate and maintain the Project SPV and successfully implement any technological changes. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Trust to differ materially include, but are not limited to, those discussed in the sections titled “*Risk Factors*”, “*Industry Overview*” and “*Our Business*”, on pages 16, 80 and 91, respectively. Some of the factors that could cause the Trust’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information include, but are not limited to, the following:

- We have limited historical financial information in relation to the existing assets and the target assets and, as such, there are limited financial statements presented in this Prospectus;
- We must maintain certain investment ratios, which may present additional risks to us;
- In proposing to undertake the Issue of secured, rated, listed, redeemable, non-convertible debentures, we cannot assure that that Trust will be able to successfully raise the debt and any failure to raise funds may have an adverse effect on our results of operations;
- The Trust is in the process of undertaking issue of its Units by way of an institutional placement and preferential issue. We cannot assure that that Trust will be able to successfully complete the issues and any failure to raise capital may have an adverse effect on our results of operations;
- The completion of the transactions contemplated by the debt financing documentation entered into may be subject to certain closing and other conditions that may prevent us from providing debt financing to the Project SPV.

Forward-looking statements reflect current views as of the date of this Prospectus and are not a guarantee of future performance or returns to Investors. These statements are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Investment Manager believes that the expectations and the assumptions upon which such forward-looking statements are based, are reasonable at this time, they cannot assure Investors that such expectations will prove to be correct or accurate. In any event, these statements speak only as of the date of this Prospectus or the respective dates indicated in this Prospectus and none of the Investment Manager, the Trust or the Lead Managers undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition of the Trust could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Trust, the Investment Manager or the Sponsor are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Investment Manager, the Trust, the Trustee or the Lead Managers, nor any of their respective Directors or officers or affiliates or associates, have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ILNCS Regulations, the Investment Manager, the Trust, the Trustee or the Lead Managers will ensure that investors in India are informed of material developments between the date of filing this Prospectus and the date of receipt of listing and trading permission being obtained from the Stock Exchanges.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Prospectus, unless otherwise specified or context otherwise requires all references herein to ‘India’ are to the Republic of India and its territories and possessions and the references herein to ‘Government’ or ‘GoI’ or the ‘Central Government’ or the ‘State Government’ are to the Government of India, central or state, as applicable. All references to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Prospectus are to the page numbers of this Prospectus.

Financial Data

The Trust was settled on October 19, 2020, and has acquired ownership of the Project SPV. This Prospectus includes, (i) the audited consolidated financial statement of the Trust and the Project SPV along with the auditor’s report thereon for the financial year ended March 31, 2022, and the audited standalone financial statement of the Trust along with the auditor’s report thereon, for the financial year ended March 31, 2021 (for the period from October 19, 2020 up to March 31, 2021) and March 31, 2022 and prepared in accordance with Ind AS; and (ii) the unaudited consolidated interim financial information of the Trust and the Project SPV, and the unaudited standalone interim financial information of the Trust, each as of and for the quarter ended June 30, 2022 and reviewed in accordance with Ind AS 34 and the standard on review engagements.

The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, Indian GAAP and the InvIT Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should accordingly be limited.

The financial year for the Trust and Parties to the Trust commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals and all percentage figures have been rounded off to two decimal places.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” are to United States Dollar, the official currency of the United States.

Except otherwise specified, certain numerical information in this Prospectus have been presented in “million” units. One million represents 1,000,000.

Exchange Rates

This Prospectus contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The following table provides, for the dates indicated, information with respect to the exchange rate between the Rupee and the US\$ (in Rupees per US\$):

| Currency | September 30, 2022 | June 30, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
|----------|--------------------|---------------|----------------|----------------|----------------|
| 1 US\$ | 81.55 | 78.94 | 75.81 | 73.50 | 75.39 |

Source: www.rbi.org.in and www.fbil.org.in

In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

The above exchange rates are for the purpose of information only and may not represent the rates used by the Trust for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from the report titled “Roads and Highways” issued by CRISIL Research in September 2022 (the “**CRISIL Report**”), publicly available information as well as industry publications and other sources. For details, please see the section titled “*Industry Overview*” on page 80.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents and from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based on such information. Although the Investment Manager believes that the industry and market data used in this Prospectus is reliable, it has not been independently verified by the Investment Manager, the Sponsor, the Trustee or the Lead Managers, or any of their affiliates or advisors. The data from these sources may have been re-classified by us in certain cases for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section titled “*Risk Factors*” on page 16 of this Prospectus. Accordingly, investment decisions should not be based on undue reliance on such information.

The extent to which the market and industry data used in this Prospectus is meaningful, depends on the readers’ familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of the Trust is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer from CRISIL Limited

Please see below the disclaimer from CRISIL Limited:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. **National Highways Infra Trust** will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

Traffic Consultants

The traffic reports in Annexure G, as well as the data used in this Prospectus from those reports, have been prepared by the Traffic Consultants.

Disclaimers from the Traffic Consultants

- ***Disclaimer from Steer Davies Gleave India Private Limited***

Please see below the disclaimer from Steer Davies Gleave India Private Limited:

“This Prospectus includes selected provisions of or a summary of the Project Drone - T&R DD report_2.0_29082022 (the “Report”) prepared by, solely in its capacity as the Traffic Consultant (the “Traffic Consultant”), on behalf of NHIIMPL (the “Client”) for the Issue and is not a full statement of the terms of the Report. Accordingly, such summary or excerpt is qualified in its entirety by reference to and is subject to the full text of the Report, which are attached hereto as Annexure G. Investors must view the summaries in the context of the full Report, which is subject to the limitations and disclaimers in such Report. Without limiting the generality of the foregoing, the Report is expressly subject to the qualifications, assumptions made, procedures followed, matters considered and any limitations on the scope of work contained therein.

Investors should note that these summaries, and the Report, are provided only as of the date set forth therein and do not contemplate any event, circumstances or changes with respect to Issue or otherwise after such date. The foregoing summaries of the Report may include projected information and data (financial and otherwise), and other forward-looking information, that may or may not occur or prove to be accurate. Such projected and forward-looking information is based on current expectations and projections about future events which are beyond the control of the Traffic Consultant, the Client or any other participant in the Issue, and such projections and information can be affected by inaccurate assumptions. While these projections and information were prepared in good faith, no assurance can be given as to the accuracy or adequacy of such projections and information, or the assumptions underlying such projections and information.

To the fullest extent permitted by applicable law, the liability of the traffic consultant for any loss, damage, cost or expense suffered or incurred by all persons or entities and for all claims respecting its work performed in connection with the project is hereby limited in the aggregate to the amount of fees actually paid by the Client to the Traffic Consultant in connection with the project.”

- *Disclaimer from CRISIL Limited*

Please see below the disclaimer from CRISIL Limited:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard **National Highways Infra Trust** will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

SECTION II: RISK FACTORS

*An investment in NCDs involves a certain degree of risk. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the NCDs. Prospective investors should carefully consider the risks and uncertainties described below, in addition to the other information contained in this Prospectus including the sections titled “Our Business” on page 91 and “Financial Information” attached as **Annexure A**, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations and financial condition. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment.*

Being a listed InvIT, information in relation to the Trust and the Investment Manager (on behalf of the Trust) is available in the public domain.

Unless otherwise stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Prospectus.

Unless otherwise indicated or unless the context requires otherwise, the financial information included herein is derived from the Audited Financial Information and the Unaudited Interim Financial Information for three months ending June, 2022 as included in this Prospectus, as applicable.

In making an investment decision, prospective investors must rely upon your own examination and the terms of the Issue, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue.

In this section, unless specified otherwise, a reference to “we”, “us” and “our” refers to the Trust and the Project SPV on a consolidated basis.

Risks Related to the Structure of the Trust

1. *We have limited historical financial information in relation to the existing assets and the target assets and, as such, there are limited financial statements presented in this Prospectus.*

The existing assets of the Trust are available only from the date of acquisition of the initial assets i.e. November 3, 2021. Further, no financial information in relation to the target assets is available as the Sponsor does not maintain a separate accounts of the target assets that shall be carved out pursuant to the concession agreements. Pursuant to its letter dated September 21, 2022, the Investment Manager had requested the SEBI for an exemption in relation to the disclosure requirements under the SEBI ILNCS Regulations with respect to the financial information required to be disclosed in this Prospectus (“**SEBI Exemption Request**”), which has been acceded to by the SEBI pursuant to letter dated September 29, 2022. Accordingly, in the absence of historical combined financials of the Trust this Prospectus does not include the requisite financial disclosures required under paragraph 2.2.8(a) of the SEBI ILNCS Regulations. Similarly, the Prospectus includes the balance sheet, profit and loss, cash flow and additional information required to be disclosed by non-financial sector entities under the heading ‘Key Operational and Financial Parameters’ under paragraph 2.2.8(d) of the SEBI ILNCS Regulations only to the extent applicable to trusts, given that the SEBI ILNCS Regulations only prescribe the disclosure requirements for non-financial sector and financial sector entities. For further details, see “*Our Business - Key Operational and Financial Parameters*” on page 129. The absence of meaningful historical financial information and operating data in respect of the Trust and the target assets may make it difficult for investors to evaluate our ability to operate and manage the target assets, or assess our financial position, future prospects and results of operations.

2. *We must maintain certain investment ratios, which may present additional risks to us.*

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in eligible infrastructure projects as defined under the InvIT Regulations, such as the Project SPV. In addition, we must not invest more than 20% of the value of our assets in certain financial instruments prescribed under the InvIT Regulations. If these conditions are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year with Unitholders’ approval). Failure to comply with these conditions may present additional risks to us, including divestment of certain assets,

delisting and other penalties, which could have a material, adverse effect on our business, financial condition and results of operations.

3. *In proposing to undertake the Issue of secured, rated, listed, redeemable, non-convertible debentures, we cannot assure that that Trust will be able to successfully raise the debt and any failure to raise funds may have an adverse effect on our results of operations.*

The Trust proposes to undertake the Issue. Any failure to raise funds through the proposed debt issuance could have an adverse effect on our results of operations and our ability to meet our payment obligations in relation to the Units or NCDs.

Further, the Trust has accepted a sanction from State Bank of India for a short-term rupee loan for up to ₹ 15,000 million as a bridge loan. In the event the Issue fails or there is a shortfall, the Trust may drawdown the amount sanctioned. Any failure to avail money through the bridge loan may prevent us from raising debt for financing the Project SPV, which may have an adverse effect on our business and operations.

In the event the Issue fails or there is a shortfall or there is a delay, the Trust may raise the Bridge Loan Facility. However, failure to raise money through alternate long-term means may result in adverse effect on our business and operations and could affect our ability to meet our payment obligations including in relation to the Units and/or NCDs. Further, it may result in a liability mismatch in the event the Bridge Loan Facility is drawn and subsequently there is a failure and/or shortfall in the Issue, which in turn may result in adverse effect on our business and operations and could affect our ability to meet our payment obligations including in relation to the Units and/or NCDs.

4. *The Trust is in the process of undertaking issue of its Units by way of an institutional placement and preferential issue. We cannot assure that that Trust will be able to successfully complete the issues and any failure to raise capital may have an adverse effect on our results of operations.*

The Trust had entered into an agreement with lenders for availing ₹ 20,000.00 million on September 29, 2021 for acquisition of Initial Toll Roads. The Trust had drawn down amount equivalent to ₹ 14,800.00 million as of the date of this Prospectus.

The Trust is in the process of undertaking issue of up to 111,602,600 Units by way of an institutional placement (“**Institutional Placement**”) and issue of 19,602,600 Units (“**Preferential Issue**”), representing an undivided beneficial interest in the Trust in terms of the InvIT Regulations, Chapter 7 on ‘Guidelines for Preferential Issue and Institutional Placement of Units by Listed InvITs’ of SEBI Master Circular no. SEBI/HO/DDHS/DDHS_DIV3/P/CIR/2022/53 dated April 26, 2022 (such Institutional Placement and Preferential Issue, together the “**Unit Issuances**”). In this regard, the Board of Directors, by way of its resolution dated August 30, 2022 and the Unitholders by way of their resolution dated September 23, 2022, have approved the issue of Units pursuant to the Institutional Placement. The Board of Directors by way of its resolution dated September 17, 2022 approved the issue of Units pursuant to the Preferential Issue. The Sponsor, by way of its letter dated September 29, 2022 confirmed its willingness to subscribe to at least 19,602,600 Units being offered pursuant to the Preferential Issue. Subsequently, the Unitholders by way of their resolution dated October 10, 2022, have approved the issue of Units to the Sponsor pursuant to the Preferential Issue.

As of the date of this Prospectus, the allotment of units pursuant to the Unit Issuances has not been undertaken, and there can be no assurance that the Unit Issuances will be completed in a timely manner or at all. In the event that the Unit Issuances are not completed for any reason, the disclosures in this Prospectus which have been made on the assumption of the allotment of Units will stand modified.

5. *The completion of the transactions contemplated by the debt financing documentation entered into may be subject to certain closing and other conditions that may prevent us from providing debt financing to the Project SPV.*

The Trust had entered into an agreement with lenders for availing ₹ 20,000.00 million on September 29, 2021 for acquisition of Initial Toll Roads. The Trust had drawn down amount equivalent to ₹ 14,800.00 million as of the date of this Prospectus. Further, a rupee term loan of ₹ 8,570 million has been sanctioned by the Bank of Maharashtra on September 19, 2022 in favour of the Trust. The financing documentation to be entered into in relation to the aforementioned may be subject to certain closing and other conditions that may prevent us from providing debt financing to the Project SPV.

In the event the Project SPV avails debt in the future and intends to refinance a certain portion of their outstanding indebtedness with the Trust, such refinancing would require prior consent of the Authority under the relevant Concession Agreements. The approval of the Authority has to be in conformity with any regulations or guidelines that may be notified by the Government or the Reserve Bank of India, as the case may be. Further, the utilisation of the Net Proceeds by the Trust is not subject to monitoring by any independent agency.

Any inability of the Trust to complete the debt financing transactions in the manner described in this Prospectus may adversely impact the ability of the Trust to make payment to the NCD Holders in the manner described in this Prospectus or at all and the

Investors may be unable to evaluate the manner in which we propose to invest the Issue proceeds on the economic merits of such investments. Such event may materially and adversely affect the ability of the Trust to make payments to the NCD Holders.

6. *The regulatory framework governing infrastructure investment trusts in India is evolving and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the NCDs, our business, financial condition and results of operations and our ability to make distributions to NCD Holders.*

The SEBI issued the InvIT Regulations with effect from September 26, 2014. The regulations have been amended and supplemented with additional guidelines and circulars.

As the regulatory framework governing infrastructure investment trusts in India comprises a separate set of regulations, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts, including, but not limited to, follow-on public offers and bonus issues, the liabilities of the NCD Holders, and the procedure for dissolution and delisting of infrastructure investment trusts have not yet been issued. For example, infrastructure investment trusts are not “companies” or “bodies corporate” within the meaning of the Companies Act, 2013 and various SEBI regulations, including the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

In addition, new costs may arise from audit, certification and/or self-assessment standards required to maintain compliance with the InvIT Regulations. Such changes in regulation, interpretation and enforcement may have a material, adverse effect on our business, financial condition and results of operations.

As we will be operating in a new and relatively unclear regulatory environment, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations will affect infrastructure investment trusts and this could have any consequential impact on the infrastructure sector in India, and no assurance can be given that the regulatory system will not change in a way that will impair our ability to comply with the regulations, conduct our business, compete effectively or make distributions.

Further, the Finance Act, 2021 (“**Finance Act**”) has introduced various amendments to taxation laws in India. The Finance Act has included definition of ‘pooled investment vehicle’ under the Securities Contracts (Regulation) Act, 1956, which shall comprise business trusts as defined under the IT Act. The IT Act defines business trusts to include trusts registered with SEBI as an InvIT under the InvIT Regulations. The Finance Act and the amendments in the Securities Contracts (Regulation) Act, 1956 which have come into effect from April 1, 2021 have also recognised units, debentures and other instruments issued by InvITs as ‘securities’ which may have further implications under various regulations issued by SEBI governing securities, including under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

Further, the dividend distribution tax regime has been abolished and replaced with dividend withholding tax regime. However, the procedural provisions regarding exemption of withholding tax in relation to dividend distribution by Special Purpose Vehicles (SPVs, as defined under IT Act) to InvIT were absent. In this regard, the Finance Act has exempted withholding of taxes on dividend distributions by SPVs to InvITs.

As such, there is no certainty on the impact that the Finance Act, may have on our business and operations or on the industry in which we operate. We cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

Failure to comply with changes in laws, regulations and standards may have a material, adverse effect on our business, financial condition, results of operations and prospects.

7. *Our Project SPV may not be able to claim depreciation in relation to toll collection rights acquired from the Sponsor.*

The Initial Toll Roads acquired by the Project SPV were based on BOT model and are eligible to claim expenditure incurred on development and construction of infrastructural facilities in terms of the CBDT circular no. 09/2014 dated April 23, 2014 (“**Circular**”). The Circular provides that cost of construction on development of infrastructure facility of roads/highways under BOT projects may be amortized evenly over the concessionaire period (excluding time take for creation of such facility).

The Target Toll Roads are TOT projects wherein the Concessionaire shall not undertake construction and shall only collect toll and operate and maintain the highway. We believe that upfront concessional payment made by the Project SPV for acquisition of toll right may be considered akin to acquisition of business or commercial rights and Project SPV shall be eligible to claim

depreciation under section 32 of the IT Act under the head of 'intangible assets'. However, tax authorities may interpret and take a contrary view in relation to the above which may adversely affect our business and profitability.

Risks Relating to Our Business and the Concession Agreements

8. *Any payment by the Project SPV, including in the event of the termination of the Concession Agreements, is subject to a mandatory escrow arrangement which restricts its flexibility to utilise the available funds.*

The escrow arrangement mandated under the Concession Agreements requires all monies that are received by the Project SPV, including funds constituting the financial package, the fees and any other revenues collected from or in respect of the Project Highway (including the proceeds of any rentals, deposits, capital receipts or insurance claims) and all payments by the Sponsor (including, if any, in relation to the change of scope), to be deposited in an escrow account and utilised only in accordance with the order prescribed under the escrow agreement. The consent of NHAI, in its capacity as the concessioning authority (the "Authority"), and lenders, is required to amend the order of outflow of payments from such escrow account.

The escrow arrangements prioritise the payment of all taxes due, followed by payment of the concession fee to the Authority, expenses in connection with the construction of the project, operation and maintenance expenses, other costs and expenses incurred by the Sponsor, debt service payments, any payments and damages due and payable to the Sponsor, and balance, if any, in accordance with the instructions of the concessionaire. For details of the escrow arrangement, please see the section titled "Summary of the Concession Agreements" on page 132 of this Prospectus.

The debt financing provided by the Trust to the Project SPV and any future debt financing proposed to be provided comprises of certain secured or unsecured interest-bearing loans (collectively, the "Trust Financing") which will be classified as senior debt under the Concession Agreements. In accordance with the escrow arrangement, the amounts payable to the Trust in respect of the Trust Financing, will be subordinated to the amounts payable in respect of taxes due, concession fees, construction expenses, operation, maintenance and other costs and expenses. Further, any reduction in the cash flows of the Project SPV and/or an unanticipated increase in any of the abovementioned payments to be made by the Project SPV from the escrow accounts may result in decreased and/or delayed payment to the Trust, materially and adversely impacting the ability of the Project SPV to meet their payment obligations to the Trust. Any inability on the part of the Project SPV to meet their payment obligations to the Trust may adversely impact the ability of the Trust to make payment to the NCD Holders in the manner described in this Prospectus or at all.

In case of withdrawals from the escrow account on termination, the escrow arrangement prioritises the payment of all taxes due and payable, followed by the payment due to senior lenders (which includes the Trust), any payments and damages due and payable to the Sponsor, retentions and payments arising out of liability for any defects and deficiencies, incurred or accrued operation and maintenance expenses and any other payments under the Concession Agreements, after which the balance may be withdrawn by the Project SPV for its own purposes. Therefore, in case of termination, the amounts payable to the Trust in respect of the Trust Financing may be recovered only after payment of all taxes.

9. *The cost of implementing new technologies for collection of tolls and monitoring our projects could materially and adversely affect our business, financial condition and results of operations.*

Our future success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost-effective and timely basis. In addition, rapid and frequent technology and market-demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-downs of assets. Any failure by us to successfully adopt such technologies in a cost-effective and timely manner could increase our costs. Additionally, governmental authorities may require adherence with certain technologies in the execution of projects, tolling, operations and maintenance etc. and there can be no assurance that we would be able to implement the same in a timely manner, or at all. For example, the GoI recently introduced FASTag lanes on toll plazas as a policy initiative wherein there is an exclusive lane in the toll plaza for movement of vehicles fitted with FASTag. The FASTag is a device which is fitted on the front windscreen of vehicles to indicate online toll payment. The proper functioning of such technology infrastructure is essential to the conduct of our business. There can be no assurance that we would be able to replace or refurbish such equipment and further such replacement or refurbishment might not be undertaken in a cost-effective manner and any increased costs to us as a result of such replacement or refurbishment will adversely affect our profit margins and cash flows.

10. *We may face limitations and risks associated with debt financing and refinancing.*

We are subject to regulatory restrictions in relation to our debt financing and refinancing. We may from time to time require debt financing and refinancing to carry out the Investment Manager's investment strategy and to cover maintenance costs. In the event that we undertake further debt financing or refinancing, we may be limited by Indian law as to the form of financing or refinancing that we may undertake. As an InvIT, we may be unable to access certain debt capital available to companies.

In the event that we undertake further debt financing or refinancing, we may also be subject to risks associated with debt financing and refinancing, including the risk that our cash flow may be insufficient to meet required payments of principal and interest under such financing to the NCD Holders and to make distributions to Unitholders. Our ability to generate sufficient cash to satisfy our debt obligations will depend on our future operating performance, which may be affected by prevailing economic conditions and financial, business and other factors beyond our control. There is no assurance that we will be able to generate sufficient cash flow to meet all of our debt obligations. If we are unable to make payments due under our debt facilities, the lenders may be able to declare an event of default and initiate enforcement proceedings relating to any security provided in respect of the loan facilities, and/or call upon any guarantees, and this may materially and adversely affect our ability to make distributions to Unitholders. Such default may also result in the termination of the Concession Agreements by the Sponsor.

11. *Certain actions of the Project SPV require the prior approval of NHAI, and no assurance can be given that NHAI will approve such actions in a timely manner or at all.*

Certain terms and conditions in the Project SPV's Concession Agreements, financing agreements, and our other approvals require the Authority's prior written approval to be obtained for one or more of the following actions, among others, such as:

- assignment of the Concession Agreements to any persons, the creation of any encumbrance over, or transfer or disposal of rights and benefits of the Project SPV under the Concession Agreements or any project agreements;
- the selection or replacement of any operation and maintenance contractor and execution of the operation and maintenance agreements;
- securing refinancing; and any change in ownership of the Project SPV.

Furthermore, the Concession Agreements with NHAI typically require the submission to NHAI, for its review and comments, all project agreements to which the Project SPV is a party prior to entry, amendment or replacement of such agreements. In terms of the Additional Concession Agreements, in the event NHAI does not provide any comments within 15 days of such submission, the project agreement may be executed and submitted to NHAI within 7 days of such execution.

The restrictions described above may impose constraints on our flexibility to conduct our business. Furthermore, if as a result of these restrictions, we are unable to pursue a favourable course of action or to respond to an unfavourable event, condition or circumstance, then our business, financial condition and results of operations may be materially and adversely affected. For further details on the terms of the Concession Agreements, section headed "*Summary of the Concession Agreements*" on page 132 of this Prospectus.

12. *Any delay in determination of Appointed Date (as defined in the Additional Concession Agreements) by the Authority may adversely impact our cashflows and revenue.*

The rights, privileges, liberties and obligations of the Concessionaire, shall commence from the date on which all conditions precedents, as stipulated in the Additional Concession Agreements, would have been satisfied. The Concessionaire shall enter into commercial service on the Appointed Date whereupon the Concessionaire shall be titled to demand and collect fee and perform its O&M obligations, subject to and in accordance with the provisions of the Additional Concession Agreement. The determination of the Appointed Date by the Authority shall be final, conclusive and binding on the Concessionaire. Any delay in such determination of the Appointed Date may adversely affect our revenue generation, toll collection and cash flows and would have a material impact on our business and operations.

13. *The Project SPV's toll-road concessions may be terminated prematurely under certain circumstances.*

The Toll Roads concessions of the Project SPV are our principal assets. We will be unable to continue the operation of a particular road concession without a continuing concession right from the Sponsor, in its capacity as Authority. A concession may be terminated by the Sponsor for certain reasons set forth in the Concession Agreements, including, but not limited to, one or more of the following:

- any failure by the Project SPV to comply with the change of ownership requirements;
- any failure by the Project SPV to make any payments, including negative grants, to the Sponsor in a timely manner;
- any failure by the Project SPV to comply with maintenance requirements;
- in the event the Project SPV abandons or manifests intention to abandon the operation and maintenance of the Project Highway;
- any occurrence of an event of default under any financing document;
- any continuation of a force majeure event, such as an act of God, act of war, expropriation or compulsory acquisition of any project assets by the government, strikes, civil commotions, boycotts and political agitations, beyond a specified time; and
- any failure by the Project SPV to comply with the Concession Agreements if such default causes a material adverse effect on the Sponsor.

If the Concession Agreements are terminated by the NHAI due to a default by the Project SPV, or by the Project SPV due to a default by the NHAI, the Project SPV is entitled to termination payments or otherwise from the NHAI in accordance with the terms of the relevant Concession Agreements. If the Concession Agreements are terminated prematurely, our business, financial condition and results of operations may be materially and adversely affected. For further details on the termination of the relevant Concession Agreements, the termination payments, and the definition of “default” as contemplated under the Concession Agreements, see the section headed “*Summary of the Concession Agreements*” on page 132, of this Prospectus.

14. *Toll collections and Toll Road traffic volumes may be affected by existing or new competing roads and bridges and other modes of transportation, and any improvements to, or construction of, such roads, bridges and other modes of transportation.*

Upon commencement of the concessions, our principal source of revenue will be the collection of toll fees from users of the Toll Roads. The level of toll collections may be affected by existing or new competing routes and alternative modes of transportation, such as adjacent free roads, new or existing toll roads including national highways or state toll roads, railways or air transport. Although the Concession Agreements contain certain restrictions on the ability of the Sponsor to construct or cause to be constructed any competing roads within 15 kilometers of the Toll Roads, the Sponsor is not prohibited from constructing such competing free or toll roads if the average traffic on the Toll Road exceeds 90 per cent. of its stipulated designed capacity for three consecutive years. Furthermore, the Sponsor is not restricted under the Concession Agreements from constructing alternative modes of travel which service the same areas as are serviced by the Toll Roads.

In particular, the Sponsor has entrusted the Project SPV with the role of operation, maintenance and management of the Toll Roads mentioned hereinbelow.

| Toll Road | Length of Toll Road (in kms) | Connecting States |
|---|-------------------------------------|--------------------------------|
| Abu road - Swaroopganj | 31.000 | Rajasthan to Gujarat |
| Chittorgarh – Kota & Chittorgarh Bypass | 160.500 | Madhya Pradesh -Rajasthan |
| Kothakota Bypass – Kurnool Highway | 74.622 | Telangana – Andhra Pradesh |
| Palanpur/Khemana – Abu Road | 45.000 | Gujarat - Rajasthan |
| Maharashtra Border – Belgaum | 77.705 | Maharashtra -Karnataka |
| Agra Bypass | 32.800 | Uttar Pradesh-Madhya Pradesh |
| Borkhedi Kelapur Project Highway | 138.150 | Maharashtra – Telanagna |
| Shivpuri Jhansi Project Highway | 75.300 | Madhya Pradesh – Uttar Pradesh |

Additionally, given the renewed focus of the GoI, at the national, state and local levels, on the development and strengthening of the highway network across India, subject to the aforementioned restriction, there can be no assurance that there will not be any construction, widening or improvement of any free or toll roads, or construction of other modes of transportation, in the proximity of the Toll Roads or which provide an alternative or more direct routing to locations served by the Toll Roads. Any such construction, widening or improvement may divert traffic away from the Toll Roads, which may adversely affect toll collections and, therefore, our ability to meet our payment obligations under the Units.

15. *Our business will be subject to seasonal fluctuations that may affect our cash flows.*

Our cash flows will be affected by seasonal factors, which may materially and adversely affect traffic volumes. Traffic volumes tend to decrease during the monsoon season and conversely tend to increase during holiday seasons. The monsoon season may also restrict our ability to carry on activities related to our operation and maintenance of the Toll Roads. This may result in delays in periodic maintenance and reduce productivity, thereby materially and adversely affecting our business, financial condition and results of operations.

16. *Toll rates and collections and Toll Road traffic volumes are dependent on factors beyond our control and are subject to significant fluctuations.*

Revenue from toll receipts is affected by traffic volume and toll rates, both of which are beyond our control. The toll rate structure is laid down under National Highways Fee (Determination of Rates and Collection) Rules, 2008, as amended from time to time (the “**Fee Rules**”). The Fee Rules specify that the applicable toll rates specified thereunder shall be increased by three per cent. each year along with an adjustment based on an increase in the wholesale price index (the “**WPI**”). We are not provided with any flexibility to adjust the toll rates as the rates are explicitly changed by the GOI in accordance with the Fee Rules. See “—*Toll collections are affected by applicable toll rates and revisions to such rates and the number of road users subject to such rates.*”

Traffic volumes on the Toll Roads and toll collections are directly and indirectly affected by a number of other factors beyond our control, including but not limited to:

- the growth of the Indian economy and the economic development of the states in which the Toll Roads are located as well as neighbouring states (the “**Project Influence Area**”);
- restrictions on mining, or a decline in manufacturing or exports of commodities plying on the Toll Roads due to regulatory clampdowns or other reasons;
- the number and type of motor vehicles in operation and the cost of purchasing and operating motor vehicles, including financing costs, environmental law compliance costs, exchange rate fluctuations and fuel prices, in the Project Influence Areas;
- weather conditions, such as floods or torrential rain, acts of God, strikes or any other force majeure event, including epidemics, such as COVID-19, that could impair the safe operation of, restrict traffic access to, or prevent use of the Toll Roads;
- traffic on the roads providing access to and from the Toll Roads, or the physical condition of such roads, which hampers the ability of road users to gain access to and from the Toll Roads;
- the capacity and physical condition of the Toll Roads, or any structure forming part of the Toll Roads, such as bridges, bypasses or tunnels, and the need for maintenance and repair of parts or all of the Toll Roads, or any structure forming part of the Toll Roads, which may result in restricted or no access to the Toll Roads for material periods of time;
- overall security of the Toll Roads as managed by the relevant security contractors, including the possible threat of terrorist attacks on the Toll Roads or any of their free-standing structures;
- a change in the applicable toll policies or other applicable laws which affects any category of vehicle or fuel;
- changes to axle load norms in order to further increase the permissible axle load limits in India, which may adversely impact traffic growth along Indian national and state highways and cause accelerated deterioration of the condition of the pavement of the Toll Roads;
- the reactions of the public or other national or state government institutions to toll rate increases; and
- seasonal holidays.

In the event there is a significant decrease in traffic volume or change in toll rates on the Toll Roads, there may be a corresponding decrease in toll collections which could have a material adverse effect on our ability to meet our payment obligations under the NCDs.

17. *We are subject to environmental, social and safety risks associated with the operation of the Toll Road which could adversely affect our business, cashflows and our results of operations.*

We are subject to laws and government regulations, including in relation to safety, health, and environmental protection. Environmental laws and regulations in India are becoming more stringent, and their effect on our operations, cannot be predicted with any certainty. Any failure on our part to comply with any existing applicable to us may result in legal proceedings being commenced against us, third party claims, or the levy of regulatory fines. For instance, a small portion of Shivpuri Jhansi Project and Borkhedi Kelapur Project passes through an ‘eco-sensitive zone’, as declared by the Ministry of Environment, Forest, and Climate Change. It may be required by the jurisdictional forest management or any relevant authority, in creating a biodiversity management plan and manage the same during the entire operating period of the Shivpuri Jhansi Concession Agreement. Our Project SPV will require specialised resources and consequently additional costs for creation and management of biodiversity plan and we cannot assure that this will not have an adverse effect on revenue generation.

Further, we might have to incur additional costs to comply with the rules and regulations applicable to us. The classification of small portion of Shivpuri Jhansi Project and Borkhedi Kelapur Project as ‘eco-sensitive zone’, has resulted in limitation of permissible land use between the carriageway and the right of way and may cause spatial limitations of usage of areas adjoining the right of way for undertaking maintenance activities. Such restraints may result in additional costs for undertaking routine maintenance or repairs in such sections of project highway.

There might be certain safety risks associated with the operation of the Toll Roads. For example, the Agra Bypass Project Highway passes largely through farm land and the animals may intrude on the relevant project highway which may result into accidents causing loss of lives or damage to the property. We may have to incur additional costs to prevent such damage. If we fail to prevent any such incident, our potential exposure may include fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

18. *We are subject to risks associated with outbreaks of diseases or similar pandemics or public health threats, such as the novel coronavirus (“COVID-19”), which could have a material adverse impact on our business and our results of operations and financial condition.*

In the past, various contagious diseases have spread throughout the world, including India where the entire operations of Sponsor or the Toll Roads are located. Most recently, beginning in late 2019 and continuing in 2020, 2021 and 2022, the global spread of COVID-19 has created significant economic and political volatility and uncertainty and business disruption. The spread of COVID-19 has led to governments around the world to take various measures such as the implementation of incoming and outgoing travel restrictions, voluntary and mandatory cessations of business operations, mandatory quarantines and work-from-home and other alternative working arrangements, curfews, limitations on social and public gatherings and partial lockdowns of cities or regions in order to limit the virus' spread. The spread of COVID-19 and governmental responses have resulted in worker absences, reduced business productivity, other business disruptions, reduced demand and stagnated economic activity in India and around the world. The ultimate extent of COVID-19 on our business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted. More generally, any epidemic, pandemic or other health crisis, whether similar to COVID-19, SARS, H1N1, MERS or other past global diseases, could materially and adversely affect our business, financial condition and results of our operations.

19. *Leakage of the tolls collected on the Toll Roads may adversely affect toll collections.*

Toll collections are dependent on the integrity of our toll collection system. Upon commencement of the concessions, the Toll Roads will be operated on an "open" toll collection system with different toll rates applicable to certain classes of vehicles; each motorist using a particular class of vehicle is charged a flat rate at the point of entry to the toll road regardless of the actual distance travelled.

The level of toll collections may be reduced by leakage through toll evasion, fraudulent acts on the part of road users or our toll collection operators, theft, technical faults in our toll collection systems, or unlawful roadway entries or exits by road users to avoid paying the required toll. To the extent we become aware of any routes available to road users to bypass the toll plazas, we may face delays in obtaining approval from the Sponsor to implement additional toll plazas to prevent such unauthorized entry or exit to the Toll Roads, which may adversely affect our revenue and our ability to meet our payment obligations under the Units. If toll collection is not adequately monitored, leakage may reduce toll collections. Although we expect to put in place systems and software, as well as deploy a number of toll plaza supervisors and security manpower, to minimize leakage through fraud and theft, if there is any significant failure in the efficiency or effectiveness of our collection practices or of the installed system software or any significant failure by us or our contractors to control leakage in toll collection, there could be a material adverse effect on our toll collections.

Furthermore, there may be situations where toll collection is disrupted or stopped, for example, due to public disturbances, or strikes or work stoppages as a result of disputes with local labour unions. Any such disruption or other stoppage of toll collection may interfere with our collection practices, resulting in increased leakage and reduced toll collections by us, which may adversely affect our revenue and our ability to meet our payment obligations under the Units.

20. *The termination payment due to us upon termination of the Concession Agreements may not adequately compensate us for the actual costs and investments associated with the Toll Roads in a timely manner or at all and thus may not provide us with sufficient funds to repay the Units.*

The Concession Agreements may be terminated by us or the NHAI prior to their expiration for a number of reasons. For details, see "Risk Factors—The Project SPV's toll-road concessions may be terminated prematurely under certain circumstances." on page 20. In the event that the early termination of the Concession Agreements is due to a breach by us, we are entitled to receive a termination payment equal to 70 per cent of the Unexpired Cash Flow (as defined in the Concession Agreements) in addition to remaining liable for costs and liabilities in relation to the Toll Roads. In the event that the early termination of the Concession Agreements is due to a breach by the NHAI, we are entitled to receive a contractually agreed termination amount equal to 105% of the the Unexpired Cash Flow (as defined in the Concession Agreements). As the termination payment payable to us in the event of a breach by us would be lower than what we would have otherwise been entitled to receive in the event that the Concession Agreements had not been terminated, we may not be adequately compensated for the actual costs and investments associated with the Toll Roads and, therefore, may not be able to meet our payment obligations in relation to the Units or proposed debt issuance.

There is no assurance that any termination payment due to us will be paid in a timely manner or at all. Further, there are no precedents of termination payments being triggered in respect any other TOT projects in India. In the event of a delay in the disbursement of a termination payment by the Sponsor, in particular, if any dispute arises in respect of such payment, or in the event the Sponsor fails to make the termination payment at all, there may be insufficient funds available for us to meet our payment obligations under the Units.

21. *Toll collections are affected by applicable toll rates and revisions to such rates and the number of road users subject to such rates.*

Under the terms of the Concession Agreements, the toll rates applicable to the Toll Roads are determined in accordance with the Fee Rules. The applicable toll rates shall be increased by 3 per cent. each year and are subject to an adjustment in accordance with the Fee Rules on April 1 of each year based on the difference in the WPI between the week ending on January 6, 2007 and

the week ending on or immediately after January 1 of such year of adjustment (the “**WPI Adjustment**”). The WPI Adjustment shall be restricted to 40 per cent of the increase in the WPI. In recent years, there has been little correlation between changes in the consumer price index (the “**CPI**”) and the WPI, or between increases in the minimum wage and the WPI. As such, in the event of high CPI inflation or increased minimum wages, we may experience significantly higher operating costs, but there may be little variation in the WPI resulting in a muted increase in the applicable toll rate. As the determination of the applicable toll rates does not take account of changes in our operating, financing or other costs, there can be no assurance that the toll rates will be sufficient to cover any increase in such costs or that we will be able to implement any changes in the toll rates at the time or in the manner which we believe is in our best interest. Furthermore, an increase in the applicable toll rates may result in a reduction in overall toll collections if the higher toll rates cause a reduction in the traffic flow on the Toll Roads.

Our toll collections may also be affected by the level of exemptions, i.e. the number of road users required to pay the applicable toll rates when using the Toll Roads. The Concession Agreements provide that certain users of the Toll Roads are exempt from paying user fees for non-commercial use of the roads, while frequent users are entitled to discounted fees to use the Toll Roads.

Any inability to introduce or any delay in introducing adjusted toll rates to address, among other things, changes to the economic environment, higher operating and maintenance costs, decreased revenue due to a decrease in traffic volume, or changes in exchange rates or consumer preferences, any increase in the toll rates causing a reduction in traffic volume, or any increase in the number of road users who are exempt from payment of user fees or entitled to discounted fees in respect of the Toll Roads, would have a material adverse effect on our toll collections and, therefore, our ability to meet our payment obligations under the NCDs.

22. *Our revenues under the Transitional Support Agreement are dependent on successful continuation of underlying tolling contracts.*

The Sponsor, Project Manager and the Project SPV have entered into a transitional support agreement dated September 26, 2022 for the purpose of the Sponsor providing transitional support to (i) the Project SPV in respect of its O&M obligations and tolling obligations in relation to the Additional Concession Agreements; and (ii) the Project Manager in respect of its obligations under the Project Implementation and Management Agreement. As a result, the Sponsor is obligated, during the term of the Transitional Support Agreement, to undertake the tolling obligations/ tolling related responsibilities under and in compliance with the Additional Concession Agreement(s) on behalf of the Concessionaire. In furtherance of this, the Sponsor has entered into tolling contracts with certain third-party contractors in respect of the project highways under which these contractors pay the Sponsor a fixed contracted fee on a regular basis irrespective of the actual quantum of fee collected in respect of the project highway.

The Sponsor shall continue to operate tolling contracts on “as is basis” during the transition period from appointed date. Further, the remittance (which would be due to the Sponsor) under such tolling contracts would be credited directly to the Project SPV on consummation of the transaction. All these tolling contracts have a defined period and have set expiry dates. Furthermore, some of these tolling contracts may expire during the period of transition. Additionally, the tolling contracts have a clause related to pre-mature termination in case of default by the third-party contractors. In either of these scenarios, the Sponsor could be required to enter into new contracts or extend such contracts, and the remittance amount from those renewed tolling contracts might be lesser than the current contracted amount. This could have a material adverse effect on our business, financial condition and prospects.

23. *The operation of the Toll Roads and the revenues generated from them may be impacted as a result of any capacity augmentation or other works required to be carried out in accordance with the terms of the Concession Agreements or any RFPs floated by the Sponsor.*

The Sponsor has the right under the terms of the Concession Agreements to undertake, through a contractor, at its own cost, capacity augmentation of the Toll Roads. In connection with any capacity augmentation work in respect of the Toll Roads, the toll fees shall be reduced to 75% during the period of construction in terms of the applicable fee rules. There can be no assurance that construction work will be completed in the expected time frames, and if they are not, this would adversely impact the revenue of the relevant Project SPV.

In exercise of its rights relating to capacity augmentation under the Initial Concession Agreements, the Sponsor may from time to time release Request for Proposals (“**RFPs**”) for construction activities on the Toll Roads. For example, in August 2021, the Sponsor had released RFPs inviting bids for construction works on certain sections of the Belgaum Kagal Project. The RFPs contain the timeframe within which the construction must be completed and details of works to be completed during augmentation including the proposed structures like flyovers and bridges. There can be no assurance that the capacity augmentation or construction under these RFPs would be completed within the expected time frames. Further, the length of these structures would determine the permitted increase in Toll Fees that the concerned Project SPV would be entitled to charge upon successful completion of the construction. The actual increase in length of the structures and in turn, permitted increase in Toll Fees is dependent on several factors beyond our control, such as, the final length of the structures constructed under the RFPs.

Moreover, there can be no assurance that the criteria for capacity augmentation of any stretch shall be strictly in accordance with the Concession Agreements. In addition to the criteria stipulated in the Concession Agreements, capacity augmentation may also be carried out by the government of India based on economic and strategic requirements. As such, the capacity augmentation may be commenced prior to the stipulated time period as per the Concession Agreements. For instance, the capacity augmentation for a stretch of road that forms part of Kotha Kurnool Project Highway is proposed prior to the stipulated time period as per the Kotha Kurnool Concession Agreement by the Government of India as part of its strategic initiative of Bharatmala Pariyojana and preparation of Detailed Project Report (*as defined in the Kotha Kurnool Concession Agreement*) for completion of the same has already been initiated. Accordingly, the Concessionaire will have to bear the additional cost of operation and maintenance of the widened road and the same may or may not be reimbursed by the Authority. Further, in terms of Kotha Kurnool Concession Agreement, the Concessionaire is required to complete certain initial improvement works within a timeframe of 24 months from the Appointed Date. However, since capacity augmentation is being carried out for the Kotha Kurnool Project by the Authority, the Authority has instructed the Concessionaire to hold off on initial improvement works as the same may lead to duplicity and wastage of resources. Accordingly, the Authority may issue the Concessionaire a negative change of scope and may seek compensation for the same which shall have an adverse implication on our business and financial condition.

Further, in terms of the Additional Concession Agreements, the detailed project report for capacity augmentation may be commenced immediately once the average daily traffic has met the target traffic. Additionally, any increase in revenue due to increase in Equivalent Tollable Length (*as defined in the Additional Concession Agreements*) of the Project Highway shall be paid to NHAI on a quarterly basis. Additionally, the detailed project report for capacity augmentation may be commenced immediately once the average daily traffic has met the target traffic. For further details in relation to the differences in the terms of Initial Concession Agreements and Additional Concession Agreements, see “*Summary of Concession Agreements – Differences between the Initial Concession Agreements and Additional Concession Agreements*” on page 171.

24. *Changes in the policies adopted by governmental entities or in the relationships of any member of the Trust with the Government or State Governments could materially and adversely affect our business, financial performance and results of operations.*

The Project SPV would be deriving almost all of its revenue from the Concession Agreements with the NHAI and must maintain good relationships and strategic alliances with the Sponsor, the Government and State Governments. We expect that we will continue to depend on, and benefit from, policies relating to the terms of the concessions in respect of the Project SPV’s existing projects and any future projects. In addition, we expect to benefit from, and depend on, the Sponsor and various Government and State Government entities in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the road industry in general. Any adverse change in any existing governmental policies, incentives, allocations or resources, or any change in our relationships with governmental entities, could materially and adversely affect our business, financial condition and results of operations.

Additionally, the Toll Roads may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since governmental entities are responsible for awarding concessions and are a party to the development and operation of the awarded projects, our business will be directly and significantly dependent on their support. Any withdrawal of support or adverse changes in their policies, even if not quantifiable monetarily, may lead to the Project SPV’s agreements being restructured or renegotiated or the concession period being decreased, which could materially and adversely affect the Project SPV’s financing, capital expenditure, revenues, development or operations.

25. *The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPV, nor are they opinions, expressed or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPV’s assets.*

RBSA Valuation Advisors LLP has been appointed as the independent valuers (the “**Valuers**”) to undertake independent appraisals of the Toll Roads. The Valuers have issued the Valuation Report in relation to the Initial Toll Roads and Target Toll Roads as at July 31, 2022, included in **Annexure C** to this Prospectus, which sets out their opinion as to the fair enterprise value of the Initial Toll Roads and Target Toll Roads as on July 31, 2022. In order to issue their Valuation Report, the Valuers based their assumptions regarding the traffic volume, toll rates, operation and maintenance costs, amortization, debt repayments and non-cash net working capital projections amongst other things, on information provided by and discussions with or on behalf of the Investment Manager, and which reflects current expectations and views regarding future events and, therefore, necessarily involves known and unknown risks and uncertainties. Please see the Valuation Report included in **Annexure C** to this Prospectus for a more detailed description of all assumptions relied upon in the preparation thereof. The Valuation Report contains forecasts, projections and other “forward-looking” statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to in these forward-looking statements involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

The Valuation Report is not an opinion on the commercial merits and structure of the Trust or the Project SPV, nor is it an opinion, expressed or implied, as to the future trading price of the NCDs in or the financial condition of the Trust upon listing. The Valuation Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Trust or the Project SPV or an investment in the Trust or the NCDs. The Valuation Report is not based on a comprehensive review of the business, operational or financial condition of the Project SPV and, accordingly, makes no representation or warranty, expressed or implied, in this regard. The Valuation Report does not confer rights or remedies upon investors or any other person, and does not constitute and should not be construed as any form of assurance as to the financial condition or future performance of the Trust or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Investment Manager, the Project Manager, the Trust, or the Lead Managers. Further, we cannot assure you that the valuation prepared by the Valuers reflects the true value of the net future revenues of the Project SPV or that other valuers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the Project SPV's assets. The Valuation Report has been issued as at July 31, 2022, but does not take into account any subsequent developments and should not be considered as a recommendation by the Investment Manager, the Project Manager, the Trust or the Lead Managers or any other party that any person should take any action based on the Valuation Report. Accordingly, investors should not completely place on reliance on the Valuation Report in making an investment decision.

26. *We have referred to the data derived from (i) Technical Consultant Report commissioned from the Technical Consultants, (ii) Traffic Reports commissioned from the Traffic Consultants and (ii) CRISIL Report which are based on certain bases, estimates and assumptions that are subjective in nature and may not be accurate.*

We have appointed Consulting Engineers Group Limited (for Agra Bypass and Shivpuri Jhansi Project) and Samarth Infraengg Technocrats Private Limited (for Borkhedi Kelapur Project), independent, third-party research agencies, for undertaking technical due diligence of Target Toll Roads, as our technical consultants (the “**Technical Consultants**”). The Technical Consultants have prepared technical reports on the Target Toll Roads, which are set out in **Annexure H** to this Prospectus (the “**Technical Consultant Reports**”).

We had appointed Ramboll India Private Limited and Steer Davies Gleave India Private Limited for preparing detailed traffic reports of Initial Toll Roads. We have also appointed CRISIL Limited (for Shivpuri Jhansi project) as our traffic consultants (“**Traffic Consultants**”) to prepare the detailed Traffic Consultant Reports and provide their analysis and forecast of traffic volumes for the Target Toll Roads. The traffic reports are set out in **Annexure G** to this Prospectus (the “**Traffic Consultants Reports**”).

Furthermore, we have also commissioned a report titled “*Roads and Highways*” dated September 2022, prepared by CRISIL Research (“**CRISIL Report**”). All of the Technical Consultant Reports, the Traffic Reports and the CRISIL Report (together referred to as “**Industry Expert Reports**”) are subject to various limitations and are based upon certain bases, estimates and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of the Investment Manager. In particular, certain of the information we have provided the Traffic Consultants for the purposes of the Traffic Reports has been aggregated from data collected by third-party service providers. Although we believe such data to be accurate, we have not verified the information and cannot assure you that it is free from error. The Industry Expert Reports reflect current expectations and views regarding future events, and therefore, necessarily involve known and unknown risks and uncertainties. The Industry Expert Reports contain forecasts, projections and other “forward-looking” statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties, including population growth, gross domestic product growth, vehicle ownership rates, per capita income, agricultural output and fuel consumption. The future events referred to in the Industry Expert Reports involve risks, uncertainties and other factors which may cause the actual traffic volumes to be materially different from any future traffic volumes expressed or implied by the Industry Expert Reports. There can be no assurance that the bases, estimates and assumptions adopted by the Technical Consultants, CRISIL or the Traffic Consultants for the purposes of preparing their respective reports will prove to be accurate. If any of these traffic assumptions are incorrect, future traffic volumes for the Target Toll Roads could be materially different from those that are set forth in these reports and this Prospectus.

27. *Certain provisions of the standard form of Concession Agreements may be untested, and the Concession Agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations.*

The Concession Agreements that we have entered into is substantially based on a model concession agreement prescribed by the Sponsor. For example, the toll fees under the Concession Agreements is fixed, subject to annual adjustments to account for inflation as specified in the Concession Agreements. In addition, the operation and maintenance standards and specifications require the Project SPV to incur operation and maintenance costs on a regular and periodic basis. The Concession Agreements also provide for a fixed term concession and, although our Concession Agreements provide for an extension or reduction of the concession period based on certain factors, including actual average toll collection on specified target dates, the Concession Agreements do not provide for renewal of the Concession Agreements after the expiry of the term.

The form of the Concession Agreements has evolved within the last decade and there is limited guidance available on the interpretation of a number of terms and conditions of the Concession Agreements. In addition, certain terms of the Concession

Agreements, such as those related to an augmentation in the capacity of the toll roads, substitution of the Sponsor in any or all of the project agreements, termination payments by the Sponsor, construction of additional competing roads by the Sponsor, the Government or State Governments and payment of compensation by the Sponsor for changes in law are untested. Accordingly, the interpretation of certain terms and conditions in the Concession Agreements of the Project SPV by the Sponsor, the courts or regulators may be different from our interpretation of such terms and conditions.

The terms and conditions of the Concession Agreements contain restrictive terms and conditions. For example, the Concession Agreements contain provisions that mandate substitution clauses in the project agreements. Such substitution clauses allow the Sponsor to step into project agreements in place of the Project SPV in the event of suspension of the Project SPV or termination of the Concession Agreements due to a breach or default by the Project SPV. The Concession Agreements also provides that the lenders to a Project SPV may substitute the Project SPV with new entities approved by the Sponsor in the event of a default by the Project SPV under the relevant Concession Agreements or financing agreements. The terms of the Project SPV's Concession Agreements requires the Project SPV to indemnify the Sponsor for losses arising out of breach of the obligations of the Project SPV under the Concession Agreements.

In the event the Sponsor or a lender invokes any restrictive term or condition in the Concession Agreements, or the Sponsor, a court, or regulator interprets any term or condition in an adverse manner, such invocation or interpretation may materially and adversely affect our business, financial condition and results of operations.

28. *We may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees under the Concession Agreements.*

The terms and conditions of the Concession Agreements are fixed and are not negotiable during the concession period. The costs of operating and maintaining the InvIT Assets may increase due to factors beyond the Project SPV's control, including, among other things:

- increase in the cost of labour, materials and insurance;
- the Project SPV being required to install intelligent toll-collection systems at their own costs;
- the Project SPV being required to restore their project roads in the event of any landslides, floods, road subsidence, other natural disasters, accidents or other events causing structural damage or compromising safety;
- increase in electricity tariff rates or other fuel costs resulting in an increase in the cost of energy;
- adverse weather conditions;
- unforeseen legal, tax and accounting liabilities relating to acquired assets; and
- other unforeseen operational and maintenance costs.

In the event that our costs increase, we may be unable to offset such increases with higher revenues by increasing toll fees due to the restrictions of the Concession Agreements.

Any significant increase in operation and maintenance costs beyond the amounts budgeted for by us, or any failure to meet quality standards, may reduce our profits, could expose us to penalties imposed by the concessioning authorities and could have a material, adverse effect on our business, financial condition and results of operations. Such events may also impact the ability of the Project SPV to service the debt obtained from the Trust and our ability to make distributions to Unitholders. As such, the inability to change the terms and conditions, including the toll fees of the concession during the concession period, may materially and adversely affect our operational and financial flexibility.

29. *Leakage of the toll fees on the Project SPV's roads may materially and adversely affect our revenues and financial condition.*

The Project SPV's toll receipts are primarily dependent on the integrity of toll-collection systems and the willingness of road users to pay toll fees. While the Project SPV has an integrated toll-collection system in place, the level of revenues derived from collection of tolls may be reduced by leakage through toll evasion, theft, fraud or technical defaults in the Project SPV's toll systems or forced violations by users of the Toll Roads. Furthermore, the Project SPV may also, at times, need to allow users of the Toll Roads to pass through without paying applicable tolls due to heavy traffic build-up, or may be unable to collect tolls due to political protests or other agitations relating to tolling. In addition, in certain circumstances, the governmental authorities or Indian courts could seek to suspend toll-collection for or during certain periods, in full or in part, on the Toll Roads, which suspension would result in a reduction in our revenues. For example, in November 2016, the Government ordered the suspension of toll collection at all national highways for a particular period of time on account of the demonetization of certain high-value currency denominations. Further, toll-collection errors may amount to a loss of revenue as there is an inherent risk of under-collection of toll fees given that some users of toll roads continue to pay in cash. Any significant failure by us to monitor and control leakage in toll-collection systems could have a material, adverse effect on our business, prospects, financial condition and results of operations and our ability to make distributions.

30. *We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPV, and such entities may be unable to appoint, retain such personnel or to replace them*

with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust.

Our performance will depend, in part, upon the continued service and performance of certain directors, executive officers and key personnel of the Investment Manager, the Project Manager and the Project SPV. The continued operations and growth of our business will be dependent upon the Investment Manager, the Project Manager and the Project SPV being able to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense due to the scarcity of qualified individuals in the toll-road business, and the aforesaid entities may not be able to retain their executive officers and key employees or attract and retain fresh talent in the future. Any inability by the Investment Manager, the Project Manager and the Project SPV to retain their directors, executive officers and key employees, or the inability to replace such individuals with similarly qualified personnel, could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust.

31. *There can be no assurance that we will be able to successfully undertake future acquisitions of road assets or efficiently manage the infrastructure road assets we have acquired or may acquire in the future.*

Our growth strategy in the future may involve strategic acquisitions of toll roads and other road assets. We may not be able to identify or conclude appropriate or viable acquisitions in a timely manner. The success of our past acquisitions and any future acquisitions will depend upon several factors, including:

- our ability to identify, finance and acquire operational toll roads and other road assets on a cost-effective basis;
- our ability to integrate acquired personnel, operations, products and technologies into our organisation effectively;
- unanticipated problems or legal liabilities of the acquired businesses; and
- tax or accounting issues relating to the acquired businesses.

There can be no assurance that we will be able to achieve the strategic purpose of such acquisitions or operational integration or an acceptable return on such investments, which may materially and adversely affect our profits, financial condition and distributions.

Furthermore, Concession Agreements for future toll-road projects may also contain terms and conditions that are more restrictive than those under the current Project SPV's Concession Agreements for the Toll Roads. These restrictions may restrict our flexibility in managing our business or projects and could in turn materially and adversely affect our business prospects, financial condition and results of operations.

32. *The Project SPV may not be able to comply with its maintenance obligations under the Concession Agreements, which may result in the termination of the Concession Agreements, the suspension of the Project SPV's rights to collect tolls or the requirement that the Project SPV pay compensation or damages to the Sponsor.*

The Project SPV is required to undertake operation and maintenance of the Toll Roads within periods and in the manner as specified in the Concession Agreements. There can be no assurance that the Project SPV will not breach the maintenance obligations under the Concession Agreements on account of the Project Manager's failure to undertake the stipulated maintenance work in a timely manner, or at all.

If the Project SPV is in breach or default of its obligations, then the NHAI has the right to (a) suspend the right of the Project SPV, including the right to collect tolls and other fees, (b) claim compensation for all direct, additional costs suffered or incurred by the Sponsor arising out of such default, or (c) terminate the Concession Agreements.

If the Concession Agreements are terminated, the right to collect tolls is suspended or the Project SPV is required to pay compensation or damages, our business, financial condition and results of operations may be materially and adversely affected. For further details of the maintenance obligations, suspension and termination events under the Concession Agreements, see the section headed "Summary of the Concession Agreements" on page 132 of this Prospectus.

33. *The insurance policies for the Target Toll Roads are not currently in place for any protection against various risks associated with our Operations in relation to Target Toll Roads and any future insurance coverage obtained may be inadequate.*

The Investment Manager, on behalf of the Trust, has obtained insurance policies for Initial Toll Roads in relation to risks related to fire, act of burglary or theft, earthquake, an act of theft or terrorism or interruption of business due to petrochemical or non-petrochemical risks. However, we cannot assure that the policies that have been obtained shall adequately cover the loss. We also cannot assure that we will be able to renew the policies from time to time.

In relation to the Target Toll Roads, the insurance policies are currently not in place. Under the terms of the Additional Concession Agreements entered into for the tolling rights for the Target Toll Roads, such tolling rights would be granted as on and with effect from the appointed date which shall occur upon the conditions specified in the Concession Agreements which

would be subsequent to the allotment of the NCDs pursuant to the Issue. As such, obtaining adequate insurance would only be undertaken on or after the appointed date under the Concession Agreements and we have currently not obtained insurance for the Target Toll Roads.

There can be no assurance that all risks in relation to Target Toll Roads shall be adequately insured against or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

Further the Toll Roads/InvIT Assets are subject to various risks that we may not be insured against, adequately or at all, including:

- changes in governmental and regulatory policies;
- shortages of, or adverse price movement for, construction materials;
- design and engineering defects;
- breakdown, failure or substandard performance of the road assets and other equipment;
- improper installation or operation of the road assets and other equipment;
- labour disturbances;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

Further, we are subject to various risks in the operation of the Toll Roads, including on account of accidents on the Toll Roads. Any insurance obtained for Target Toll Roads may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us. We can make no assurance that material losses in excess of insurance proceeds (if any at all) will not occur in the future, which could materially and adversely affect our financial condition, business and results of operations.

34. *The Sponsor and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.*

The Sponsor, certain of its Associates and the Trustee are involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals and regulatory authorities. For details of certain material outstanding legal proceedings, see the section headed “*Legal and Other Information*” on page 302 of this Prospectus. There is no assurance that these legal proceedings and regulatory matters will be decided in favour of the respective entities. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our or their business, future financial performance and results of operations. If the courts or tribunals rule against the Sponsor or its Associates or the Trustee, we or the Sponsor may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase expenses and liabilities.

35. *We do not own the “NHAI” trademark and logo. Our license to use the “NHAI” trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.*

We do not own the “NHAI” trademark and “NHAI” logo, which is a trademark currently applied for by the Sponsor and which has been accepted and advertised by the Trademark Registry, Government of India. However, pursuant to a separate trademark license agreement dated September 26, 2022, the Sponsor has granted to the Trust, the non-transferable and non-assignable right to use the name of NHAI as part of the trade name of the Trust, as well as the Sponsor’s trademarks (“**Trademarks**”) in connection with the business of the Trust, on a non-exclusive basis, for the use in the Republic of India and globally. The license granted to the Trust in terms of the Trademark License Agreement shall be for a term of 1 (one) year from March 31, 2022. The Trust’s right to use the Trademarks shall stand terminated with immediate effect if any of the terms of the license are breached. The Trust is using the Sponsor’s logo pursuant to the terms of the aforesaid trademark license agreement, and does not separately hold any trademarks in its name. The termination or failure to register its logo as a trademark in a timely manner may have a material, adverse effect on the operations of the Trust and require management’s time and attention.

36. *We will depend on NHAI and various third parties to undertake certain activities in relation to the operation and maintenance of the InvIT Assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the InvIT Assets.*

We will depend on the availability and skills of NHAI and third-party employees and contractors pertaining to the operation and maintenance of the InvIT Assets. Under the Transitional Support Agreement, NHAI will provide support pertaining to the operation and maintenance of the Target Toll Roads. When the Transitional Support Agreement expires, i.e. after a period of three months commencing from the appointed date as per the respective Concession Agreements, we will need to appoint third-party entities to undertake operations and maintenance and tolling, and the terms of these future contracts may not be favourable

to us. We can also make no assurance that the services of such third parties will continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the ability of such third parties to obtain requisite approvals for the operation and maintenance activities, as well as the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may materially and adversely affect our overall level of net revenue. We may also be exposed to civil and criminal liability in relation to the actions of other third parties, including our employees and contractors.

Further, if we undertake limited development, while we may sub-contract our construction work, we may still be liable for accidents on our projects due to defects in design and quality of construction of our projects during their construction and operation. In addition, we can make no assurance that such contractors or their sub-contractors will continue to hold or renew valid registrations under the relevant labour laws in India or be able to obtain the requisite approvals for undertaking such construction and operation. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to manage the operation and maintenance of the InvIT Assets under the Concession Agreements in a timely manner or at all. Any of the foregoing factors could have a material, adverse effect on our business, financial condition, reputation and results of operations.

37. *The completion certificate and provisional completion certificate in respect of one of the Initial Toll Roads are not traceable and accordingly, alternate documents have been relied upon in relation to certain disclosures made in this Prospectus.*

We are unable to trace the completion certificate and provisional completion certificate in respect of one of the Initial Toll Roads. Under these circumstances, we have relied on alternative documents such as the defects liability certificate dated May 17, 2010, issued by M/s Stanley Consultants Inc. in joint venture with M/s RITES Limited, certifying completion of all works on April 27, 2010, and the Technical Reports in respect of Chittorgarh to Kota section in Rajasthan for upgrading of NH-76 of east west corridors undertaken by NHAI (“**Chittorgarh – Kota Project Highway**”). We cannot assure you that the information relating to completion of the works in connection with the Chittorgarh – Kota Project Highway are true and accurate.

38. *We are subject to government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits, and approvals required to operate our business, results of operations and cash flows may be adversely affected.*

We may be required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals for carrying out our business including consents to establish and operate under environmental laws, which are granted for a limited duration and require renewal. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or will be granted at all. The Target Toll Roads to be acquired by the Trust are completed and revenue generating assets. The Sponsor, by way of its (i) letter dated September 27, 2022 in relation to Agra Bypass; (ii) letters dated September 28, 2020 and September 26, 2022 in relation to Borkhedi Kelapur Project; and (iii) letter dated September 29, 2022 in relation to Shivpuri Jhansi Project has confirmed that it had obtained all the necessary approvals and clearances required during the construction stage of the Target Toll Roads.

Further, we shall obtain all other material permits, registrations, licenses, approvals, consents and other authorizations as may be required upon acquisition of the Target Toll Roads. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

It has also been observed that documentary evidence with respect to the statutory compliances of the agencies engaged by NHAI in relation to Target Toll Roads are not being maintained at respective site locations. For further details, see ESDD Report as set out in **Annexure E** to this Prospectus. In the event that the agencies are non-compliant with applicable law, we might have to bear the additional costs of substitution of such agencies.

39. *The Project SPV may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.*

The Project SPV may appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. The Project SPV may need to obtain registration as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970 (“**Contract Labour Act**”) for certain locations where workmen would be employed through contractors or agencies licensed under the Contract Labour Act. Although the Project SPV does not engage these labourers directly, in the event of default by any independent contractor, the Project SPV may be held responsible for any wage payments that must be made to such labourers. Any violation of the provisions of the Contract Labour Act by the Project SPV may result in penalties pursuant to the provisions of the Contract Labour Act. If the Project SPV is required to pay the wages of the contracted workmen and subjected to other penalties under the Contract Labour Act, the reputation, results of operations, cash flows and financial condition of the Trust could be adversely affected.

Risks Related to the Trust’s Relationships with the Sponsor and the Investment Manager

40. *The Sponsor, whose interests may be different from the NCD Holders, will be able to exercise significant influence over certain activities of the Trust.*

After the completion of the proposed institutional placement, the Sponsor will continue to own an aggregate of not less than 15.00% of the issued and outstanding Units and will be entitled to vote as a Unitholder on all matters other than matters where it is a related party and not permitted to vote under the InvIT Regulations. The Sponsor will be in a position to exercise significant influence in matters which require the approval of Unitholders by virtue of its ownership of Units in the Trust. The interests of the Sponsor may conflict with the interests of our NCD Holders and the Sponsor may, for business considerations or otherwise, seek to benefit itself instead of the Trust or the interests of the NCD Holders. The Sponsor will also exercise significant influence over the Project Manager, which is a wholly owned subsidiary of the Sponsor. Accordingly, the Project Manager may also be subject to conflicts of interest with respect to the Trust. These conflicts may be harmful to our interests or the interests of our NCD Holders, which may impact our business, financial condition and results of operations.

41. *The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.*

The Investment Manager's strategies focus on three main areas:

- managing the underlying assets of the Trust;
- managing the Trust's acquisitions and disposals; and
- managing the Trust's capital structure to maximize distributions.

The Investment Manager is a newly incorporated entity and has limited operational history of similar investment management or other activities in the infrastructure sector. There is no assurance that the Investment Manager will be able to implement these strategies successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The Investment Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, partial award of concessions or licenses favouring local or other competitors of the Trust, changes in the Indian regulatory or legal environment or macro-economic conditions. If the Investment Manager is unable to implement these strategies successfully or expand our portfolio, we will nonetheless be required to pay the Investment Manager an annual management fee, exclusive of taxes, in accordance with the terms of appointment of the Investment Manager.

Even if the Investment Manager is able to successfully grow the operating business of the underlying assets and to acquire toll roads and other eligible infrastructure projects in India as desired, there can be no assurance that the Investment Manager will achieve its intended return on such acquisitions or capital investments. Furthermore, the Investment Manager's investment mandate involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. The Investment Manager may only be removed by a resolution of Unitholders (excluding the Sponsor) such that the votes cast in favour of the resolution are not less than one-and-a-half times the votes cast against the resolution.

Further, the fees payable to the Project Manager may vary each year based upon the operating and maintenance work that is actually required to be undertaken by the Project Manager with respect to the Project SPV, and accordingly, cannot be a flat rate or decided upfront for all periods. Additionally, any such payment of fees will be in the nature of a related party transaction and the approval of Unitholders will be required prior to making such a payment to the Project Manager. For further information, please see the section titled "*Overview of the Trust*" on page 131 of this Prospectus.

42. *While the Sponsor had communicated its intention of transferring around 1500 km of roads, the Trust may be unable to bid effectively for them.*

In accordance with the approval granted by the Chairman of NHAI, by way of communication dated March 29, 2021, the Sponsor will offer around 1,500 km of roads in three years to the Trust. The Sponsor proposes to transfer 247 km of roads by way of Additional Concession Agreements dated September 26, 2022. Further, by way of communication dated September 1, 2022, NHAI has identified the following five assets ("**Future Assets**") for potential acquisition by the Trust under the Assets Monetization Plan for financial year 2022-23:

- (i) Gwalior-Shivpuri (Madhya Pradesh);
- (ii) Vadodara-Surat (bridge across River Narmada);
- (iii) Kota Bypass and cable stayed bridge across river Chambal on Kota Bypass approaches;
- (iv) Chennai Bypass; and
- (v) Rewa-Katni-Jabalpur-Lakhnadon (Madhya Pradesh).

There can be no assurance that the Trust will be able to accurately or effectively assess the Future Assets on the basis of the information to it or in the time available, and its bids may provide to be uncompetitive. Furthermore, the Sponsor may accept

or reject any binding offer made by the Trust, based on various factors regarding which the Trust may have no influence.

Access to future toll road assets sourced by the Sponsor or its existing or future subsidiaries will be an important source of growth in the future for the Trust, and any inability to bid competitively for Future Assets or the inability to win contracts from the Sponsor for their operation for any reason could have a material adverse effect on the Trust's operations, financial condition or prospects.

43. *Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.*

Each of the parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsor, Investment Manager and Trustee are separate entities, (b) the Sponsor has a net worth of not less than ₹ 1,000 million and has a sound track record in the development of infrastructure or fund management in the infrastructure sector, (c) the Investment Manager has a net worth of not less than Rs. 100 million and has not less than five years' experience in fund management or advisory services or development in the infrastructure sector or the combined experience of the directors, partners and employees of the investment manager in fund management or advisory services or development in the infrastructure sector is not less than 30 years, (d) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debt Securities) Regulations, 1993 and is not an associate of the Sponsor or Investment Manager and (e) each of the Sponsor, Investment Manager, Project Manager and Trustee are "fit and proper persons" as defined under Schedule II of the Intermediaries Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

Further, in terms of Regulation 4(2)(e)(v) of the InvIT Regulations, the Investment Manager should, inter-alia, have not less than half of its directors as independent directors. As on the date of this Prospectus, the IM Board consists of nine directors out of which four are independent directors. For details, please see the section titled "*Parties to the Trust – The IM Board*" on page 183. While we are in the process of determining a suitable independent director who shall improve corporate credibility and governance standard of the Investment Manager, we cannot assure that the delay in such appointment shall not entail any action from SEBI or any other authority.

44. *The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.*

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of the Trust, (b) overseeing the activities of the Project Manager, (c) investing and declaring distributions in accordance with the InvIT Regulations, (d) submitting reports to the Trustee and (e) ensuring the audit of the Trust's accounts. There can be no assurance that the Investment Manager will be able to comply with such requirements in a timely manner or at all, which could subject the Investment Manager, the other parties to the Trust, the Trust or any person involved in the activity of the Trust to applicable penalties under the InvIT Regulations, the Intermediaries Regulations and/or the SEBI Act. Any such failure to comply or the imposition of any penalty could have a material adverse effect on our business, financial condition and results of operations. Under the InvIT Regulations, the SEBI also has the right to inspect documents, accounts and records relating to the activity of the Trust, Project SPV or parties to the InvIT and may issue directions in the nature of, *inter alia*, (i) requiring the Trust to delist its Units and surrender its certificate of registration; (ii) requiring the Trust to wind-up; (iii) requiring the Trust to sell its assets; (iv) requiring the Trust or parties to the Trust to take such action as may be in the interest of investors; or (v) prohibiting the Trust or parties to the Trust from operating in the capital market or from accessing the capital market for a specified period.

45. *Our Investment Manager is wholly-owned and controlled by the GoI, which makes us susceptible to changes to its policies.*

The Investment Manager is currently wholly-owned and controlled by the President of India acting through the Ministry of Road Transport and Highways ("**MoRTH**"). Accordingly, the GoI will be able to exercise significant influence over the Investment Manager, its policies and affairs. Although, by way of its letter dated July 12, 2022, MoRTH has communicated that the Investment Manager can manage its affairs as per its corporate governance framework and may recruit, compensate and remove the human resources as per the policies approved by the Nomination and Remuneration Committee of the IM Board, we cannot assure that the GoI will not change its policies in the times to come. Further, the GoI may require the Investment Manager to take actions aimed at serving the public interest, which may not be aligned with the commercial objectives of the NCD Holders.

46. *The InvIT Regulations allow for sponsors of listed InvITs to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that our Sponsor will not exercise its ability to be declassified as the Sponsor of the Trust.*

The InvIT Regulations, pursuant to amendments made in June 2020, permit sponsors of listed infrastructure investment trusts to be declassified from the status of sponsors subject to compliance with the following conditions:

- (i) The units of the relevant InvIT should have been listed on the stock exchanges for a period of three years;
 - (ii) The unitholding of such sponsor and its associates taken together should not exceed 10.00% of the outstanding units of the relevant InvIT;
 - (iii) The investment manager of the relevant InvIT is not an entity controlled by such sponsor or its associates; and
 - (iv) approval of unitholders has been obtained in accordance with the InvIT Regulations.
- There can be no assurance that in the future, our Sponsor, upon fulfilment of the aforementioned conditions or any other conditions that SEBI prescribes for declassifications of sponsors, will not exercise its ability to declassify itself from the status of our Sponsor.

Risks related to India

47. *Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our business, financial condition and results of operations.*

Our business, financial condition and results of operations could be materially and adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Government or State Governments will not implement new regulations and policies which will require the Trust Group to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. The Investment Manager cannot predict the terms of any new policy, and there can be no assurance that such policy will not be onerous.

48. *Significant increases in the price or shortages in the supply of crude oil and products derived therefrom, including petrol and diesel fuel, could materially and adversely affect the volume of traffic at the projects operated by the Project SPV and the Indian economy in general, including the infrastructure sector.*

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. The recent invasion of Russia into Ukraine might disrupt crude supplies globally, thus affecting its price. Any significant increase in the bitumen price or shortages in the supply of crude oil could materially and adversely affect the volume of traffic at the projects operated by the Project SPV and materially and adversely affect the Indian economy in general, including the infrastructure sector, which could have a material, adverse effect on our business, financial condition and results of operations.

49. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could materially and adversely affect our business.*

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-and turnover-based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which set out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The Government of India has also introduced the Competition (Amendment) Bill, 2022 in the Lok Sabha in August 2022, which has proposed several amendments to the Competition Act, such as introduction of deal value thresholds for assessing whether a merger or acquisition qualifies as a “combination”, expedited merger review timelines, codification of the lowest standard of “control” and enhanced penalties for providing false information or a failure to provide material information. As these are draft amendments, we cannot ascertain at this stage as to whether the proposed amendments will come into force in the form suggested or at all, their applicability in respect of our operations, partially or at all once they come into force, or the extent to which the amendments, if and when they come into force, will result in additional costs for compliance, which in turn may adversely affect our business.

In the event, the Project SPV or the Trust enters into any agreements or transactions that have an appreciable adverse effect on competition in the relevant market in India, the provisions of the Competition Act will be applicable. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition and results of operations. Any adverse impact on our financial condition or operations due to the Competition Act may have a material adverse impact on our business, financial condition, results of operations and prospects and our ability to make distributions to the Unitholders.

50. *Any downgrading of India’s debt rating by rating agencies could have a negative impact on our business.*

India’s sovereign rating is Baa3 with a “stable” outlook (Moody’s), BBB- with a “stable” outlook (S&P) and BBB- with a “negative” outlook (Fitch). India’s sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside our control. Any adverse revisions to India’s credit ratings by rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other terms at which such additional financing is available. This could materially and adversely affect our ability to obtain financing for capital expenditure, which could in turn materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. India’s sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange resources, which are outside our control.

51. *Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Investment Manager and the Trust.*

As used herein, the "AIFMD" refers to Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on Alternative Investment Fund Managers, together with EU Commission delegated Regulation (EU) No. 231/2013 of December 19, 2012, supplementary Directive 2011/61/EU of the European Parliament and of the Council, and the national laws transposing Directive 2011/61/EU in any EEA Member State in which the Trust is marketed.

Among other things, the AIFMD regulates and imposes regulatory obligations in respect of the active marketing in the EEA by AIFMs (irrespective of whether they have their registered office in an EEA Member State or elsewhere) of AIFs (whether established in an EEA Member State or elsewhere). The Investment Manager is a Non-EEA AIFM for the purposes of the AIFMD. Non-EEA AIFMs are currently not able to become authorised under the AIFMD. In order to market to investors resident, domiciled or with a registered office in the EEA, non-EEA AIFMs must market AIFs in accordance with the applicable national regimes of the EEA member states in which they wish to market and comply with a sub-set of requirements under the AIFMD (which are much more limited in scope than those applicable to AIFMs that are established in the EEA). Such limited requirements are: (i) "point-of-sale" disclosures (as disclosed elsewhere), (ii) ongoing investor disclosures required pursuant to Articles 23(4) and (5) of the AIFMD (as to which, please see below), (iv) provision of information relating to the Trust’s investments and its assets under management to the regulators of any EEA Member State into which Units in the Trust are actively marketed, and (v) the "asset-stripping" rules (in the event that the Trust acquires control of an EEA based portfolio company).

The information in respect of the Trust required to be disclosed pursuant to Articles 23(4) and (5) of the AIFMD will be made available to each Unitholder, as follows: (a) the percentage of the Trust’s assets which are subject to special arrangements arising from their illiquid nature will be notified to the Unitholders; (b) any new arrangements for managing the liquidity of the Trust will be provided without undue delay in a disclosure notice delivered to each Unitholder; (c) the current risk profile of the Trust and the risk management systems employed by the Investment Manager to manage those risks may be provided in each annual report of the Trust; (d) any changes to the maximum level of leverage which the Investment Manager may employ on behalf of the Trust, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement, will be provided without undue delay in a disclosure notice delivered to each Unitholder; and (e) the total amount of leverage employed by the Trust may be provided in each annual report of the Trust.

In addition, it is possible that some EEA member states will elect in the future to restrict or prohibit the marketing of non-EEA AIFs to investors based in those jurisdictions. Any such restrictions or prohibitions may make it more difficult for the Trust to raise its targeted amount of commitments.

In light of the foregoing, the AIFMD could have an adverse effect on the Investment Manager or the Trust by, among other things, increasing the regulatory burden and costs of doing business in the EEA member states, imposing extensive disclosure obligations on companies located in EEA member states, if any, in which the Trust invests, and potentially disadvantaging the Trust as an investor in portfolio companies located in EEA member states as compared to competitors (e.g., those not in the alternative investment space) that may not be in scope of the AIFMD. ESMA has recently also consulted on the possible extension of the passport for marketing and managing under AIFMD to non-EEA based managers (the marketing and managing passports under AIFMD are currently only available to certain types of EEA based managers).

ESMA provided advice to the European Commission in July 2015 and July 2016 on whether, amongst other things, the passporting regime should be extended to the management and/or marketing of AIFs by non-EEA AIFMs. The European Commission is currently considering whether the passport should be extended. It is currently not clear what the impact would be for the Investment Manager or the Trust of any decision by the European Commission to extend the passporting regime. If the AIFMD regimes (where implemented) continue to exist in parallel with an extension of the passporting regime, then the Investment Manager may continue to market under AIFMD regimes, or choose to "opt-in" to rely on the passporting regime (which would likely mean an increase in regulatory and compliance costs to comply with the conditions of the passporting regime). If the AIFMD national regimes are removed, then the Investment Manager would likely need to "opt-in" to the passporting regime for any AIFMD marketing of the Trust (which would likely mean an increase in regulatory and compliance costs for the Trust).

52. *Investors may not be able to enforce a judgment of a foreign court against the Trust or the Investment Manager.*

The enforcement of civil liabilities by overseas investors in the NCDs, including the ability to effect service of process and to enforce judgments obtained in courts outside of India, may be adversely affected by the fact that (i) the Trust is constituted under the laws of the Republic of India, (ii) the Investment Manager is a limited liability company incorporated under the laws of the Republic of India, (iii) the directors and key personnel of the Investment Manager reside in India and (iv) all of the assets of the Trust and the Investment Manager are located in India. All of the assets of the Trust and the assets of the Directors are also located in India. As a result, it may be difficult to serve process upon the Trust, the Investment Manager or any of these persons outside of India or to enforce in India judgments obtained against such persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13, Section 14 and Section 44A of the Civil Procedure Code. The GoI has, under Section 44A of the Civil Procedure Code, notified certain countries as reciprocating countries. Section 13 of the Civil Procedure Code provides that a foreign judgment will be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force then in India. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India, which the GoI has, by notification, declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the GoI to be reciprocating territories for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

There may be considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment which could be subject to foreign exchange risk. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed of in a timely manner or subject to considerable delays.

53. *Permission to list in any stock exchange in India or abroad.*

While none of our securities or debt instruments have been denied permission to list on any stock exchange in India or abroad during last three years, any such refusal in the future might adversely affect tradability as well as price of then existing other

listed securities or debt instruments.

Risks Related to the Issue and the NCDs

54. *Any downgrading in credit rating of our NCDs may affect the value of NCDs and thus to raise further debt.*

The NCDs proposed to be issued pursuant to this Issue have been rated 'CARE AAA;Stable' by way of their letter dated October 10, 2022 by CARE Ratings Limited for an amount of up to ₹15,000 million and rated as 'IND AAA/Stable' by India Ratings for an amount of up to ₹ 15,000 million by way of its letter dated October 10, 2022. While these ratings are finalised by the Credit Rating Agencies, we cannot assure you that such credit ratings received reflect all potential risks. Any downgrade of our credit ratings may adversely affect the value of NCDs, increase borrowing costs and constraint our access to capital and debt markets. In addition, downgrades of our credit ratings could increase the possibility of additional terms and conditions being added to any additional financing or refinancing arrangements in the future. There is a possibility of increase in forced sale of our NCDs by the investors resulting in sharp decline in their market price. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations. For further details regarding the rating letters and press release for the aforementioned rating, please see the "CARE Rating and Press Release" and "India Ratings Rating and Press Release", attached as **Annexure B1** and **Annexure B2**, respectively.

55. *Security provided for the NCDs as part of the Issue, may not be enforceable if the security provided for the NCDs as part of the Issue is classified as "Assets" under the IT Act and may be void as against any claim in respect of any other sum payable by the Investment Manager (on behalf of the Trust).*

Under Section 281 of the IT Act and circular bearing number 04/2011 dated July 19, 2011, the Investment Manager (on behalf of the Trust) is required to obtain prior consent of the assessing officer to create the security provided for the NCDs as part of the Issue to the extent classified as 'Assets' under Section 281 of the IT Act. We have made an application to the relevant assessing officer seeking such prior consent on September 14, 2022. In the event that such consent is not granted, the security provided for the Issue to the extent classified as 'Assets' under Section 281 of the IT Act will be void as against any claim in respect of any tax or any other sum payable by the Investment Manager (on behalf of the Trust). Under the current income tax laws, where an assessee takes loans or issues debentures pursuant to which a charge is created on existing assets of the assessee, the tax authorities may hold such charge as void (to the extent of outstanding demand) which has been created during pendency of any proceedings, or after completion of proceeding but before the service of notice of recovery (under rule 2 of the Second Schedule of the Income-tax Act, 1961), if prior permission of the tax department has not been undertaken in accordance with the provisions of section 281 of the Income Tax Act, 1961. While an application for issuance of non-objection under section 281 has been made by us, however, no action has been taken by the tax authorities on the said application and the same is still pending for disposal. In absence of no-objection certificate, the tax authorities may void the charge created by us on the assets by imposing the provisions of section 281 for any tax demand created in future.

56. *There are other lenders who have pari passu charge over the security provided.*

There are other lenders of the Trust who have *pari passu* charge over the security provided for this Issue. The rights over the security provided will not be granted directly to holders of the NCDs. While the Trust is required to maintain 100% asset cover for the outstanding amount of the NCDs and interest thereon, upon the Trust's bankruptcy, winding-up or liquidation, the other lenders will rank *pari passu* with the NCD Holders and to that extent, may reduce the amounts recoverable by the NCD Holders. Further, there could be other assets which are/could be exclusively secured in favour of other lenders of the Trust, including pledge over the shares of the Project SPV in favour of such other lenders. To that extent, the NCD Holders shall rank subservient to such other lenders and shall also not have the benefit of the rights accruing from such security which is exclusively available to such other lenders. In particular, by enforcement of the pledge over the shares of the Project SPV, the other lenders will have the right to takeover and/or dispose of the shares of the Project SPV to the exclusion of the NCD Holders.

57. *This being a maiden offering of NCDs by an InvIT bearing STRPP structure, associated risks may be unforeseen and we may not be able to resolve such risks satisfactorily or at all.*

The NCDs to be Issued bear a STRPP structure, which is a maiden offering through a public issuance mode to investor segment comprising qualified institutional buyers ("QIBs"), bodies corporate, HNIs and retail investors. Whilst QIBs and bodies corporate may have familiarity with STRPP structure through past private placement offerings, etc., the retail investors may not have an equivalent degree of familiarity with the structure.

58. *Changes in interest rate may affect the price of our NCDs. Any increase in rate of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.*

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk and the price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall

and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

59. *There may be a delay in making refund / unblocking of funds to the Applicants.*

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (iii) withdrawal of this Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We, however, shall refund / unblock such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

60. *The fund requirement mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.*

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending to the Portfolio Assets, financing and for repayment /prepayment of interest and principal of existing borrowings of the Trust, and general corporate purpose, subject to applicable statutory and/or regulatory requirements (in particular, not more than 25% of our net proceeds being utilized for general corporate purposes). For further details, please see the section titled “*Objects of the Issue*” on page 63. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The Board of Directors of the Investment Manager will have significant flexibility in applying the proceeds received by us from the Issue. The utilization details of the proceeds of the Issue shall be adequately disclosed as per applicable law. Further, as per the provisions of the SEBI ILDS Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

61. *There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.*

In accordance with applicable law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, the Trust (through the Investment Manager will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

62. *There may be no active market for the NCDs on the platform of the Stock Exchanges. As a result, the liquidity and market prices of the NCDs may fail to develop and may accordingly be adversely affected*

There can be no assurance that an active market for the NCDs will develop or at what price will the NCDs trade in the secondary market or whether such market will be liquid or illiquid. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors, *inter alia*, including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country, (ii) the market for listed debt securities, (iii) general economic conditions, and, (iv) our financial performance, growth prospects and results of operations. In addition, the trading of the NCDs may be impacted by temporary exchange closures, broker defaults, settlement delays, strikes by brokerage firm employees and disputes, among others. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

63. *The NCD Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs. Failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose the holders to a potential loss.*

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors *inter-alia* including our financial condition, cash flows, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although the Investment Manager will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover on the outstanding amount of the NCDs, the realizable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection

with the NCDs. While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

64. *NCD Holders may be subject to Indian taxes arising out of capital gains on the sale of the Debentures and on any interest component of any returns from the Debentures.*

The returns received by the investors from Debentures issued by the Trust in the form of interest and the gains on the sale/transfer of the Debentures may be subject to tax liabilities under the Income Tax Act, 1961. For details of possible tax benefits available to the trust and NCD Holders under the applicable laws in India, please see the section titled “*Statement of Possible Tax Benefits*” on page 67.

65. *The Trust may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders, wherever applicable.*

The Trust shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency subject to such consents and approvals and other conditions, as may be required under applicable law or financing agreements, this Prospectus, the Debenture Trust Deed, by creating a charge on any assets (if so stipulated), provided the stipulated security cover is maintained, at all times.

66. *The Trust, being an infrastructure investment trust is not required to maintain debenture redemption reserve (“DRR”) for the NCDs.*

The provisions of the Companies Act, 2013 require maintenance of a DRR by an issuer of debt securities, upon availability of distributable profits in the company. However, such provisions are not applicable to the Trust in accordance with the SEBI Debt Issue Guidelines, SEBI ILNCS Regulations and the SEBI Operational Circular.

67. *Any additional debt financing or issuance of additional Units may have a material, adverse effect on the Trust’s distributions, and your ability to participate in future rights offerings may be limited.*

The Investment Manager may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders’ entitlement to distributions.

SECTION III: INTRODUCTION

GENERAL INFORMATION

National Highways Infra Trust

National Highways Infra Trust (“**Trust**”) was settled on October 19, 2020, in New Delhi pursuant to the Trust Deed as a contributory irrevocable trust in accordance with the Indian Trusts Act, 1882. The Trust was registered with SEBI on October 28, 2020, under Regulation 3(1) of the InvIT Regulations and has obtained a certificate of registration from SEBI bearing number IN/InvIT/20-21/0014. The principal place of business of the Trust is situated at G - 5 & 6, Sector 10, Dwarka, New Delhi – 110 075.

The Permanent Account Number of the Trust is AADTN5721E.

The LEI of the Trust is 335800OW8TPNQDFJB71.

The Trust is an infrastructure investment trust established for making investments in special purpose vehicles as defined under Regulation 2(1)(zy) of the InvIT Regulations, or infrastructure projects or securities of Indian companies engaged in the infrastructure sector, as may be permitted in terms of Regulation 18(5) of the InvIT Regulations. For information on the background of the Trust and the description of the InvIT Assets, please see the sections titled “*Overview of the Trust*” and “*Our Business*” on pages 131 and 91, respectively.

The Sponsor – National Highways Authority of India

Head office and address for correspondence:

G-5 & 6,
Sector – 10,
Dwarka, New Delhi – 110 075

Contact Person of the Sponsor

NRVVMK Rajendra Kumar is the contact person of the Sponsor. His contact details are as follows:

NRVVMK Rajendra Kumar

G-5 & 6
Sector – 10, Dwarka
New Delhi 110 075
Tel: + 91 11 2507 4100 Extn: 1619
Fax: +91 11 2509 3605
Email: memberfinance@nhai.org
Website: www.nhai.gov.in

The Investment Manager - National Highways Infra Investment Managers Private Limited

Registered office and address for correspondence:

G - 5 & 6,
Sector 10, Dwarka,
New Delhi 110 075
Tel: +91 11 2507 6536
Fax: +91 11 2507 6536
Email: nhiimpl@nhai.org
Contact Person: Suresh Goyal

Chief Financial Officer of the Investment Manager (acting on behalf of the Trust)

Mathew George

11/435 A, Kizhekkebagathu,
86 Shantipuram, Near NGO Quarter, Kakkanad Thrikkara,
North (Part), Vadacode,
Ernakulam 682021
Kerala, India
Tel: +91 11 2507 4100 Extn: 1608
E-mail: cfo.nhim@nhai.org

Compliance Officer of the Investment Manager (acting on behalf of the Trust)

The Compliance Officer is Gunjan Singh. Her contact details are as follows:

Gunjan Singh

Address: G-5 & 6,

Sector – 10,

Dwarka, New Delhi 110 075

Tel: +91 11-2507 4100 Extn: 1671

Fax: +91 11 2507 4100

E-mail: cs.nhim@nhai.org

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice cum unblocking intimation, demat credit of allotment of NCDs and non-receipt of funds by electronic mode.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the application, Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism (app based/web interface platform) of the Stock Exchanges, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue

The Project Manager – National Highways InvIT Project Managers Private Limited

The Project Manager (directly or through the appointment of appropriate agents) undertakes operations and management of the Trust, including making arrangements for maintenance of the assets held by the Trust

Registered office and address for correspondence

G - 5 & 6,

Sector 10, Dwarka,

New Delhi 110 075

Tel: +91 11 2507 4100 Ext: 1641

E-mail: bmrao@nhai.org

Contact Person: Shri Bugatha Muralidhara Rao

CIN: U45201DL2021GOI378178

The Trustee – IDBI Trusteeship Services Limited

Registered Office and correspondence address

Asian Building, Ground Floor

17, R. Kamani Marg

Ballard Estate

Mumbai 400 001

Tel: +91 11 45708885

Fax: +91 22 6631 1776

E-mail: delhiitsl@idbitrustee.com

Contact Person: Deepak Kumar

Website: www.idbitrustee.com

Other Parties involved in the Trust

Auditors

A.R. & Co.

A-403, Gayatri Apartment,
Airlines Group Housing Society,
Plot No 27, Sector -10, Dwarka,
New Delhi 110 075
Delhi, India

Telephone number: +91 9810195084 / 9810444051

E-mail: ar_co1981@yahoo.co.in, pawankgoel1@gmail.com

Contact Person: CA. Pawan K Goel

Firm Registration Number: 002744C

Peer Review Certificate Number: 011988

Valuer

RBSA Valuation Advisors LLP

Unit No. 1121, 2nd Floor
Building No. 11, Solitaire Corporate Park
Guru Hargovindji Road, Chakala
Andheri East, Mumbai 400 093
Maharashtra, India

Contact Person: Ravishu Vinod Shah

Telephone No.: +91 22 6130 6000

Email id: ravishu.shah@rbsa.in

Website: www.rbsa.in

RVE Registration No: IBBI/RV-E/05/2019/110

RV No.: IBBI/RV/06/2020/12728

Technical Consultants

Consulting Engineers Group Limited

CEG Tower, B11G Malviya Industrial Area,
Malviya Nagar, Jaipur – 302017,
Rajasthan, India

Contact Person: Dharmendra Kumar Mishra

Telephone number: +91 141 2751801

Fax number: +91 0141 2751806

E-mail: hqjpr@cegindia.com, business@cegindia.com

Website: www.cegindia.com

Samarth Infraengg Technocrats Private Limited

#6-3-1100/5, 2nd Floor,
Rajbhavan Road, Somajiguda
Hyderabad 500082
Andra Pradesh, India

Tel: +91 040 2341 2731

Fax: +91 040 2341 2730

Website: www.Samarth-infraengg.com

E-mail: Sridhar@Samarth-infraengg.com

Contact Person: D V Sridhar Murthy

Traffic Consultants

CRISIL Research

CRISIL House, Central Avenue,
Hiranandani Business Park,
Powai, Mumbai 400 076,
Maharashtra, India

Tel: +91 (22) 3342 3000

Fax: +91 (22) 3342 1830

Website: www.crisil.com

Steer Davies Gleave India Private Limited

S3,Vatika Business Centre, Vatika Triangle
MG Road, Gurgaon, Haryana- 122002

Tel: +91 124 4418650

Fax: +44 2079105001

Website: www.steergroup.com

E-mail: vaibhav.gupta@steergroup.com

Contact Person: Vaibhav Gupta

Ramboll India Private Limited
Floor – 17, The Epitome, Building No. 5
Tower B, DLF
Cyber Terrace Phase III
Gurgaon, Haryana – 122 002, India
Tel: +91 124 4611 999
Fax: +91 124 4611 998
Website: www.ramboll.com
E-mail: srch@ramboll.com
Contact Person: Srinivas Chekuri

Lead Managers to this Issue



JM FINANCIAL LIMITED
7th Floor, Cnergy
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Tel: (91 22) 6630 3030
Fax: (91 22) 6630 3330
E-mail: NHIT.bondissue2022@jmfl.com
Investor Grievance Email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
Compliance Officer: Sunny Shah
SEBI Registration No.: INM000010361
CIN: L67120MH1986PLC038784



A. K. CAPITAL SERVICES LIMITED
603, 6th Floor, Windsor, Off CST Road
Kalina, Santacruz East, Mumbai 400 098
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
E-mail: nhaiinvt2022@akgroup.co.in
Investor Grievance E-mail:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Aanchal Wagle / Mathew Thomas
Compliance Officer: Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881



ICICI SECURITIES LIMITED
ICICI Venture House, Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
Fax: +91 22 6807 7801
E-mail: nhitinvtncd@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Rupesh Khant/Sumit Singh
Compliance Officer: Ankit Sharma
SEBI Registration Number: INM000011179
CIN: L67120MH1995PLC086241



SBI CAPITAL MARKETS LIMITED
202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005,
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
E-mail: nhaiinvt.ncdissue@sbicaps.com
Investor Grievance E-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mandeep Singh
Compliance Officer: Bhaskar Chakraborty
SEBI Registration Number: INM000003531
CIN: U99999MH1986PLC040298



TRUST INVESTMENT ADVISORS PRIVATE LIMITED

109 & 110, First FL, Balarama Premises Co-Op Soc, Vilg Parigkhari, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4084 5000

Fax: +91 22 4084 5066

E-mail: Trust.nhitNCD@trustgroup.in

Investor Grievance E-mail: customercare@trustgroup.in

Website: www.trustgroup.in

Contact Person: Sumit Singh

Compliance Officer: Brijmohan Bohra

SEBI Registration Number: INM000011120

CIN: U67190MH2006PTC162464

Debenture Trustee to the Issue**SBICAP Trustee Company Limited**

SBICAP Trustee Company Limited

Mistry Bhavan, 4th Floor,

122 Dinshaw Vachha Road,

Churchgate, Mumbai 400 020

Tel: +91 22 4302 5500/66

Email: corporate@sbicaptrustee.com

Investor Grievance Email: investor.cell@sbicaptrustee.com

Website: www.sbicaptrustee.com

Contact Person: Jatin Bhat

Compliance Officer: Jatin Bhat

SEBI Registration No.: IND000000536

CIN: U65991MH2005PLC158386

SBICAP Trustee Company Limited has, pursuant to Regulation 8 of SEBI ILNCS Regulations, by its letter dated September 22, 2022 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in this Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. Please see “**Annexure F**” of this Prospectus.

All the rights and remedies of the Debenture Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by the Trust for this Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by the Trust to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge the Trust *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed please see the section titled “*Issue Related Information*” on page 251.

Legal counsel to the Issue

Cyril Amarchand Mangaldas

5th Floor, Peninsula Chambers

Peninsula Corporate Park

Ganpatrao Kadam Marg

Lower Parel

Mumbai 400 013

Tel: +91 22 2496 4455

Registrar and Transfer Agent

KFin Technologies Limited (formerly known as “KFin Technologies Private Limited”)



**KFin Technologies Limited
(formerly, KFin Technologies Private Limited)**

Selenium, Tower B

Plot No. 31 & 32, Financial District

Nanakramguda, Serilingampally

Hyderabad, Rangareddi 500 032

Telangana, India

Tel: +91 40 6716 2222

Fax: +91 40 2343 1551

Toll free number: 18003094001

E-mail: nhit.ncdipo@kfintech.com

Investor Grievance E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M. Murali Krishna

Compliance officer: Anshul Kumar Jain

SEBI Registration No.: INR000000221

CIN: U72400TG2017PLC117649

KFin Technologies Limited (formerly known as “KFin Technologies Private Limited”) has by its letter dated September 14, 2022 given its consent for its appointment as Registrar to the Issue and for its name to be included in this Prospectus, and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Issue.

Applicants or prospective investors may contact the Registrar to the Issue or the Investment Manager’s Company Secretary and Compliance Officer (acting on behalf of the Trust) in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, transfers, etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, amount paid on application, Depository Participant (“DP”) name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than retail individual investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of retail individual investors bidding through the UPI mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for and amount blocked on Application.

All grievances arising out of Applications for the NCDs made through the online mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges.

Statutory Auditors

A.R. & Co.

A-403, Gayatri Apartment,

Airlines Group Housing Society, Plot No 27, Sector -10

New Delhi -110075, Dwarka

Tel: + 91 98101 95084 / +91 98104 44051

E-mail: ar_co1981@yahoo.co.in, pawankgoel1@gmail.com

Contact Person: CA. Pawan K Goel

Firm Registration No: 002744C

Peer Review No: 011988

Change in Statutory Auditors in the last three years:

There has been no change in the statutory auditors of the Trust since its settlement.

Credit Rating Agencies



CARE Ratings Limited

32, Titanium, Prahaladnagar Corporate Road, Satellite
Ahmedabad 380 015

Tel: +91 79402 65656

Fax: +91 79402 65657

E-mail: Maulesh.Desai@careedge.in

Website: www.careratings.com

Contact Person: Maulesh Desai

SEBI Registration Number: IN/CRA/004/1999

CIN: L67190MH1993PLC071691



India Ratings and Research Private Limited

Wockhardt Towers, 4th floor,
Bandra Kurla Complex, Bandra East,

Mumbai 400 051

Tel: +91 22 4000 1700

Fax: + 91 22 4000 1701

E-mail: infogrp@indiaratings.co.in

Contact Person: Rishabh Jain

SEBI Registration Number: IN/CRA/002/1999

CIN: U67100MH1995FTC140049

Credit Rating and Press Release

The NCDs proposed to be issued pursuant to this Issue were rated and revalidated 'PROVISIONAL CARE AAA;Stable' by way of their letter dated August 25, 2022 and further revalidated on September 23, 2022 by CARE Ratings Limited for an amount of up to ₹ 15,000 million. Subsequently, pursuant to letter dated October 10, 2022, the NCDs proposed to be issued pursuant to this Issue have been rated 'CARE AAA;Stable' by CARE Ratings Limited for an amount of up to ₹ 15,000 million.

Additionally, the NCDs proposed to be issued were rated as 'PROVISIONAL IND AAA/Stable' by India Ratings and Research Private Limited for an amount of up to ₹ 15,000 million by way of the letter dated September 20, 2022 and subsequently rated as 'IND AAA/Stable' by India Ratings and Research Private Limited for an amount of up to ₹ 15,000 million by way of the letter dated October 10, 2022.

The ratings provided by CARE Ratings Limited and India Ratings and Research Private Limited may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding the rating letters and press release for the aforementioned rating, please see the "CARE Rating and Press Release" and "India Ratings Rating and Press Release", attached as Annexure B1 and Annexure B2 of this Prospectus, respectively.

Disclaimer clause of CARE Ratings Limited

Please see below the disclaimer from CARE Ratings Limited:

"The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades."

Disclaimer clause of India Ratings & Research Private Limited

Please see below the disclaimer from India Ratings & Research Private Limited:

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and

methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.

Banker to the Issue

Public Issue Account Bank(s), Refund Bank(s) and Sponsor Bank to this Issue



ICICI Bank Limited

Capital Market Division, 5th Floor

HT Parekh Marg

Churchgate, Mumbai 400 020

Tel: +91 22 6805 2182

E-mail: sagar.welekar@icicibank.com/ipocmg@icicibank.com

Website: www.icicibank.com

Contact Person: Sagar Welekar

SEBI Registration Number: INBI00000004

CIN: L65190GJ1994PLC021012

Consortium Members to this Issue



Name: JM Financial Services Limited

Address: Ground Floor, 2,3&4, Kamanwala Chambers

Sir P.M. Road, Fort

Mumbai – 400001

Maharashtra, India

Telephone number: +91 22 6136 3400

E-mail: tn.kumar@jmfl.com / sona.verghese@jmfl.com

Website: www.jmfinancialservices.in

Investor Grievance E-mail: ig.distribution@jmfl.com

Contact Person: T N Kumar/ Sona Verghese

Compliance Officer: Mr. Aman Agarwal

SEBI Registration Number: INZ000195834

CIN: U67120MH1998PLC115415



Name: A. K. Stockmart Private Limited

Address: 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz – (East),

Mumbai – 400098

Telephone Number: +91 22 6754 6500

Fax: +91 22 6610 0594

Email: ashit.raja@akgroup.co.in; ranjit.dutta@akgroup.co.in

Investor Grievance E-mail: investorgrievance@akgroup.co.in

Contact Person: Ashit Raja; Ranjit Dutta

Compliance Officer: Ashit Raja

SEBI Registration Number: INZ000240830

CIN: U67120MH2006PTC158932

Name: SBICAP Securities Limited
Address: Marathon Futurex, B Wing, Unit no 1201, 12th Floor, N M Joshi Marg, Lower Parel, Mumbai – 400013
 Maharashtra, India
Telephone number: +91 22 69316204
E-mail: archana.dedhia@sbicapsec.com
Website: www.sbisecurities.com
Investor Grievance E-mail: complaints@sbicapsec.com
Contact Person: Ms. Archana Dedhia
Compliance Officer: Ms. Dhanashri Kenkre
SEBI Registration Number: INZ000200032
CIN: U65999MH2005PLC155485



| | | |
|-----------------------------------|--|--|
| Name: | Trust Financial Consultancy Services Private Limited | Trust Securities Services Private Limited |
| Address: | 1101, Naman Centre, 'G' Block, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 | 1202, Naman Centre, 'G' Block, C-31, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 |
| Telephone number: | +91 22 4084 5000 | +91 22 2656 7536 |
| Fax: | +91 22 4084 5066 | +91 22 2656 6598 |
| E-mail: | pranav.inamdar@trustgroup.in, Trust.nhitNCD@trustgroup.in | parth.maniar@trustgroup.in, Trust.nhitNCD@trustgroup.in |
| Investor Grievance E-mail: | grievances@trustgroup.in | grievances@trustgroup.in |
| Website: | www.trustgroup.in | www.trustgroup.in |
| Contact Person: | Pranav Inamdar | Parth Maniar |
| Compliance Officer: | Rajesh Nag | Sanyog Murdia |
| SEBI Registration Number: | INZ000238639 | INZ000158031 |
| CIN: | U67120MH2002PTC135942 | U65929MH2016PTC287266 |

Minimum subscription

In terms of the SEBI ILNCS Regulations for an issuer undertaking a public issue of debentures the minimum subscription for public issue of debentures shall be 75% of the Base Issue Size i.e. ₹ 5,625.00 million. If the Trust does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the ASBA Accounts of the Applicants within 8 (eight) Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, the Trust shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

If the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Trust, the Investment Manager and /or Registrar, refunds will be made to the account prescribed. However, where the Trust, the Investment Manager and/or Registrar to the Issue does not have the necessary information for making such refunds, the Trust, the Investment Manager and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the SEBI Operational Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Underwriting

This Issue will not be underwritten.

Recovery Expense Fund

The Trust shall create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI ILNCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Trust under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Arrangers to the Issue

There are no arrangers to the Issue.

Guarantor to the Issue

There are no guarantors to the Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned links.

In relation to Applications submitted to a member of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Member of the Consortium at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

In relation to Applications submitted under the ASBA process to a Member of the Consortium, the list of branches of the SCSBs at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms and Application Forms where investors have opted for payment via the UPI Mechanism, from the Members of the Consortium is available on the website of SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Consortium at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

Registered Brokers / RTAs / CDPs

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL /11/2015 dated November 10, 2015 and the ASBA Circular, applicants can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, *i.e.*, through the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and

<http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

For further details, please see the section titled “*Issue Procedure*” on page 273.

Utilisation of Issue proceeds

For details on utilisation of Issue proceeds, please see the section titled “*Objects of the Issue*” on page 63.

Issue Schedule

| | |
|---------------------------------|---|
| ISSUE OPENS ON | Monday, October 17, 2022 |
| ISSUE CLOSSES ON | Monday, November 7, 2022 |
| PAY IN DATE | Application Date. The entire Application Amount is payable on Application. |
| DEEMED DATE OF ALLOTMENT | The date on which the Board of Directors of the Investment Manager approves the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment. |

Note: The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during the period indicated in this Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure of or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section titled “General Information – Issue Schedule” on page 49.

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) (“**Bidding Period**”) or such extended time as may be permitted by the Stock Exchanges, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither the Trust, Investment Manager, nor the Lead Managers or Trading Members of the Stock Exchanges, any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

Inter-se Allocation of Responsibilities among the Lead Managers:

The following table sets forth the distribution of responsibility and coordination for various activities amongst the Lead Managers.

| No | Activities | Responsibility | Co-ordinator |
|----|---|-------------------|--------------|
| 1. | Due diligence of Issuer’s operations/ management/ business plans/ legal etc. Drafting and designing of the offering document. (The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchange and SEBI including finalization of Offering Document). Draft | All Lead Managers | JM |

| No | Activities | Responsibility | Co-ordinator |
|-----|--|-------------------|--------------|
| | Prospectus, Prospectus(es) (together "Offer Documents") Coordination with the Stock Exchanges for in-principle approval | | |
| 2. | Structuring of various issuance options with relative components and formalities etc. | All Lead Managers | JM |
| 3. | Co-ordination with SEBI for exemptions, if any | All Lead Managers | SBICAPS |
| 4. | Co-ordination with auditors for auditor deliverables including comfort letter and co-ordination with lawyers for legal opinion | All Lead Managers | SBICAPS |
| 5. | Finalization of Application Form | All Lead Managers | ISEC |
| 6. | Drafting and approval of statutory advertisement | All Lead Managers | ISEC |
| 7. | Appointment of other intermediaries viz., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank. | All Lead Managers | ISEC |
| 8. | Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 6 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc. | All Lead Managers | ISEC |
| 9. | Preparation of road show presentation, FAQs. | All Lead Managers | JM + SBICAP |
| 10. | Marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> • Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Offer Documents, posters, banners, etc. • Finalise collection centres • Coordinate with Registrar for collection of Application Forms by ASBA banks; Finalisation of list and allocation of institutional investors for one on one meetings. | All Lead Managers | ISEC |
| 11. | Domestic institutions/banks/mutual funds marketing strategy: Finalize the list and division of investors for one on one meetings, institutional allocation | All Lead Managers | Trust |
| 12. | Non-institutional marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> • Finalize media, marketing and public relation strategy and publicity budget Finalize centers for holding conferences for brokers, etc. | All Lead Managers | Trust |
| 13. | Coordination with the Stock Exchanges for use of the bidding software | All Lead Managers | Trust |
| 14. | Coordination for security creation by way of execution of Debenture Trust Deed | All Lead Managers | AK Capital |
| 15. | Post-issue activities including - <ul style="list-style-type: none"> • Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and Allotment resolution | All Lead Managers | AK Capital |
| 16. | <ul style="list-style-type: none"> • Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.; • Coordination for generation of ISINs; • Corporate action for dematerialized credit /delivery of securities; • Coordinating approval for listing and trading of securities; and Redressal of investor grievances in relation to post issue activities. | All Lead Managers | AK Capital |

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the section titled “General Terms of the Issue” on page 251.

Common terms of NCDs

TERM SHEET – DEBT ISSUANCE BY NATIONAL HIGHWAYS INFRA TRUST

| Particulars | Details |
|--|--|
| Security Name | 7.90% NHIT STRPP A, 7.90% NHIT STRPP B, 7.90% NHIT STRPP C |
| Issuer | National Highways Infra Trust. |
| Lead Managers | JM Financial Limited, A.K. Capital Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and Trust Investment Advisors Private Limited. |
| Debenture Trustee | SBICAP Trustee Company Limited. |
| Registrar to the Issue | KFin Technologies Limited (formerly known as KFin Technologies Private Limited). |
| Type and nature of instrument | Secured, Rated, Listed, Redeemable, Non-Convertible Debentures. |
| Seniority | Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). |
| Mode of Issue | Public Issue. |
| Issue | Public issue by the Issuer of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000/- each, (comprising of 3 (three) separately transferable and redeemable principal parts (“STRPP”) namely 1 STRPP A of face value of ₹ 300/-, 1 STRPP B of face value of ₹ 300/- and 1 STRPP C of face value of ₹ 400/-, for an amount of up to ₹ 15,000 million (“Total Issue Size”). |
| Base Issue Size | ₹ 7, 500 million |
| Option to retain Oversubscription / Green shoe option (Amount) | ₹ 7, 500 million |
| Minimum Subscription | 75% of the Base Issue Size i.e. ₹ 5,625.00 million |
| Total Issue Size | Up to ₹ 15,000 million. |
| Minimum application | ₹ 10,000 (i.e. 10 NCDs comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C). |
| In multiples of | ₹ 1,000 (1 NCD comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C) thereafter. |
| Stock Exchange/s proposed for listing of the NCDs | BSE Limited and National Stock Exchange of India Limited. |
| Listing and timeline for listing | The NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited. BSE has been appointed as the Designated Stock Exchange. The NCDs shall be listed within 6 (six) Working Days from the Issue Closing Date. |
| Mode of Payment | Please see the section titled “Issue Procedure” on page 273. |
| Mode of Allotment* | Compulsorily in dematerialised form. |
| Mode of Trading | STRPPs will be traded in dematerialised form. |
| Mode of settlement | Please refer to the chapter titled “General Terms of the Issue – Payment on Redemption” on page 257 |
| Market Lot (for bidding) | 1 (one) NCD. |
| Trading Lot | Subsequent to the listing, the trading lot shall be 1 (one) STRPP bearing individual ISIN forming part of any NCD, which will be tradable by the NCD Holders. |
| Depositories | NSDL and CDSL. |
| Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Prospectus | <p>Security</p> <p>The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest/coupon due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by:</p> <p>(a) a first ranking <i>pari passu</i> Security Interest over the Issuer’s immovable assets (if any), both present and future. The Issuer does not own any immovable property at the present time. In the event, the Issuer acquires any immovable property in future, the Issuer shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/or modifications, as may be required to give effect the same, including carrying out the due diligence as</p> |

| Particulars | Details |
|-----------------------------------|---|
| | <p>may be required by Debenture Trustee;</p> <p>(b) a first ranking <i>pari passu</i> Security Interest over the Hypothecated Assets (including Receivables), both present and future; and</p> <p>(c) Negative Lien Undertaking;</p> <p>(d) corporate guarantee executed or to be executed by the Project SPV in favor of the Debenture Trustee for guaranteeing the due repayment of the secured obligations in accordance with the terms in the Debenture Trust Deed.</p> <p>The security interest/ security documents stipulated above shall be collectively referred to as the “Security”.</p> <p>Security Creation Timelines</p> <p>(a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s).</p> <p>(b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, (i) the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents.</p> <p>Ranking</p> <p>The Security created or to be created to secure the NCDs shall be first ranking <i>pari passu</i> security interest <i>inter se</i> the Existing Lenders, the Debenture Trustee (acting on behalf of the NCD Holders) and the Additional Lenders. The Issuer is permitted to provide and/or share any Security with the Additional Lenders for the purpose of securing the Additional Debt, provided that the availing of the Additional Debt is in compliance with the Additional Debt Conditions and a 15 (fifteen) calendar days’ prior written intimation is provided to the Debenture Trustee.</p> <p>The Issuer shall maintain a minimum 100% security cover on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times.</p> |
| Security Cover [#] | The Issuer shall maintain a minimum 100% security cover on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times. |
| Who can apply/ Eligible Investors | Please see the section titled “ <i>Issue Procedure – Application Process</i> ” on page number 272. |
| Additional Debt Condition | <p>During the tenor of the NCDs, the Issuer is permitted to raise additional indebtedness subject to compliance of the below conditions (“Additional Debt”):</p> <ul style="list-style-type: none"> - As long as the credit rating of the NCDs is AAA from all Indian rating agencies that have an outstanding rating; there should not be any outstanding credit rating from any Indian rating agency below AAA; <i>provided that</i> this condition relating to credit rating of NCDs being AAA, shall not be applicable in case of any additional indebtedness availed/to be availed by the Issuer for meeting expenditure relating to (a) any statutory requirements; (b) major maintenance and improvement of any project developed by the Project SPV/any new SPV (as defined under the SEBI InvIT Regulations) of the Issuer; - The consolidated borrowings of the Issuer shall not exceed 70% of the value of InvIT assets as defined by SEBI in the SEBI InvIT Regulations (as amended from time to time); - Any additional borrowing exceeding the consolidated borrowing of 49% of the value of InvIT assets shall only be utilized as per SEBI InvIT Regulations; |

| Particulars | Details |
|---|---|
| | <p>- Consolidated debt/ EBITDA shall be lower than 9x; such covenant shall be tested from financial year 2024 and every year thereafter based on audited financials of the previous financial year.</p> <p>In the event any security is to be shared with the lenders of Additional Debt, the Debenture Trustee shall be authorized, upon receipt of the certificate of the Auditor of the Issuer confirming the security cover and that the above stated conditions have been complied by the Issuer, to share the Security on pari passu basis with any new lender, provided that the conditions of raising such additional debt are in compliance with the provisions herein and a 15 (fifteen) calendar days' prior written intimation is provided to the Debenture Trustee.</p> |
| Credit Ratings | NCDs proposed to be issued are rated 'CARE AAA;Stable' by CARE Ratings Limited and 'IND AAA/Stable' by India Ratings and Research Private Limited. |
| Record Date | <p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the record date.</p> <p>In case of Maturity Date (being the date of last redemption installment) of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.</p> |
| Issue Schedule | <p>The Issue shall open from Monday, October 17, 2022 to Monday, November 7, 2022 and shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during this period, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure of or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date.</p> |
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | <p>As specified in the Prospectus and the Debenture Trust Deed. Any additional covenants subsequent to the allotment of NCDs shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.</p> <p>Additional Conditions:</p> <p>a. The Issuer/Project SPV/any other entity owned by the Issuer shall be permitted to acquire any new SPVs and/ or new projects (as defined under the InvIT</p> |

| Particulars | Details |
|---|---|
| | <p>Regulations) subject to a credit rating of at least AA is maintained by the Trust post-acquisition of such new SPV(s) and/or new projects. The details regarding the acquisition of the projects/ SPV, shall be intimated to Debenture Trustee within 120 days from the date of completion of such acquisition.</p> <p>b. In relation to the Issuer’s obligations for funding the major maintenance reserve account, the Issuer could avail an additional term loan facility (“MMRA Loan”). In respect of the MMRA Loan, the Issuer shall submit to the Debenture Trustee, at least an in-principle sanction letter for the MMRA Loan, 12 (twelve) months prior to the due date for undertaking such major maintenance related expenditure, as per the base case business plan of the Issuer (“MMRA Due Date”), and the final sanction letter at least 6 (six) months prior to the MMRA Due Date. If the Issuer fails to submit the final sanction letter for the MMRA Loan, within the aforesaid timeline, then the Issuer shall at least fund the major maintenance reserve account, from its own cash flows, such that the amounts standing to the credit of the major maintenance reserve account are equivalent to the major maintenance requirement for the ensuing year.</p> <p>For the purpose of undertaking any action which is not in compliance with any of the above mentioned conditions, the Issuer would be required to obtain approval from the Debenture Trustee for which the Debenture Trustee would have to secure an approval from at least 50% of the NCD Holders by value.</p> |
| Objects of the Issue/ Purpose for which there is requirement of funds | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 63. |
| Details of the utilisation of Issue proceeds | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 63. |
| Coupon, Interest rate, Interest payment date, Interest type and redemption premium/discount | STRPP A of an NCD – 7.90% p.a. payable semi-annually STRPP B of an NCD – 7.90% p.a. payable semi-annually STRPP C of an NCD – 7.90% p.a. payable semi-annually |
| Step up/ Step down interest rates | Not applicable. |
| Coupon/Interest Reset Process (including rates, spread, effective date, interest rate cap and floor etc). | Not applicable |
| Coupon payment frequency | Semi-annual basis from the Deemed Date of Allotment |
| Interest on application money | Not Applicable |
| Tenor | STRPP A of an NCD – 13 years STRPP B of an NCD – 18 years STRPP C of an NCD – 25 years For further details, please refer to the chapter titled “ <i>General Terms of the Issue</i> ” on page 251. |
| Default Coupon Rate | The Issuer shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, dematerialized credit, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under Applicable Law. The Issuer shall pay up to 2% per annum to the NCD holders, over and above the agreed coupon rate, till the execution of the debenture trust deed if the Issuer fails to execute the debenture trust deed within such period as prescribed under Applicable Law. |
| Redemption Date | The redemption of the respective STRPP shall be made in equal annual instalments starting from (i) the 8 th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 13 th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 18 th anniversary of the Deemed Date of Allotment for STRPP C, more particularly set out in the Redemption Schedule in the “ <i>General Terms of the Issue</i> ” on page 251. |
| Maturity Date | (i) the 13 th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 18 th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 25 th anniversary of the Deemed Date of Allotment for STRPP C, more particularly set out in the Redemption Schedule in the “ <i>General Terms of the Issue</i> ” on page 251. |

| Particulars | Details |
|---|---|
| Redemption Amount | Each STRPP will be redeemed at face value in equal annual instalments on Redemption Dates as given under ' <i>Issue Structure</i> ' on page 263. |
| Redemption Premium / Discount | Redemption at par. |
| Face Value (in ₹ per NCD) | Each NCD has a face value aggregating to ₹ 1,000 (Rupees One Thousand only). Each NCD shall comprise of 3 STRPPs having different ISINs and face value: (a) 1 STRPP A of face value of ₹ 300; (b) 1 STRPP B of face value of ₹ 300; (c) 1 STRPP C of face value of ₹ 400. |
| Issue Price (in ₹ per NCD) | Face Value of ₹ 1,000/- per NCD consisting of 1 (one) STRPP A with face value of ₹ 300/-, 1 (one) STRPP B with face value of ₹ 300/- and 1 (one) STRPP C with face value of ₹ 400/-. |
| Discount at which security is issued and the effective yield as a result of such discount | Please refer to " <i>Specific Terms for NCDs</i> " on page 269 |
| Day count convention | Actual/ Actual. |
| Working Days convention/Day count convention / Effect of holidays on payment/ Business Day Convention | Working Day means all days on which commercial banks in Delhi is open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the dates of the future interest payments would continue to be as per the originally stipulated schedule. Payment of coupon will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force. In case any Redemption Date or Maturity Date does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the outstanding face value of the respective STRPP till the date of such payment. |
| Issue Agreement | Agreement dated September 30, 2022 entered into by the Investment Manager (acting on behalf of the Issuer), the Trustee (acting on behalf of the Issuer) and the Lead Managers. |
| Issue Opening Date | Monday, October 17, 2022 |
| Issue Closing Date** | Monday, November 7, 2022 |
| Date of earliest closing of the Issue, if any | Not applicable |
| Pay-in Date | Application Date. The entire Application Amount is payable on Application. |
| Deemed Date of Allotment | The date on which the Board of Directors of the Investment Manager approves the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment. |
| Put Option Date | Not applicable |
| Put Option Price | Not applicable |
| Call Option Date | Not applicable |
| Call Option Price | Not applicable |
| Put/Call Option Price | Not applicable |
| Put Notification Time | Not applicable |
| Call Notification Time | Not applicable |
| Transaction documents | Transaction Documents shall mean the Draft Prospectus, this Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and related power of attorney and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by the Issuer with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee |

| Particulars | Details |
|--|---|
| | Agreement, the Tripartite Agreement(s), the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. |
| Conditions precedent to this Issue | Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILNCS Regulations, there are no conditions precedent to the Issue. |
| Conditions subsequent to this Issue | Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILNCS Regulations, there are no conditions subsequent to the Issue. |
| Events of default (including manner of voting /conditions of joining Inter Creditor Agreement) | Please refer to the chapter titled “ <i>General Terms of the Issue – Events of Default</i> ” on page number 254 and as set out in the Debenture Trust Deed. |
| Creation of recovery expense fund | The Issuer shall create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI ILNCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security. |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | <p>Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained herein and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.</p> <p>As per the Debenture Trust Deed, the Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Issuer of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.</p> <p>Please refer to the section titled “<i>General Terms of the Issue – Events of Default</i>” on page 254.</p> |
| Provisions related to Cross Default | As per the Debenture Trust Deed to be executed in accordance with applicable law. |
| Risk Factors pertaining to the Issue | Please see the section titled “ <i>Risk Factors</i> ” on page number 16. |
| Roles and responsibilities of the Debenture Trustee | As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, and the Debenture Trust Deed. |
| Governing law and jurisdiction | Any dispute in relation to NCDs shall be governed by laws of India and courts and tribunals in Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of NCDs. |

* In terms of Regulation 7 of the SEBI ILNCS Regulations, the Issuer will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs/STRPPs shall be compulsorily in dematerialized form.

** The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during the period indicated in this Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure of or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section titled “*General Information – Issue Schedule*” on page 49.

While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

In terms of Regulation 7 of the SEBI ILNCS Regulations, the Trust will make public issue of NCDs in the dematerialised form. However, the NCD Holder who wish to hold the NCDs/STRPPs post allotment in physical form may rematerialize their NCDs/STRPPs subject to applicable law and in the manner provided under applicable law. For further information in this regard, please see the section titled “*General Terms of the Issue*” on page 251.

Other Details

Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR)

The Trust, being an infrastructure investment trust is not required to maintain debenture redemption reserve (“**DRR**”) for the NCDs.

Default in Payment

The Trust has not issued any non-convertible securities since the date of its settlement. Therefore, there has been no default in payment.

Delay in Listing

The Trust has not issued any non-convertible securities since the date of its settlement. Therefore, there has not been any delay in listing.

Delay in allotment of securities and unblocking of application money in case of refund

The Trust has not issued any non-convertible securities since the date of its settlement. Therefore, there has been no delay in allotment or unblocking of application money by the Trust.

INFORMATION CONCERNING THE UNITS

The following is the Unit capital of the Trust as on the last quarter ended September 30, 2022

| Units | Particulars |
|---|-------------|
| Unit capital (in ₹ million) | 60,115.20 |
| Units issued and outstanding (in million) | 595.20 |

Changes in unit capital structure as on the last quarter ended September 30, 2022, since the settlement of the Trust

There have been no changes in the unit capital structure of the Trust since the initial offer by way of private placement on November 3, 2021. For further details in relation to the initial offer by way of private placement, please see the section titled “- Unit capital history as on September 30, 2022 since the date of settlement of the Trust” below.

Unit capital history since the date of settlement of the Trust

The following is the Unit capital history of the Trust, since its registration as an infrastructure investment trust:

| Date of Allotment | No. of Units (in million) | Face Value (in ₹) | Issue Price (in ₹) | Type of Issue/ Nature of Allotment | Consideration (Cash, other than cash, etc.) | Cumulative | | | Remarks |
|-------------------|---------------------------|-------------------|--------------------|---|---|-----------------------------|-----------------------------|--------------|---------|
| | | | | | | Number of Unit (in million) | Unit Capital (in ₹ million) | Unit Premium | |
| November 3, 2021 | 595.20 | N.A. | 101 | Initial offer by way of private placement | Cash | 595.20 | 60,115.20 | N.A. | Listed |

Details of Unitholding of the Trust as on the last quarter ended September 30, 2022

| Category | Category of Unit holder | No. of Units held | As a % of total outstanding Units | No. of Units mandatorily held | | Number of Units pledged or otherwise encumbered | |
|----------|--|--------------------|-----------------------------------|-------------------------------|----------------------------|---|----------------------------|
| | | | | No. of Units | As a % of total Units held | No. of Units | As a % of total Units held |
| (A) | Sponsor(s) / Investment Manager / Project Manager(s) and their Associates / related parties | | | | | | |
| (1) | Indian | | | | | | |
| (a) | Individuals / HUF | - | 0 | - | 0 | - | 0 |
| (b) | Central/State Govt. | 9,56,00,000 | 16.06 | 9,56,00,000 | 16.06 | - | 0 |
| (c) | Financial Institutions/Banks | - | 0 | - | 0 | - | 0 |
| (d) | Any other | - | 0 | - | 0 | - | 0 |
| | Bodies Corporates | - | 0 | - | 0 | - | 0 |
| | Sub-Total (A) (1) | 9,56,00,000 | 16.06 | 9,56,00,000 | 16.06 | - | 0 |
| (2) | Foreign | | | | | | |
| (a) | Individuals (Non Resident Indians / Foreign Individuals) | - | 0 | - | 0 | - | 0 |
| (b) | Foreign government | - | 0 | - | 0 | - | 0 |
| (c) | Institutions | - | 0 | - | 0 | - | 0 |
| (d) | Foreign Portfolio Investors | - | 0 | - | 0 | - | 0 |
| (e) | Any Other (Bodies Corporates) | - | 0 | - | 0 | - | 0 |
| | Sub-Total (A) (2) | - | 0 | - | 0 | - | 0 |
| | Total Unitholding of Sponsor and Sponsor Group (A) = (A)(1)+(A)(2) | 9,56,00,000 | 16.06 | 9,56,00,000 | 16.06 | - | - |
| (B) | Public Holding | | | | | | |
| (1) | Institutions | | | | | | |
| (a) | Mutual Funds | 5,94,00,000 | 9.98 | | | | |
| (b) | Financial Institutions/Banks | 74,00,000 | 1.24 | | | | |
| (c) | Central/State Govt. | - | 0 | | | | |
| (d) | Venture Capital Funds | - | 0 | | | | |
| (e) | Insurance Companies | 1,80,00,000 | 3.02 | | | | |
| (f) | Provident/pension funds | 3,33,11,257 | 5.60 | | | | |

| Category | Category of Unit holder | No. of Units held | As a % of total outstanding Units | No. of Units mandatorily held | | Number of Units pledged or otherwise encumbered | |
|------------|--|--------------------|-----------------------------------|-------------------------------|----------------------------|---|----------------------------|
| | | | | No. of Units | As a % of total Units held | No. of Units | As a % of total Units held |
| (g) | Foreign Portfolio Investors | - | 0 | | | | |
| (h) | Foreign Venture Capital investors | - | 0 | | | | |
| (i) | Any Other (specify) | | 0 | | | | |
| | Bodies Corporates | 29,76,00,000 | 50.00 | | | | |
| | Alternative Investment Fund | 4,00,000 | 0.07 | | | | |
| | Sub-Total (B) (1) | 416,111,257 | 69.91 | | | | |
| (2) | Non-Institutions | | | | | | |
| (a) | Central Government / State Governments(s) / President of India | | | | | | |
| (b) | Individuals | 1,37,80,732 | 2.32 | | | | |
| (c) | NBFCs registered with RBI | - | 0 | | | | |
| (d) | Any Other (specify) | - | 0 | | | | |
| | TRUSTS | 1,00,000 | 0.02 | | | | |
| | Non Resident Indians | 8,620 | 0 | | | | |
| | Clearing Members | - | 0 | | | | |
| | Bodies Corporates | 6,95,99,391 | 11.69 | | | | |
| | | | 0 | | | | |
| | Sub-Total (B) (2) | 8,34,88,743 | 14.03 | | | | |
| | Total Public Unit holding (B) = (B)(1)+(B)(2) | 499,600,000 | 83.94 | | | | |
| | Total Units Outstanding (C) = (A) + (B) | 595,200,000 | 100 | | | | |

All the Units held are in dematerialised form.

Top 10 Unitholders and the Units held by them as at September 30, 2022

| Sr. No. | Name of Unit Holder | Total number of Units held | No of Units in demat form | Percentage of holding of total no. of Units (%) |
|---------|--|----------------------------|---------------------------|---|
| 1. | Ontario Limited | 148,800,000 | 148,800,000 | 25.00 |
| 2. | CPP Investment Board Private Holdings 4 Inc | 148,800,000 | 148,800,000 | 25.00 |
| 3. | National Highways Authority of India (the Sponsor) | 95,600,000 | 95,600,000 | 16.06 |
| 4. | SBI Balanced Advantage Fund | 56,800,000 | 56,800,000 | 9.54 |
| 5. | Trust Investment Advisors Private Limited | 19,943,478 | 19,943,478 | 3.35 |
| 6. | TSR Darashaw Limited | 15,089,883 | 15,089,883 | 2.54 |
| 7. | Trust Capital Services (India) Private Limited | 12,279,462 | 12,279,462 | 2.06 |
| 8. | Bright Star Investments Private Limited | 10,000,000 | 10,000,000 | 1.68 |
| 9. | NPS Trust – A/C SBI Pension Fund Scheme - State Government | 9,600,000 | 9,600,000 | 1.61 |
| 10. | State Bank of India | 6,200,000 | 6,200,000 | 1.04 |

Unitholding of the Sponsor, Investment Manager, Project Manager and Trustee

The Sponsor holds 95,600,000 Units, as disclosed above. The Trustee, Project Manager and the Investment Manager do not hold any Units and shall not acquire any NCDs in this Issue.

Unitholding of the directors of the Investment Manager

As on the date of this Prospectus, none of the directors of the Investment Manager hold any Units or propose to hold any Units or NCDs.

Sponsor lock-in

In terms of the InvIT Regulations, the Sponsor holds at least 15% of Units which are locked-in for a period of three years from the date of allotment of the Units in the initial offer of units.

Details of any acquisition or amalgamation in the last one year

Except for the acquisitions set out in the section titled “*Our Business*” on page 91, the Trust has not made any acquisition or amalgamation in the last one year prior to filing of this Prospectus.

Details of any reorganization or reconstruction in the last one year

The Trust has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Prospectus.

Units purchased or sold in the six months immediately preceding the date of filing of this Prospectus

In the six months immediately preceding the date of filing of this Prospectus, none of the Sponsor, Investment Manager, directors of the Sponsor, directors of the Investment Manager and/or their relatives have purchased or sold Units.

Debt / equity ratio

The debt / equity ratio (a “**Non-GAAP Measure**”), presented in this Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with Ind AS. Further, this Non-GAAP Measure is not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, Non-GAAP Measures, are not standardised terms, hence a direct comparison of Non-GAAP Measures between different organizations may not be possible. Other organizations may calculate a Non-GAAP Measure differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measure is not a measure of performance calculated in accordance with applicable accounting standards, we believe that they are useful to an investor in evaluating us as they are widely used measures to evaluate an organization’s operating performance.

(A) Consolidated Basis

The debt/ equity ratio of the Trust, on a consolidated basis, as on June 30, 2022 (prior to this Issue) is 0.24 which is based on total borrowings (consisting of non-current borrowings and current maturities of long term borrowings) of ₹ 14,628.52 million, and total Unitholders’ equity amounting to ₹ 60,777.13 million. The debt/equity ratio post the Issue

would be 0.39.

| Particulars | Pre-Issue as at June 30, 2022 (₹ in million) | Post-Issue as Adjusted for the Issue (₹ in million)* |
|--|--|--|
| Unitholders' Funds | | |
| Initial Contribution to the Trust | 0.01 | 0.01 |
| Unit Capital | 60,115.20 | 74,416.57 |
| Other Equity | 661.92 | 661.92 |
| Total Unitholders' Funds (A) | 60,777.13 | 75,078.50 |
| Long Term Borrowings | 14,503.52 | 29,503.52 |
| Short Term Borrowings | - | - |
| Other Borrowings (Current Maturity of Long Terms Borrowings) | 125.00 | 125.00 |
| Total Debt (B) | 14,628.52 | 29,628.52 |
| Total Capitalization (A+B) | 75,405.65 | 1,04,707.02 |
| Long Term Debt/Unitholders' Funds Ratio | 0.24 | 0.39 |
| Total Debt/ Unitholders' Funds Ratio | 0.24 | 0.39 |

* The Post issue Capitalization Statement has been adjusted only to consider the following two changes–

1. The Unit Capital has been increased to reflect issuance of unit capital to new unitholders pursuant to the Institutional placement of units and the preferential allotment of units to the Sponsor, assuming full subscription for both institutional and preferential placements;
2. Long Term Borrowings and the Long Term Debt/Unitholders funds ratio and Total Debt/Unitholders funds ratio is indicative and have been calculated assuming full subscription to the proposed issue of NCD's of Rs 15,000 million.

(B) Standalone Basis

The debt/ equity ratio of the Trust, on a standalone basis, as on June 30, 2022 (prior to this Issue) is 0.23 which is based on total borrowings (consisting of non-current borrowings and current maturities of long term borrowings) of ₹ 14,628.52 million, and total Unitholders' equity amounting to ₹ 62,943.46 million. The debt / equity ratio post the Issue would be 0.38.

| Particulars | Pre-Issue as at June 30, 2022 (₹ in million) | Post-Issue as Adjusted for the Issue (₹ in million)* |
|--|--|--|
| Unitholders' Funds | | |
| Initial Contribution to the Trust | 0.01 | 0.01 |
| Unit Capital | 60,115.20 | 74,416.57 |
| Other Equity | 2828.25 | 2828.25 |
| Total Unitholders' Funds (A) | 62,943.46 | 77,244.83 |
| Long Term Borrowings | 14,503.52 | 29,503.52 |
| Short Term Borrowings | - | - |
| Other Borrowings (Current Maturity of Long Terms Borrowings) | 125.00 | 125.00 |
| Total Debt (B) | 14,628.52 | 29,628.52 |
| Total Capitalization (A+B) | 77,571.98 | 1,06,873.35 |
| Long Term Debt/ Unitholders' Funds Ratio | 0.23 | 0.38 |
| Total Debt/ Unitholders' Funds Ratio | 0.23 | 0.38 |

* The Post issue Capitalization Statement has been adjusted only to consider the following two changes –

1. The Unit Capital has been increased to reflect issuance of unit capital to new unitholders pursuant to the Institutional placement of units and the preferential allotment of units to the Sponsor assuming full subscription for both institutional and preferential placements;
2. Long Term Borrowings and the Long Term Debt/Unitholders funds ratio and Total Debt/Unitholders funds ratio is indicative and have been calculated assuming full subscription to the proposed issue of NCD's of Rs 15,000 million.

OBJECTS OF THE ISSUE

The proceeds of the Issue will be up to ₹ 15,000 million (“**Issue Proceeds**”). The net Issue proceeds will be utilised towards the following objects:

- Infusion of debt into the Project SPV: The proceeds of the debt infused into the Project SPV shall be utilized by the Project SPV for: (a) part payment of (i) initial estimated concession value to the Sponsor, in terms of the Concession Agreements; (ii) initial improvement cost; (iii) major maintenance cost; and/or (b) creation and maintenance of major maintenance reserve, if any; and/or any (c) any general corporate purposes including creation and maintenance of debt service reserve account; and/or
- In the event that the Bridge Loan Facility has been drawn instead (whether partly or fully) (“**Bridge Amount**”) by the Trust, then the Trust proposes to utilise the Issue proceeds to such extent to repay the Bridge Amount; and/or
- General corporate purposes.

For brief details of the terms of the Bridge Loan Facility, please refer to the section titled “*Disclosures on Financial Indebtedness*” on page 225 of this Prospectus.

The details of the Net Proceeds are set forth in the following table:

| Particulars | Estimated Amount |
|--|------------------|
| Gross proceeds of the Issue | Up to 15,000.00 |
| Less: Issue related and other expenses to be borne by the Trust* | 169.70 |
| Net Proceeds | 14,830.30 |

* The above Issue related expenses are indicative and are subject to change depending on the actual level of subscription to the Issue, the number of allottees, market conditions and other relevant factors.

Requirements of Funds and Utilization of net Issue proceeds

The net Issue proceeds are proposed to be used in accordance with the details provided in the following table:

| Sr. No. | Particulars of Objects of the Issue | Percentage of amount proposed to be financed from Net Proceed |
|---------|---|---|
| 1. | Infusion of debt into the Project SPV: The proceeds of the debt infused into the Project SPV shall be utilized by the Project SPV for: (a) part payment of (i) initial estimated concession value to the Sponsor; (ii) initial improvement cost; (iii) major maintenance cost; and/or (b) creation and maintenance of major maintenance reserve, if any; and/or any (c) any general corporate purposes including creation and maintenance of debt service reserve account | At least 75% |
| 2. | Repayment of Bridge Loan Facility availed, if any, by the Issuer | |
| 3. | General corporate purposes* | Maximum of upto 25% |
| | Total | 14,830.30 |

*The net Issue proceeds will be first utilized towards the Objects (1) and (2) mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI ILNCS Regulations.

We believe that the infusion of the funds into the Project SPV, in order to meet its obligations under the Concession Agreements, will enable the Project SPV to acquire the necessary rights under the Concession Agreements. Accordingly, we believe that the proposed infusion of funds will be beneficial to the Trust and to NCD Holders.

The fund requirements mentioned above and the proposed deployment are based on the estimates of the Investment Manager and have not been appraised by any bank, financial institution or any other external agency. The fund requirements may vary due to factors beyond the Investment Manager’s control, such as market conditions and competitive environment. Consequently, the fund requirements are subject to revisions in the future at the discretion of the Investment Manager. In the event of any shortfall of funds for the activities proposed to be financed out of the Issue proceeds as stated above, the Investment Manager may re-allocate the Issue proceeds to the activities where such shortfall has arisen, subject to compliance with applicable law.

Details of Utilisation of Issue proceeds

The details of utilisation of the Issue proceeds are set forth herein below:

Infusion of debt into the Project SPV

The Trust proposes to utilise at least 75%, subject to ‘*Other Objects*’ as mentioned on this page below, of the Net Issue proceeds towards providing loans (“**Project SPV Facilities**”) to the Project SPV in accordance with the terms and conditions specified

in the facility agreements(s) to be executed between the Trust and the Project SPV (collectively, the “**Project SPV Facility Agreements**”), for the purpose of utilisation by the Project SPV towards: (a) part payment of (i) initial estimated concession value to the Sponsor, in terms of the Concession Agreements; (ii) initial improvement cost; (iii) major maintenance cost if any; and/or (b) any general corporate purposes including creation and maintenance of debt service reserve account.

Other Objects

The Trust has accepted a sanction from State Bank of India for a short-term rupee loan for up to ₹ 15,000 million as a bridge loan. In the event that the Bridge Amount has been drawn instead (whether partly or fully) by the Trust for financing the Project SPV, then to such extent, the Trust proposes to utilise up to such portion of the net Issue proceeds to repay the Bridge Amount.

For brief details of the terms of the Bridge Loan Facility, please refer to the section titled “*Disclosures on Financial Indebtedness*” on page 225 of this Prospectus.

General Corporate Purposes

Balance amounts, if any, from the net Issue proceeds may be utilised towards general corporate purposes including creation and maintenance of debt service reserve account.

Issue Expenses

The expenses for this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members and intermediaries as provided for in the SEBI Operational Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid out of the proceeds of the Issue.

The estimated breakdown of the total expenses for this Issue is as follows*:

| Particulars | Amount (in ₹ million) | As a percentage of the Issue Proceeds (in %) | As a percentage of the total expenses of the Issue (in %) |
|---|------------------------------|---|--|
| Fee payable to intermediaries including Registrar to the Issue and Debenture Trustees | 0.78 | 0.01% | 0.45% |
| Lead Managers Fee, Selling and Brokerage Commission, SCSB Processing Fee | 145.31 | 0.97% | 85.63% |
| Advertising and marketing, printing and stationery costs | 13.62 | 0.09% | 8.03% |
| Other miscellaneous expenses | 9.99 | 0.07% | 5.89% |
| Grand Total | 169.70 | 1.14% | 100% |

* Assuming the Issue is fully subscribed and the Trust retains oversubscription as per the Issue Documents.

The expenses are indicative and are subject to change depending on the actual level of subscription to the Issue and the number of Allottees, market conditions and other relevant factors.

The Investment Manager (acting on behalf of the Trust) shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Lead Consortium members, Trading Members, RTAs and CDPs and submitted to the SCSBs for blocking the application amount of the applicant, at the rate of Rs 15 (inclusive of GST & Taxes), per Application Form procured, as finalized by the issuer. However, it is clarified that in case of ASBA Application Forms procured directly by SCSBs, the relevant SCSBs shall not be entitled to any ASBA processing fee.

The Investment Manager (acting on behalf of the Trust) shall pay Sponsor Bank ₹ 6.00 for every valid application that is blocked. The payment shall be made on the basis of valid invoices within such timelines mutually agreed/prescribed by the Investment Manager (acting on behalf of the Trust) with the designated intermediaries/Sponsor Bank.

The Trust shall utilize the Issue proceeds only upon execution of Debenture Trust Deed, creation of relevant security for the NCDs, receipt of minimum subscription, i.e. 75% of the Base Issue Size i.e. ₹ 5,625.00 million and upon receipt of the listing and trading approvals from the Stock Exchanges as stated in this Prospectus. For further details, please refer to the section titled “*General Terms of the Issue*” on page 251 of this Prospectus. Further, the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by SEBI or any other statutory authority from time to time.

Monitoring of utilization of funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI ILNCS Regulations. The Audit Committee of the Investment Manager shall monitor the utilisation of the proceeds of the Issue. The Trust will disclose in Trust’s financial statements for the relevant financial year commencing from Fiscal 2023, the utilisation of the proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also

indicating investments, if any, of such unutilized proceeds of the Issue. The Trust shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e., 75% of the Base Issue Size i.e. ₹ 5,625.00 million, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approvals from the Stock Exchanges. The Trust shall, within 45 days from the end of every quarter, submit to the Stock Exchanges, a statement indicating the utilization of Issue proceeds of the NCDs, which shall be continued to be given till such time the Issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

General Corporate Purposes

The management of the Investment Manager, in accordance with the policies formulated by it from time to time, intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to creation and maintenance of debt service reserve account, routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to the Trust as well as meeting exigencies which the Trust may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors or duly authorized committee thereof.

Interim use of proceeds

The directors of the Investment Manager, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds, on behalf of the Trust, received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, the Trust intends to temporarily invest funds in high quality interest / non- interest bearing liquid instruments including money market mutual funds, deposits with banks, current account of banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by our Board of Directors or a committee thereof. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Other Confirmations

In accordance with the SEBI ILNCS Regulations, the Trust will not utilize the proceeds of the Issue for providing loans to or acquisition of shares of any person or company who is a part of the Sponsor Group or other Parties to the Trust. Proceeds from the Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property. No part of the proceeds from the Issue will be paid by us as consideration to the Sponsor, Investment Manager or Trustee, or directors of the Sponsor, directors of the Investment Manager or directors of the Trustee, or companies promoted by the Sponsor except in ordinary course of business. No part of the proceeds from the Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further the Trust undertakes that Issue proceeds from NCDs allotted to banks shall not be used for any purpose which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations. The Trust confirms that it will not use the proceeds from the Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby the Trust shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate. The fund requirement as above is based on the Trust's current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. The Investment Manager, in response to the competitive and dynamic nature of the industry, will have the discretion to revise such business plan from time to time and consequently the Trust's funding requirements and deployment of funds may also change. There is no contribution being made or intended to be made by the directors of the Investment Managers as part of the Issue or separately in furtherance of the Objects of the Issue.

Utilisation of the proceeds of the Issue

- a. All monies received out of the Issue shall be credited/transferred to a separate bank account maintained with Public Issue Account as referred to in the SEBI ILNCS Regulations.
- b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed and continued to be disclosed under an appropriate separate head in the Trust's balance sheet indicating the purpose for which such monies had been utilised.
- c. Details of all unutilised monies out of the Issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the Trust's balance sheet indicating the form in which such unutilised monies have been invested.
- d. There were no previous public issues undertaken by the Trust. Accordingly, related disclosure requirements in the balance sheet for utilized and unutilised monies out of previous issue made by way of public offer shall not be applicable.
- e. The Trust shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Prospectus, creation of security, receipt of the listing and trading approval from the Stock Exchanges and on receipt of the minimum subscription of 75% of the Base Issue Size i.e. ₹ 5,625.00 million.

- f. The Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time

For further details in relation to utilization of monies collected in previous public issuances, please see the section titled “*Other Regulatory and Statutory Disclosures – Previous public issue*” on page 308.

STATEMENT OF POSSIBLE TAX BENEFITS

A.R. & CO.
Chartered Accountants

Delhi Office:

A-403, Gayatri Apartment
Airlines Group Housing Society
Plot No 27, Sector -10,
Dwarka, New Delhi -110075
Cell No.9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
pawankgoel1@gmail.com

Corporate and Correspondence Office:

C-1, II Floor, RDC, Raj Nagar
Ghaziabad- 201001 Delhi-NCR
National Capital region Of Delhi

**STATEMENT OF POSSIBLE TAX IMPLICATIONS FOR THE TRUST AND ITS DEBENTURE-
HOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

Date: 24.09.2022

To

National Highways Infra Trust

G-5 & 6, Sector – 10,
Dwarka,
New Delhi - 110075

National Highways Infra Investment Managers Private Limited

G-5 & 6, Sector – 10
Dwarka
New Delhi - 110075

IDBI Trusteeship Services Limited

Asian Building Ground Floor,
17 R Kamani Marg,
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Sub: Statement of possible tax implications for the National Highways Infra Trust (“the Trust” or “issuer” or “InvIT”) and its debenture- holders under the applicable laws in India

Dear Sirs,

We refer to the proposed offering of the listed, redeemable, non-convertible debentures (“**NCDs**” or “**debentures**”) of the National Highways Infra Trust (“**the Trust**”). With reference to the captioned subject, given below is a statement and the Annexure herewith, of the applicable sections of the Income Tax Act, 1961, (“**Income Tax Act**”) relating to tax implications in the hands of the Trust and its debenture-holders.

The tax implications discussed in the enclosed Annexure are not exhaustive but illustrative. The information contained in the Annexure is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice.

In view of the individual tax consequences and the changing tax laws, it is advisable to consult a tax consultant with respect to the specific tax implications arising out of the participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Investment Manager and on the basis of our understanding of the business activities and operations of Trust.

We do not express an opinion or provide any assurance as to whether:

- Trust or its debenture-holders will be subject to these implications in future.
- The conditions prescribed for availing the benefits, if any, where applicable have been/would be met with.
- The revenue authorities/courts will concur with the views expressed herein.

Limitations

Our views expressed in the statement and as enclosed in the Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We hereby give our consent to include this statement and the Annexure attached herewith, regarding possible tax implications in the hands of the Trust and to its debenture-holders in the draft prospectus and prospectus in connection with the proposed offering of the NCDs of the Trust which is intended to be filed with Securities and Exchange Board of India, relevant stock exchanges and any regulatory authority, as may be required under applicable law.

This Annexure has been prepared solely in connection with the issue.

Reliance on the Annexure is on the express understanding that we do not assume any responsibility towards the investors who may or may not invest relying on the Annexure.

This Statement is issued solely in connection with the proposed offering and is not to be used, referred to or distributed for any other purpose.

For A.R. & Co.,
Chartered Accountants
FRN – 002744C

CA. Rohit Jain
Partner

MRN – 542495
UDIN: 22542495AVBPSM2139
Date: 24.09.2022
Place: New Delhi

ANNEXURE TO STATEMENT OF POSSIBLE TAX IMPLICATIONS FOR THE TRUST AND ITS DEBENTURE HOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The information provided below sets out the possible tax implications for the trust and its debenture-holders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of NCDs, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional tax advice.

We have summarised below relevant income-tax provisions as applicable to the Trust and its debenture-holders, under the Act. The income tax provisions listed below are applicable to the Trust and its debenture-holders subject to compliance with the applicable provisions and/or the conditions laid out in the Act and the regulations as prescribed under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the International Financial Services Centres Authority under the International Financial Services Centres Authority Act 2019 (50 of 2019) ('InvIT Regulations'), as the case may be.

I. Tax Provisions applicable to the Trust

1.1 Definition of business trust under the Act

Prior to Finance Act, 2020, a 'business trust' was defined under section 2(13A) of the Act to mean a trust registered as an infrastructure investment trust ("InvIT") under the InvIT Regulations or a Real Estate Investment Trusts (REIT) under the REIT Regulations, units of which, are required to be listed on a recognised stock exchange in accordance with the InvIT Regulations or REIT Regulations, as the case may be.

The Finance Act 2020 has amended the definition of 'business trust' which earlier recognised only listed InvITs and REITs registered with SEBI to now include unlisted InvITs registered with SEBI as well. This amendment came to effect from 1 April 2020 i.e., for PY 2020-21 and onwards.

1.2 Taxability of the Trust

1.2.1 Interest income and dividend income from Special Purpose Vehicle(s) ('SPVs')

Interest received or receivable by the Trust from the Project SPVs (being domestic companies) shall be exempt from tax, subject to satisfaction of conditions given in section 10(23FC) of the Act.

In this regard, please note that as per the explanation to section 10(23FC) of the Act, the expression "special purpose vehicle" means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration.

As per section 194 of the Act, the dividend income distributed to business trust by the SPV is not subject to withholding of taxes. As per section 194A(3)(xi) of the Act, any income by way of interest (other than 'interest on securities') received/receivable by the Trust from SPV is not subject to withholding of taxes.

As per the provisions of section 193(ix) of the Act, no withholding tax applicable on interest payable on security issued by a company, where such security is listed on recognized stock exchange.

However, every Indian company shall withhold taxes at rates in force while making payment of any interest on unlisted securities in accordance with the provisions of section 193 of the Act.

Therefore, SPVs will be required to withhold taxes where interest is paid or payable on unlisted securities. Please note that the procedural provisions regarding exemption from TDS in relation to such interest paid or payable by SPV to business trust are absent.

Accordingly, where SPVs withhold taxes on interest on securities paid or payable to the Trust, the Trust shall be eligible to claim a refund for the same.

Further, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the aforesaid exempt income, whether accrued, arisen or received or not, shall not be tax deductible. In case the tax authorities are not satisfied by the disallowance considered by the Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

1.2.2 Income by way of dividend/ interest income (other than distributed by the SPVs)

Dividend/interest income received by the Trust from listed securities, liquid funds, etc. shall be subject to tax at the maximum marginal rate in force ('MMR') as per section 115UA of the Act. MMR is defined under the provisions of the Act to mean the rate of income-tax (including surcharge on income-tax, if any) applicable in relation to the highest slab of income as per the relevant Finance Act as increased by cess.

As per proviso to section 57 of the Act, no deduction shall be allowable against dividend income other than deduction on account of interest expense and such interest expense shall not exceed 20% of the gross dividend income included in the total income for that year, without deduction under section 57 of the Act.

1.2.3 Income by way of Capital Gains

In terms of section 115UA(2) of the Act, the total taxable income of the Trust shall be chargeable to tax at MMR except for income arising on transfer of short-term capital assets and long-term capital assets¹ under section 111A and section 112 of the Act.

As per the provisions of section 111A of the Act, any income arising from transfer of short-term capital asset being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust, transacted through a recognized stock exchange and subject to STT, should be taxable at a concessional rate of 15%⁺⁺. However, the condition of subject to STT is not applicable if the transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre ('IFSC') and where the consideration for such transaction is received or receivable in foreign currency. Further, short-term capital gains other than those covered under section 111A (such as transfer of listed debentures) would be subject to tax at MMR in the hands of trust.

¹As per section 2(42A), a short-term capital asset means: (i) for unlisted shares – period of holding is less than or equal to 24 months; (ii) for unlisted securities (other than unlisted shares) - period of holding is less than or equal to 36 months; (iii) Immovable property being land and/or building - period of holding is less than or equal to 24 months; (iv) listed securities or units of an equity-oriented fund – period of holding less than or equal to 12 months. As per section 2(29A), a capital asset which is not a short-term capital asset is regarded as a long-term capital asset.

As per the provisions of section 112 of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax in the hands of the Trust at the rate of 20%++. However, the tax arising on transfer of long-term capital asset, being listed securities (other than a unit) or zero-coupon bond, shall be lower of the following:

- (i) 10%++ without indexation benefit, or
- (ii) 20%++ with indexation benefit

Section 48 of the Act prescribes the mode of computation of capital gains and provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, section 48 of the Act provides for substitution of cost of acquisition/improvement with indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

Section 70 read with section 74 of the Act allows short-term capital loss arising during a financial year to be set off against income, if any, from capital gains (short-term or long-term), arising in the same financial year. However, long-term capital loss arising during a financial year is allowed to be set-off only against long-term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against income from capital gains, arising during subsequent eight assessment years, as follows: (i) balance short-term capital loss can be carried forward and set-off against capital gains (short-term or long-term); and (ii) balance long-term capital loss can be carried forward and set-off only against long-term capital gains.

Further, as per Section 71 of the Act, short term/ long term capital loss for the year cannot be set-off against income under any other head other than capital gains for the same year.

1.3 Taxability of the debenture-holders

1.3.1 Taxability under various heads of Income

The returns received by the investors from debentures of NHIT in the form of interest and the gains on the sale/ transfer of the debentures, may be characterized under the following broad heads of income for the purposes of taxation under the Act:

- Profits and gains from business;
- Income from capital gains; and
- Income from other source

The returns from the investment in the form of interest would generally be subject to tax under the head “income from other sources”. Under certain circumstances depending upon the facts and circumstances of the taxpayer, the interest income may be subject to tax under the head “Profits and gains from business”.

Gains from the transfer of debentures of NHIT may be characterized as “Capital Gains” or as “Profits and gains from business” in the hands of an investor, depending upon whether the investments in the debentures are held as ‘investments’ or as ‘stock in trade’. This can vary based on the facts of each investor’s case (taking into account factors such as the magnitude of purchases and sales, ratio between purchases and sales, the period of holding, whether the intention to earn a profit from sale or to earn interest etc.).

1.3.2 Taxability of interest on debentures

Income by way of interest received on debentures held as investments shall be charged to tax as under the head “Income from Other Sources” at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the Act, being expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income.

In case of debentures held as ‘stock in trade’, the interest accrued thereon may be charged to taxed under the head “Profits and gains from business” on a ‘net’ basis (that is, net of allowable deductions for expenses/ allowances under Chapter IV – Part D of the Act). The said interest would be subject to tax at the tax rates as generally applicable to the respective investors.

1.3.3 Taxability of gains from transfer on debentures

(a) For resident and non-resident debenture-holder (other than Foreign Portfolio Investors (‘FPIs’))

- The gains from the business of investing in debentures may be chargeable to tax on a ‘net’ basis (that is, net of allowable deductions for expenses/ allowances under Chapter IV – Part D of the Act). Specifically, where the gains arising on the transfer of the debentures of NHIT are included in the business income of an assessee and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.
- The “Profits and gains from business” so computed may be set-off against the losses in accordance with Chapter VI of the Act and unabsorbed allowances, if any. The gains on transfer of debentures taxable under the head “Profits and gains from business” would be subject to tax at the tax rates as generally applicable to the respective investors.
- Where the gains on transfer of the listed debentures of the Trust are characterized as capital gains, and if such debentures are long-term capital assets², income arising on transfer of debentures of the Trust will be taxable at a tax rate lower of 10%++ (without indexation benefit), as the benefit of indexation of cost of acquisition is not available in case of debentures. Short-term capital gains from transfer of listed debentures of NHIT would be subject to tax at the tax rates as generally applicable to the respective investors.
- In case of a debenture-holder being a resident individual or HUF, where the total taxable income as reduced by long-term capital gains taxable is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 112 of the Act.
- In case of debenture-holder, being a domestic company that are liable to pay MAT under provisions of section 115JB of the Act, the gains arising, if any, on sale of debentures of the Trust are to be included as part of book profits for the purposes of computing MAT liability. MAT paid by such companies should be available as credit for set off against future tax liability, provided such companies do not opt to be governed by the concessional tax rate under section 115BAA of the Act.

²Capital asset being listed debentures would be classified as long-term capital asset if the period of holding is more than 12 months immediately preceding the date of its transfer.

- As per explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under the legislation covering companies in India.
- In case of debenture-holder, other than companies, that are liable to Alternate Minimum Tax (AMT) under provisions of Section 115JC of the Act, the gains arising, if any, on sale of debentures of InvIT are to be included as part of adjusted total income for the purpose of computing AMT liability. AMT paid by such unitholders should be available as credit for set-off against future tax liability, provided they do not opt to be governed by the concessional tax rates u/s 115BAC or 115BAD of the Act.
- Section 70 read with section 74 of the Act allows short-term capital loss arising during a financial year to be set off against income, if any, from capital gains (short-term or long-term), arising in the same financial year. However, long-term capital loss arising during a financial year is allowed to be set-off only against long-term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against income from capital gains, arising during subsequent eight assessment years, as follows: (i) balance short-term capital loss can be carried forward and set-off against capital gains (short-term or long-term); and (ii) balance long-term capital loss can be carried forward and set-off only against long-term capital gains.
- Further, as per Section 71 of the Act, short term/ long term capital loss for the year cannot be set-off against income under any other head other than capital gains for the same year.

(b) For non-resident debenture-holders who are FPIs

- As per section 2(14) of the Act, any securities held by a FPI, which were invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be capital assets. Hence the income from the transfer of such securities shall be deemed to be treated as capital gains.
- If such debentures are long-term capital assets, income arising on transfer of debentures of the Trust will be taxable at a tax rate of 10%++ (without indexation benefit) under section 112 of the Act read with section 115AD.
- Further, any short-term capital gains from transfer of listed debentures of NHIT would be subject to tax at 30%++ as per section 115AD of the Act.

(c) For Debenture-holders who are notified Sovereign Wealth Fund and notified Pension Funds

- As per section 10(23FE) of the Act, any income by way of dividend, interest, or long-term capital gain arising from investment made in debentures of the Trust on or after 1 April 2020 and before 31 March 2024 and held for at least three years shall be exempt for notified Sovereign Wealth Fund, wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA) and notified Pension Funds, subject to satisfaction of stipulated conditions.
- In this regard, please note that there are no withholding tax provisions under the Act which provide for exemption from withholding taxes on above mentioned income accruing to the specified persons as defined under section 10(23FE) of the Act.

(d) For debenture-holders who are mutual funds:

- Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.
- In light with the provisions of section 196 of the Act, no deduction of tax shall be made on any sum payable to a Mutual Fund specified under clause (23D) of section 10. Accordingly, the Trust is not required to withhold tax on any sum payable to Mutual Fund set up under section 10(23D) of the Act.

(e) For debenture-holders who are Venture Capital Companies/Funds:

For VCF/VCC registered prior to 21 May 2012:

- Under Section 10(23FB) of the Act, any income of Venture Capital Company to whom the certificate of registration is granted before 21/05/2012 under SEBI (Venture Capital Funds) Regulations, 1996 or as a subcategory I Alternative Investment Fund as is regulated under SEBI (Alternative Investment Funds Regulations) under the SEBI Act, 1992, would be exempt from income tax, subject to conditions specified therein.
- As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the venture capital undertaking.

For VCF/VCC registered post 21 May 2012:

- VCF/VCC registered post 21 May 2012 shall be classified as a Category 1 Alternate Investment Fund which shall be governed by the SEBI (AIF) Regulations 2012. For such funds benefit of section 10(23FB) and section 115U shall not be applicable and shall be governed by section 115UB read with section 10(23FBA) and 10(23FBB) which states that business income earned by such fund shall be taxable in the hands of the Fund and exempt in the hands of the unit holders, and other income earned viz. capital gains, income from other sources shall be exempt in the hands of the fund and taxable in the hands of unit holder.

1.3.4 Benefits under Double taxation avoidance agreement (DTAA)

- Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the DTAA between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.
- However, the non-resident investor will have to furnish a certificate of his being a tax resident in a country outside India and a suitable declaration stating that such non-resident does not have a fixed base/ permanent establishment in India, to obtain the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act. Further, as per Notification No. 3/2022 dated 16th July 2022, Form 10F is required to be furnished electronically for submitting information as required under Rule

21AB, where tax residence certificate does not contain all the prescribed requisite information.

- As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the DTAA to the extent they are more beneficial to the non-resident.

1.4 Tax deducted at source

1.4.1 Interest paid by the SPVs to NHIT on loans

As per Clause (xi) of sub-section 3 to section 194A of the Act, interest income paid by the SPV(s) to NHIT in respect of the loans shall not be subjected to any withholding tax.

1.4.2 Dividend distribution by the SPVs to NHIT

As per section 194 of the Act, dividend income distributed/ paid by an SPV to NHIT shall not be subject to withholding of taxes.

1.4.3 Interest payable by NHIT on the listed debentures

- As per section 193 of the Act, interest on debentures paid by NHIT to the resident debenture holders shall be subject to withholding at the rate of 10%.
- As per section 196 of the Act, no tax is to be deducted from any income distributed/ paid by NHIT to a Mutual Fund specified under section 10(23D) of the Act.
- When the Assessing Officer issues a certificate to the debenture-holder for no/lower deduction of tax at source as per the provisions of Section 197 of the Act and such certificate is filed by the debenture-holder with NHIT before the prescribed date of closure of books for payment of debenture interest, taxes shall be withheld by NHIT on the corresponding interest at such lower rate/ nil rate to the extent of amount prescribed in such certificate.
- Further, when the resident debenture-holder submits a declaration as per the requirements of section 197A of the Act in the prescribed Form 15G/ 15H before the prescribed date of closure of books for payment of debenture interest, no taxes shall be withheld by NHIT on the corresponding interest payable to such debenture-holder.
- Interest payable by NHIT to non-resident debenture holders (other than FIIs/ FPIs) would be subject to withholding tax at the rate of 30% (in case of investors being other than companies)/ 40% (in case of investors being companies) as per the provisions of section 195 of the Act, subject to relief under the relevant DTAA, unless a lower withholding tax certificate is obtained from the tax authorities.
- As per section 196D of the Act, pursuant to amendment vide Finance Act, 2021, interest payable by NHIT to non- resident debenture holders being FIIs/ FPIs would be subject to withholding tax at the rate of 20% or such lower rate as eligible under the relevant DTAA.

1.4.4 Applicability of other provisions

- No income tax is deductible at source from income by way of capital gains arising to a resident debenture holder under the present provisions of the Act.

- However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the tax laws or under the DTAA, whichever is beneficial to such investor (other than FPIs/ FIIs who are subject to provisions of section 196D(2) of the Act), unless a lower withholding tax certificate is obtained from the tax authorities.
- Further, section 196D of the Act provide that in case of a payee, being FPIs/ FIIs of country with which India has entered into DTAA, tax shall be deducted at the rate of 20% or the DTAA rates (for the incomes referred in section 115AD(1)(ii) other than capital gains and interest income subject to TDS u/s 196LD of the Act), whichever is lower, subject to the FPI/ FII furnishing a Tax Residency Certificate (referred to in Section 90(4) of the Act) and a suitable declaration for not having a fixed base/ permanent establishment in India, to the payer.
- Further, as per sub-section (2) of section 196D of the Act, no tax is to be deducted from any income, in the nature of capital gains arising to a FPI or FII from the transfer of units, subject to the FPI/ FII furnishing a Tax Residency Certificate (referred to in Section 90(4) of the Act) and a suitable declaration for not having a fixed base/ permanent establishment in India, to the payer.
- Buyer and seller of unlisted shares/securities also need to check the applicability of TDS u/s 194Q of the Act read with provision of Tax Collection at Source (TCS) u/s 206C(1H) of the Act. As per the clarification issued by CBDT, the transaction in shares not taken place through recognized stock exchange/ recognised clearing corporations may also fall under the ambit of section 194Q/206C(1H) of the Act since CBDT has clarified that the said provisions of section 194Q/206C(1H) of the Act are not applicable to transactions in securities and commodities transacted through recognised stock exchanges/ recognised clearing corporations, including those located in International Financial Service Centre.
- As per section 206AA of the Act, where a tax payer does not possess a Permanent Account Number ('PAN'), taxes have to be withheld on payment of income to the tax payer (where chargeable to tax) at higher of the following:
 - at the rate specified in the Act; or
 - at the rate or rates in force; or
 - at the rate of twenty per cent

The Finance Act, 2016 amended the aforementioned provision to provide an exemption to non-residents, subject to compliance of such conditions as may be prescribed by the CBDT. In furtherance of the amended provision, the CBDT issued a notification prescribing the rules (Rule 37BC of the Rules) for relaxation from withholding of tax at higher rates in the absence of PAN in the case of non-resident deductee and laid down the information and alternative documents required to claim such relaxation.

- Finance Act, 2021 has inserted section 206AB which inter alia stipulates that where tax is required to be withheld by a person on payment or credit to a specified person, the tax shall be deducted at the higher of the following rates:
 - (i) at twice the rate specified in the relevant provision of the Act; or
 - (ii) at twice the rate or rates in force; or
 - (iii) at the rate of five per cent.
 If the provisions of section 206AA is applicable to a specified person, in addition to the provision of section 206AB, the tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA.

As per the provisions of Section 206AB of the Act, 'Specified person' means is a person who:

- (i) has not furnished the return of income for the previous year immediately preceding the previous year in which the tax is required to be deducted, for which time-limit of furnishing the return of income u/s 139(1) has expired; and
- (ii) the aggregate of tax deducted at source and tax collected at source is INR 50,000 or more in the said previous year.

- **Section 94(7) of the Act**

Section 94(7) of the Act (commonly known as dividend stripping) vide Finance Act, 2022, applicability of section 94(7) of the Act (commonly known as dividend stripping) has been extended to the units of Trust as well (that with effect from Financial Year 2022-23) which provides that where:

- a) any person buys or acquires any securities or unit within a period of three months prior to the record date ;
 - b) such person sells or transfers such securities within three months after such record date or such units within a period of nine months after such record date;
 - c) the dividend or income on such securities or unit received or receivable by such person is exempt.
- then, the loss, if any, arising from the sale and purchase of securities and units, to the extent of dividend or income received or receivable on such securities or unit, shall be ignored for computing income chargeable to tax.

Record date means a date fixed to entitles the holder of such securities or units to receive dividend, income, or additional securities or unit without consideration, as the case may be.

- **Section 94(8) of the Act**

Section 94(8) of the Act (commonly known as bonus stripping) vide Finance Act, 2022, applicability of section 94(8) of the Act (commonly known as dividend stripping) has been extended to the units of Trust as well (that with effect from Financial Year 2022-23) which provides that where:

- a) any person buys or acquires any units within a period of three months prior to the record date ;
- b) such person is allotted additional units without any payment on the basis of holding of such units on such record date;
- c) such person sells or transfers all or any of the units within a period of nine months after the record date, while continuing to hold all or any of the additional units referred in clause (b) above.

then, the loss, if any, arising from the sale and purchase of all or any of the units shall be ignored for computing income chargeable to tax and notwithstanding anything contained in any other provision of the Act, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such additional units referred to in clause (b) above as are held on the date of such sale or transfer.

Record date means a date fixed to entitles the holder of such securities or units to receive dividend, income, or additional securities or unit without consideration, as the case may be.

1.5 **Disclaimer**

- 1.5.1 The above statement of possible direct tax implications sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares, units and other securities.
- 1.5.2 In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile. Further, it is pertinent to meet the terms and condition viz. Principal purpose test, beneficial ownership test etc. as enacted in DTAA's entered into by India with various countries based on Multilateral Convention to implement tax treaty related measures to prevent Base Erosion and Profit Shifting ('MLI').
- 1.5.3 This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
- 1.5.4 No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.
- 1.5.5 This statement of possible direct tax implications enumerated above is as per the Act as amended by the Finance Act, 2022 applicable for financial year ending 31 March 2023 relevant to the assessment year 2023-24. The above statement of possible direct-tax implications sets out the possible tax implications in the hands of NHIT and its debenture holders under the current tax laws presently in force in India. Several of these tax implications are dependent on the taxpayer parties to the transaction fulfilling the conditions prescribed under the relevant tax laws.
- 1.5.6 Please note that the tax rates provided in this statement are excluding applicable surcharge and education cess.
- 1.5.7 The information provided above sets out the possible tax implications in the hands of debenture-holders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, units, debentures and other securities, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the tax implications.

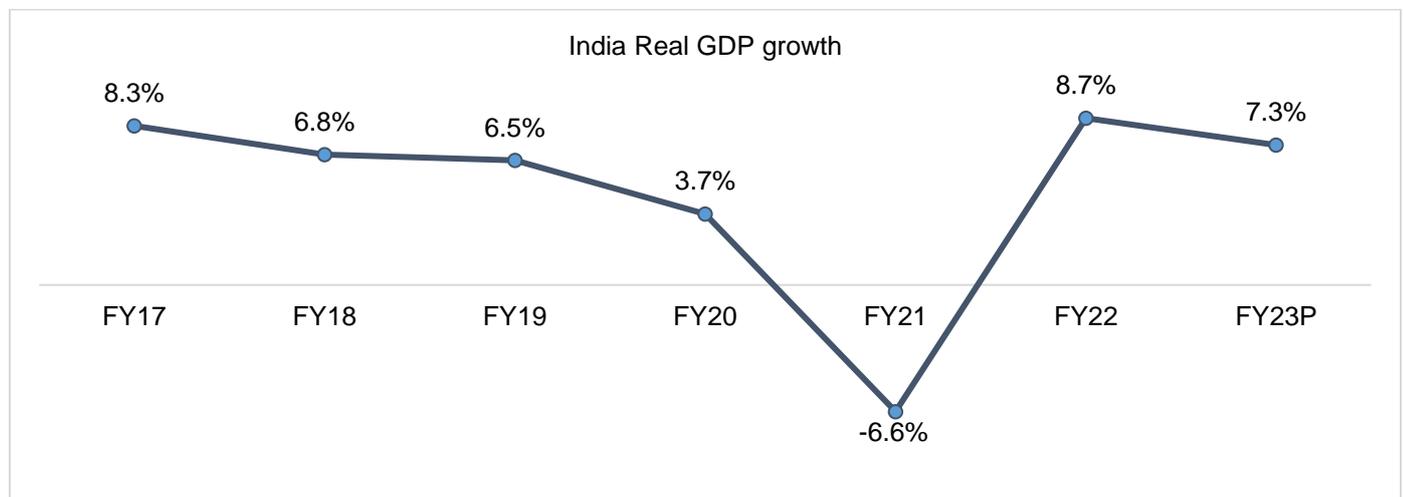
SECTION IV: ABOUT THE ISSUER AND INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

The information contained in this section is derived from various government, other industry sources and reports including the report by CRISIL Research on Roads and Highways, dated September 2022 (“CRISIL Report”). Neither we nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared based on information available as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should take these limitations into account. All references to years refer to calendar years except as otherwise stated. References to Indian financial years (“FY”) are to the one-year period ending March 31 of the named year.

Overview of the Indian Economy

Recent RBI surveys indicate improving consumer sentiments which bode well for consumption demand and the first quarter GDP print does corroborate that. Rise in capacity utilisation rates in the manufacturing sector is favourable for private capex in pockets. This is especially true in case of infrastructure linked sectors such as steel and cement and some Production Linked Incentive scheme-linked sectors. CRISIL also expects the growing momentum in contact-intensive services to be broad based and support growth. That said, slower-than-expected growth in the first quarter has increased the downward bias to our real GDP growth projection of 7.3% for fiscal 2023. (Source: CRISIL Report)

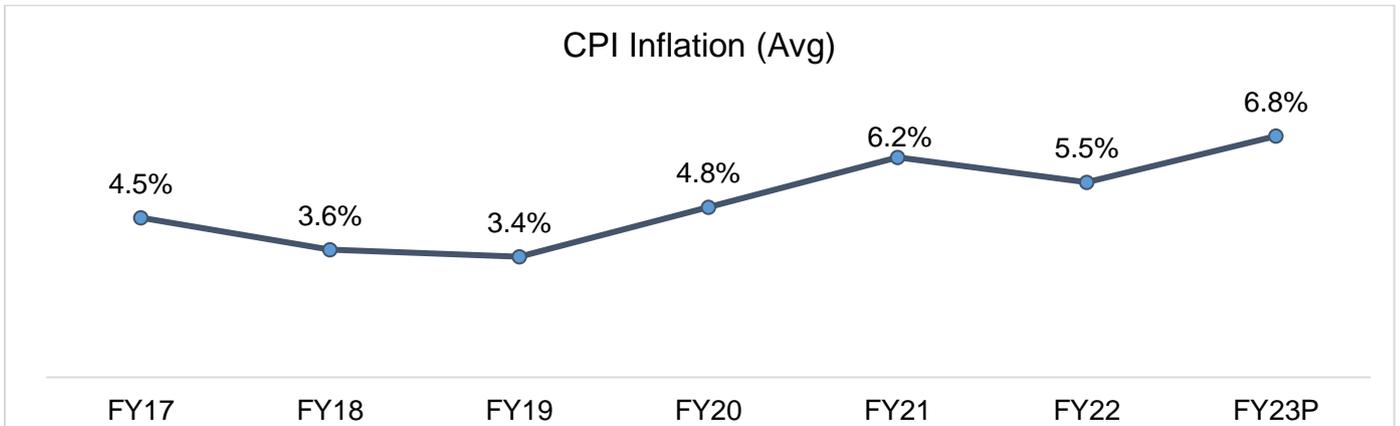


Source: NSO, CRISIL Research

In terms of the RBI Monetary Policy Statement 2022-23, dated August 5, 2022, the CPI inflation eased to 7.0 per cent (year-on-year, y-o-y) during May-June 2022 from 7.8 per cent in April, although it persists above the upper tolerance band. Spillovers from geopolitical shocks are imparting considerable uncertainty to the inflation trajectory. More recently, food and metal prices have come off their peaks. International crude oil prices have eased in recent weeks but remain elevated and volatile on supply concerns even as the global demand outlook is weakening. The appreciation of the US dollar can feed into imported inflation pressures. As per the latest RBI estimates, the inflation projection is retained at 6.7 per cent in 2022-23. (Source: RBI Monetary Policy Statement 2022-23, dated August 5, 2022)

Further, CRISIL expects CPI inflation to rise to 6.8% on average this fiscal, from 5.5% previous fiscal. This would be the highest level in 9 years, and above the RBI’s target range of 2-6%. The impact of this year’s heatwave on domestic food production, coupled with persisting high international commodity prices and input costs, will cause a broad-based rise.

CPI rose to 7% on-year in the month of Aug 2022 vs 6.7% in July and was largely driven by surging food inflation and the fading base effect of last year, even as non-food inflation moderated slightly. Core inflation will remain sticky as producers are expected to pass through cost increases to consumers amid demand recovery (especially in contact-based services). Although international energy prices have declined from 2022 highs, renewed fears of natural gas and coal supply disruption pose fuel inflation risks. (Source: CRISIL Report)



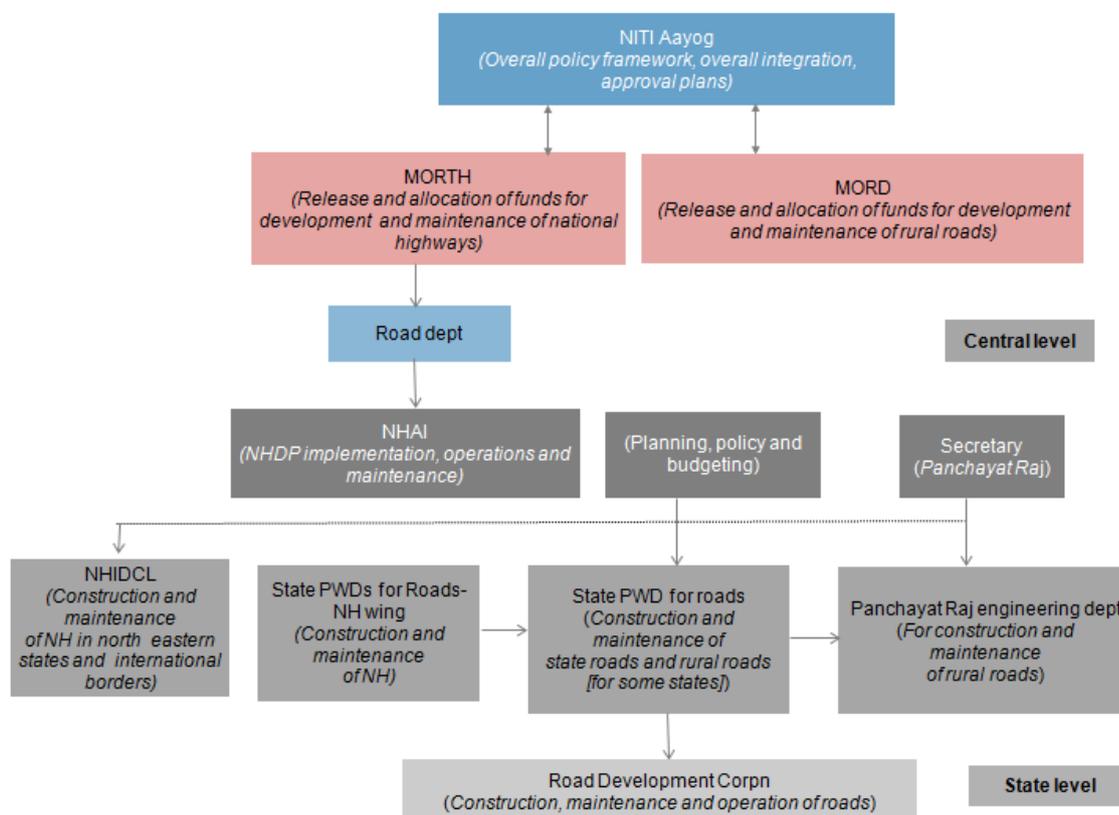
Source: NSO, CRISIL Research

Overview of the Road Sector in India

Road transport is the dominant mode of transport in India, both in terms of traffic share and contribution to the national economy. Apart from facilitating the movement of goods and passengers, road transport plays a key role in promoting equitable socio-economic development across regions of the country. It also plays a vital role in social and economic integration and development of the country. Easy accessibility, flexibility of operations, door-to-door service and reliability have earned road transport a greater significance in both passenger and freight traffic vis-à-vis other modes of transport.

Road Transport is a critical infrastructure for the economic development of a country. It impacts the pace, structure and pattern of development. The tasks and responsibilities of the Ministry of Road Transport and Highways encompass, inter alia, construction and maintenance of National Highways (NHs), administration of the National Highways Act, 1956, National Highways Authority of India Act, 1988, National Highways Fee (Determination of Rates and Collection) Rules, 2008, Motor Vehicles Act, 1988, and Central Motor Vehicles Rules, 1989, as also formulation of broad policies relating to road transport and automotive norms, besides making arrangements for movement of vehicular traffic with neighbouring countries. The capacity of National Highways in terms of handling traffic (passenger and goods) needs to keep pace with economic growth. (Source: Annual Report 2021-2022 of the MoRTH available at <https://morth.nic.in/>)

Road sector - Institutional arrangement at the Central and State level



Note: NHIDCL stands for National Highways and Infrastructure Development Corporation
 Source: CRISIL Research

India has the second largest road network in the world, aggregating 6.2 million km. Roads are the most common mode of transportation and account for about 86% of passenger traffic and close to 67% of freight traffic. In India, national highways, with a length of close to 136,440 km, constitute a negligible percentage of the road network but carry about 40% of the total road traffic. On the other hand, state roads and major district roads are the secondary system of roads; they carry another 60% of traffic and account for nearly the entire road length. The road network in India can be divided into the following categories :

Road network in India as in fiscal 2021

| Road network | Length (km) | Percentage of total | | Connectivity to |
|------------------|------------------|---------------------|--------------|--|
| | | Length | Traffic | |
| National highway | 136,440 | 0 | 40 | Union capital, state capitals, major ports, foreign highways |
| State highway | 176,818 | 0 | 60 | Major centres within the states, national highways |
| Other roads | 5,902,539 | 100 | | Main roads, rural roads, production centres, markets |
| Total | 6,215,797 | 100.0 | 100.0 | |

Source: MoRTH Annual report 2020-2021, CRISIL Research

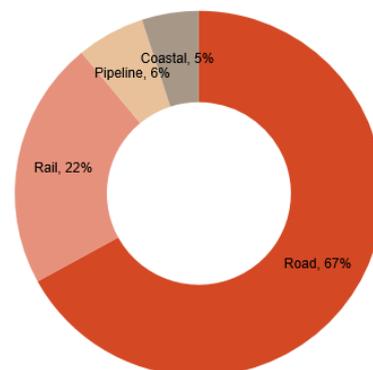
Overview of State Roads:

State roads come under the jurisdiction of the respective state governments. However, the Central government may provide financial assistance to state governments through various schemes for the development of the road network. The responsibility of awarding contracts for road development is entrusted with two state government divisions, namely the public works department (PWD) and road development corporation (RDC).

Further, the Central government has set up the Central Road Fund (CRF) to provide financial assistance to state governments for road development and railway safety works within the states. The CRF is funded from the cess collected on the sale of petrol and high-speed diesel (HSD). The fund provides assistance to states for the development and maintenance of state roads, rural roads, national highways, under- and over-bridges and safety works at unmanned railway crossings. Funds allocated for 2014-15, 2015-16 and 2016-17 (revised estimates) were Rs 26.5 billion, Rs. 28.8 billion and Rs 71.8 billion. About 476 projects, amounting to Rs 98.6 billion, were sanctioned under the scheme in 2017-18, compared with 1093 projects costing Rs 123 billion in 2016-17. (Source: CRISIL Report)

Roads account for 67% of total freight traffic

Road transport is the most frequently used mode of transport for both freight and passengers. For fiscal 2021, it is estimated that ~67% of total freight (in terms of BTKM) will be carried by roads when compared with railways. In 2009-10, roads accounted for approximately 58% of the total freight traffic.

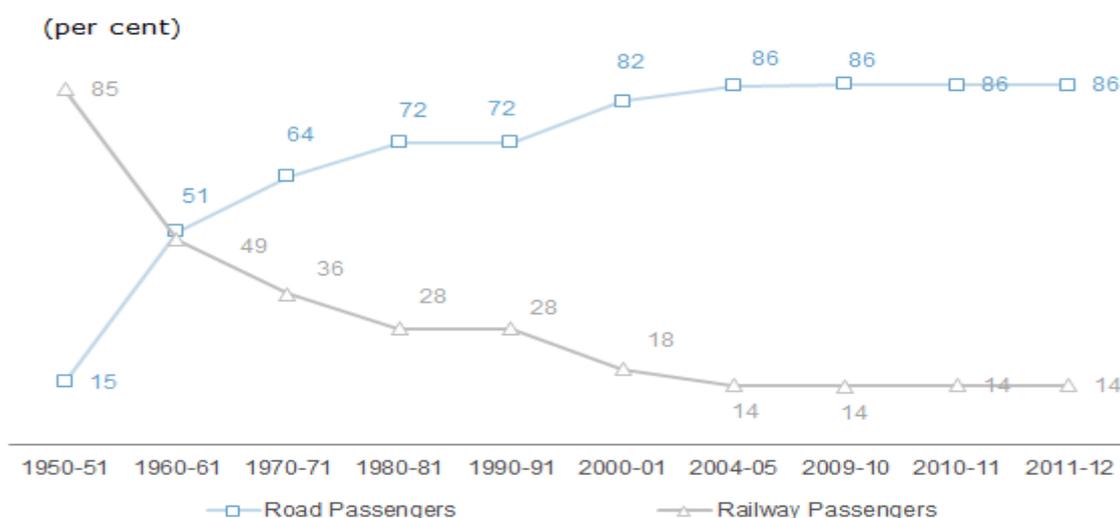


Proportion of freight traffic across modes of transport - Fiscal 2021

Source: CRISIL Research

Higher passenger traffic on roads than railways

Passenger traffic - Roads v/s railways



Note: FY12 is the latest available data

Source: Working Group Report on Road Transport for Eleventh Five-Year Plan, Industry

Since 1950-51, passenger traffic for railways has come down from 85% to 14% while passenger traffic for roads has consistently grown from 15% in 1950 -51 to 86% in 2011-12. Preference for road transport for freight movement is primarily on account of large capacity expansions carried out by fleet operators, flexibility and door-to-door movement. Further, there are many players in road transport while Indian Railways is the only player in railways.

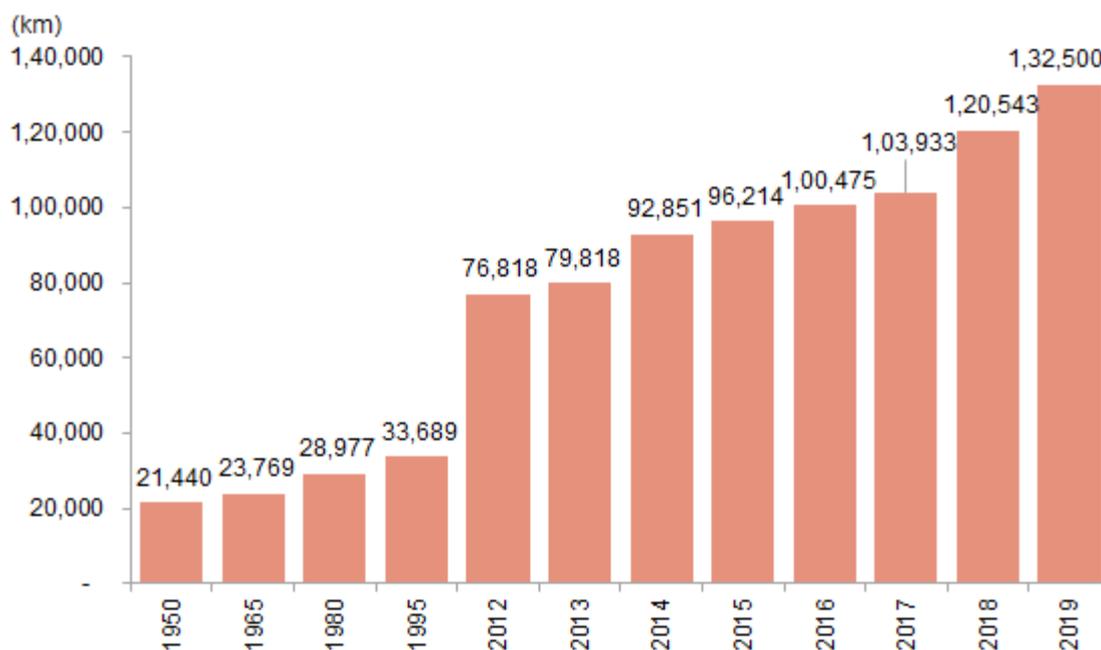
Upgradation of highways from two lane to four lanes

There has been an upgradation in terms of lanes in national highways, which has gone from being one lane and two lanes to four lanes. Single lane roads decreased from 32% in 2014-15 to 21% in 2015-16. Two lane roads increased from 47% to 56%, while four lane roads increased from 12% to 25% during the same period.

Overview – National Highways

As of fiscal 2019, National highways constitute around 2% of the country's road network, but carry about 40% of the total road traffic. The National Highways Authority of India (NHAI), the nodal agency under the Ministry of Road Transport & Highways (MoRTH), is responsible for building, maintaining and upgrading NHs.

National-highway network



Source: Ministry of Road Transport & Highways, CRISIL Report

National Highways Development Project

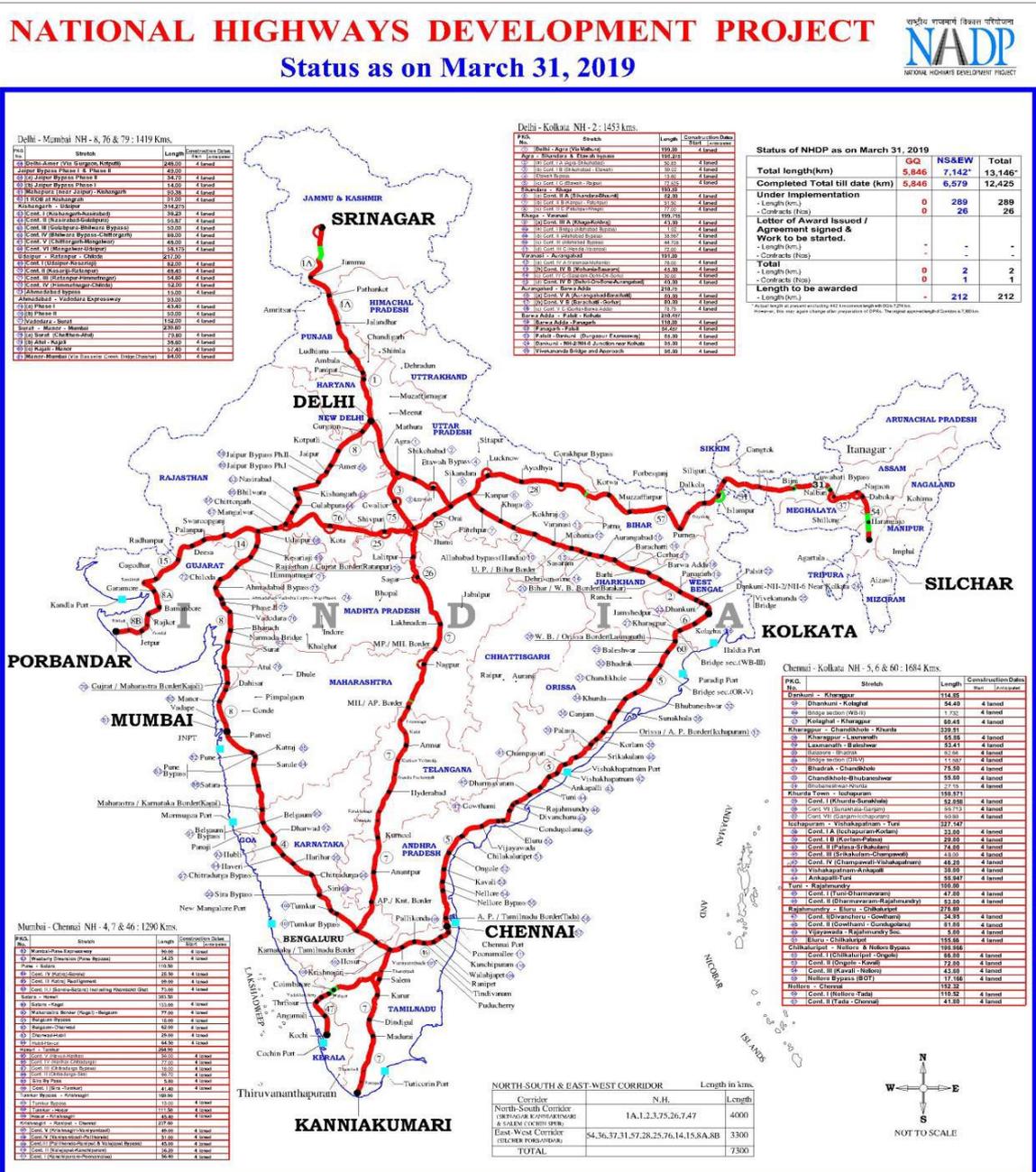
The NHDP encompasses building, upgradation, rehabilitation and broadening of existing NHs. The project is executed by the NHAI, in coordination with the public works departments of various states. The NHAI also collaborates with the Border Roads Organisation for the development of certain stretches. The NHDP is being implemented in seven phases.

NHDP projects are awarded to private players either on EPC (cash) or build-operate-transfer (BOT) basis, and now on the newly introduced hybrid annuity model (HAM). NHDP cash contracts are mainly financed through budgetary allocations from the Central Road Fund, negative grants/premium received, and toll revenue. Loans and grants are also received from the World Bank and the Asian Development Bank. (Source: CRISIL Report)

Projects under existing the NHDP phases of 5,000-5,500 km to be awarded completely by fiscal 2021. These residual projects would dominate 50% of investments over the next five years.

The status of completion of various phases of NHDP, which have been subsumed under the umbrella programme of Bharatmala Pariyojana, Phase-I, are as under:

| NHDP Phases | Length completed up to December 31, 2020 in kms |
|--|---|
| I+II+III+IV: GQ, Port connection & Upgradation with 2/4/6-laning / NorthSouth & East West Corridor | 38,685 |
| V: 6-laning of GQ and High density corridor | 4,088 |
| VI: Expressways | 219 |
| VII: Ring Roads, Bypasses and flyovers and other structures | 181 |



NOTE
 1- Based upon Survey of India map with the permission of the Surveyor General of India.
 2- The responsibility for the correctness of internal details rests with the publisher.
 3- The territorial waters of India extend into the sea to a distance of twelve nautical miles measured from the appropriate base line.
 4- The external boundaries and coastlines of India agree with the Record/Master Copy certified by Survey of India.
 5- Certified for Publication by Survey of India vide letter no. dt dt 407 162-A4/10/2008 - XXXX Dated 13/3/2003

Prepared By: Information Technology & Planning Division, NHAI

(Source: NHDP Map as at March 31, 2019 published on NHAI Website (<https://nhai.gov.in/#/nhdp-english-map>))

Bharatmala Pariyojana

Bharatmala Pariyojana (BMP) is the new umbrella scheme, which supersedes the existing National Highways Development Programme (NHDP). The programme envisages to construct about 65,000 km of highways, under the following categories: National Corridor (North-South, East-West and Golden Quadrilateral), Economic Corridors, Inter corridor roads, Feeder roads, International connectivity, Border roads, Coastal roads, Port connectivity roads and Expressways. This will include existing NHDP programme as well. Some projects awarded in FY18 and YTD FY19 under Bharatmala are actually part of NHDP.

The Government of India had approved Bharatmala Pariyojana Phase-I in October, 2017 with an aggregate length of about 34,800 km (including 10,000 km residual NHDP stretches) at an estimated outlay of Rs. 5,350,000 million for development of about 9,000 km length of Economic corridors, about 6,000 km length of Inter-corridor and feeder roads, about 5,000 km length of National Corridors Efficiency improvements, about 2,000 km length of Border and International connectivity roads, about 2,000 km length of Coastal and port connectivity roads, and about 800 km length of Expressways. Total of 255 road projects with an aggregate length of about 10,699 km have been approved till October, 2019 under Bharatmala Pariyojana with total Cost of Rs. 2,649,160 million approximately. Bharatmala Pariyojana Phase-I is targeted for completion by 2021-22.

Components of Bharatmala Pariyojana (Phase -I)

| Category | Description | Total Length (Km) | Upgrade Proposed in Phase I (Km) |
|--|--|-------------------|----------------------------------|
| National Corridor Efficiency Improvement | Lane expansion, De-congestion of existing National corridor | 13,100 | 5,000 |
| Economic Corridors Development | Connecting of economically important production & Consumption centres | 26,200 | 9,000 |
| Inter-corridor and feeder routes development | Inter-connection between economic corridors, first mile & Last mile connectivity | 15,500 | 6,000 |
| Border and International Roads | Connectivity to border areas and boosting trades with neighbouring countries | 5,300 | 2,000 |
| Coastal and port connectivity Roads | Connectivity to coastal areas to enable port-led economic development | 4,100 | 2,000 |
| Expressways | Greenfield expressways | 1,900 | 800 |
| TOTAL | | 66,100 | 24,800 |

Source: NHAI, CRISIL Research

Award of Projects under Bharatmala Pariyojana

Out of the 24,800 km approved under Bharatmala Pariyojana Phase-I, a total of 76 projects of length 4,003 km have been awarded by NHAI, post the approval of Bharatmala Pariyojana in the FY 17-18. Similarly, out of the 10,000 km approved under residual NHDP in Bharatmala Phase-I, a total of 39 projects of length 1,755 km have been awarded post the approval of Bharatmala Pariyojana in FY 17-18.

| SR No. | Types of Corridor | No. of Projects | Awarded Length(km) |
|--------|-------------------------|-----------------|--------------------|
| 1 | Economic Corridor | 34 | 1,548 |
| 2 | Inter Corridor Routes | 2 | 98 |
| 3 | Feeder Routes | 3 | 96 |
| 4 | National Corridor | 23 | 1,073 |
| 5 | Border Roads | 6 | 973 |
| 6 | Port Connectivity Roads | 3 | 90 |
| 7 | Expressways | 5 | 124 |
| | Bharat Mala Total | 76 | 4,003 |
| | Residual NHDP | 39 | 1,755 |
| | Grand Total | 115 | 5,758 |

Source: NHAI, CRISIL Research

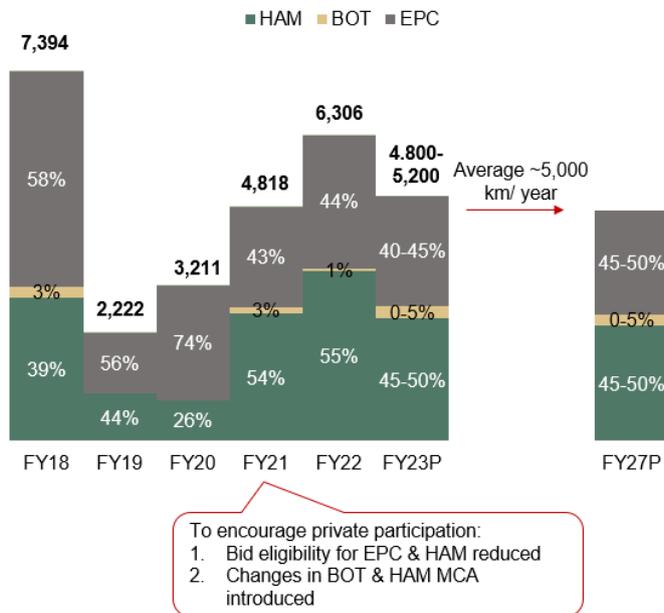
According to CRISIL estimates, Bharatmala awarding was ~5,500-6,000 km over fiscals 2018 and 2019. Investments under Bharatmala would be slow to pick up and contribute ~30% of total investments. As projects awarded under Bharatmala are 60% EPC and 40% HAM, NHAI’s ability to raise funds to execute these projects would be a key monitorable. (Source: CRISIL Report)

Investments

National Highways Authority of India (NHAI) awarding has witnessed a sequential rise from merely 2,222 km in fiscal 2019 to 6,306 km in fiscal 2022. Fiscal 2021 was a pivotal year since despite the COVID-induced disruptions, there was a healthy growth in awarding. The NHAI awarded 4,818 kms in the fiscal 2021 which was a three fiscal high back then. Of these, 54% were awarded under the Hybrid Annuity Model (HAM), 3% under the Build-Operate-Toll (BOT) mode and rest under the Engineering, Procurement and Construction (EPC) mode.

Additionally, favorable changes in the BOT and HAM agreements, and relaxation of bidder eligibility criteria not only indicated a clear policy shift to improve private-sector participation but also aided the spurt in the HAM awards. In fiscal 2022, the awarding momentum continued unabated as the NHAI awarded 6,306 kms in the fiscal year. The share of HAM and EPC in the awarding increased marginally to 55% and 44% respectively while projects under the BOT model accounted for only a paltry 1%.

55% of projects awarded under HAM in FY22, share to remain similar



Source: NHAI, CRISIL Research

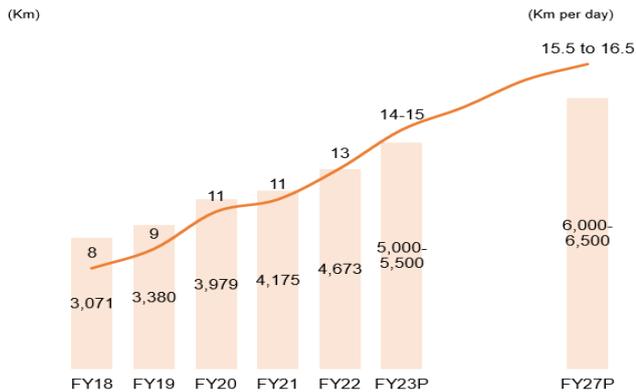
The higher awarding is also reflected in key players' orderbook, which has grown by 25% on-year in Q1 of fiscal 2023. This is a key positive for the sector as it provides good revenue visibility for the incumbent developers.

National Highway construction is also rising steadily with focus on swifter execution

Despite the lockdowns and labour-related issues, developers made up for lost time and construction at NHAI projects rose 5% on-year to 4,175 kms in fiscal 2021. Acceleration in project awards, sharper focus on resolving land acquisition issues, and the ‘Atmanirbhar Bharat’ initiatives to ease liquidity (monthly milestone payments, release of retention money, reduction in performance security & extension of 3-6 months in milestones & SCODs) for EPC road players augured well for the pace of construction. In fiscal 2022, NHAI's focus on swifter execution of projects paid dividends as 4,673 kms were constructed in the fiscal which translated into a 12% growth compared to the last fiscal.

CRISIL Research expects fiscal 2023 NHAI construction to be in the range of 5,000-5,500 kms on the back of higher awarding witnessed in the previous fiscal. Over the medium term, the pace of construction is expected to rise steadily to reach ~16 km per day by fiscal 2027.

NHAI's pace of construction rising steadily with continued focus on swifter execution



Source: NHAI, CRISIL Research

Bharatmala phase-1 awarding focused on expressways; likely to stretch till fiscal 2025

Bharatmala Pariyojana is an umbrella project of the central government since 2015, that aims to improve efficiency in the roads sector. As per the ministry, Bharatmala, along with the schemes currently undertaken, could require a total outlay of Rs 6.9 trillion.

Phase-I of the scheme envisages development of about 24,800 km length of national highways/roads, plus residual 10,000 km of NHDP between fiscals 2018 and 2022. Awarding under Bharatmala has begun from fiscal 2018 and we believe it will stretch till fiscal 2025 for Phase 1.

Asset monetisation critical to meet ambitious Bharatmala targets

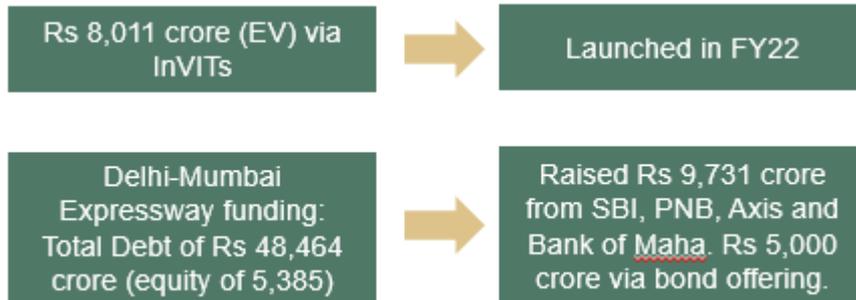
CRISIL Research estimates Rs 17-19 trillion will be invested in national highways between fiscals 2023 and 2027, with public funds dominating the overall spending. With the National Highways Authority of India (NHAI) awarding more projects under the hybrid annuity model (HAM) and on cash-contract basis, it is now relying more on external borrowings and asset monetisation. While asset monetisation via TOT and now the InVIT route is challenging in itself, raising external funds is increasing the debt to equity of the authority and repayments now form a large outflow for NHAI. Timely asset monetisation is critical for NHAI to meet its ambitious Bharatmala targets.

Other modes of funding such as TOT have seen only limited success. Over the past 4 years, NHAI has been able to successfully monetise ~14,000 kms and raise ~Rs 170,000 million and another Rs 80,000 million via InVITs. With the implementation of Fastags, TOT becomes more attractive as its able to eliminate cash handling and plug leaked in the system. However, of late, the awarding of TOT bundles have encountered impediments with certain TOT bundles like TOT-6 and TOT-8 getting cancelled due to low bids. Therefore, the convergence of the expectations of the government authorities and the private bidders remain a key monitorable as well as a major requirement for this mode of funding to become truly successful.

InVITs, as envisaged in Union Budget 2014-15, will own and manage income-generating infrastructure projects. As per regulations, these trusts will be allowed to make only 20% of their investments in under-construction projects. The rest will have to be invested in completed, revenue-generating infrastructure projects. Such trusts are expected to help unlock tied-up capital of developers and attract foreign capital. In Union Budget 2015-16, the finance minister exempted the capital gains tax on sponsors at the time of listing of units of InVITs. In Union Budget 2016-17, distributions made from special purpose vehicles to InVITs were exempt from the dividend distribution tax.

Additionally, the authority has also tied up debt via SPV level funding for the Delhi-Mumbai expressway where it has already raised Rs 97,310 million.

InvITs & SPV level financing



(Source: NHAI, CRISIL Research)

Key Policy Initiatives:

E-Initiatives

BhoomiRashi - Land Acquisition portal

The Ministry of Road Transport and Highways has launched BhoomiRashi portal to digitize the land acquisition notification process and avoid parking of public funds with the Competent Authority for Land Acquisition (CALA). The portal has been made mandatory for processing all the LA proposals w.e.f. April 1, 2018. Since the operationalization of the portal, land acquisition process has been expedited significantly, it has become error-free and more transparent and the notifications at every stage are being processed on a real time basis. During the year 2021, a total of 2,505 land acquisition notifications have been issued and nearly 20,454 hectares of land have been notified for acquisition, for National Highway projects. Also, following new modules have been added in the portal in the year 2021, to further streamline the land acquisition process and monitor land acquisition progress across the country:

- Offline Data Entry of Survey Numbers and Land Parties;
- Interface for appointment of arbitrator and login credentials to Arbitrator;
- Module for monitoring Court Cases and arbitral cases;
- Module for generating CALA performance report and average time taken in publication of notification;
- Module for Grievance Redressal System;
- Land Acquisition pipeline module for Project monitoring;
- Use of REAT payment module of PFMS for payment of compensation through BhoomiRashi so that requisite TDS may be deducted from compensation amount.

Further, a key objective of the Ministry was to avoid parking of funds in bank accounts and also ensuring transparent real time deposit of funds in the account of the individuals whose land/ property were acquired. The same has successfully been achieved by integrating the payment of compensation with the BhoomiRashi portal via Public Finance Management System (PFMS). Already, payments in nearly 17 States, amounting to more than 9,000 million (in ₹) have been processed through PFMS, for the Projects executed by MoRTH through State PWDs. This initiative of MoRTH has resulted in a more robust and efficient land acquisition for road construction in the country. (Source: Annual Report 2021-2022 of the MoRTH available at <https://morth.nic.in/>)

E-tolling

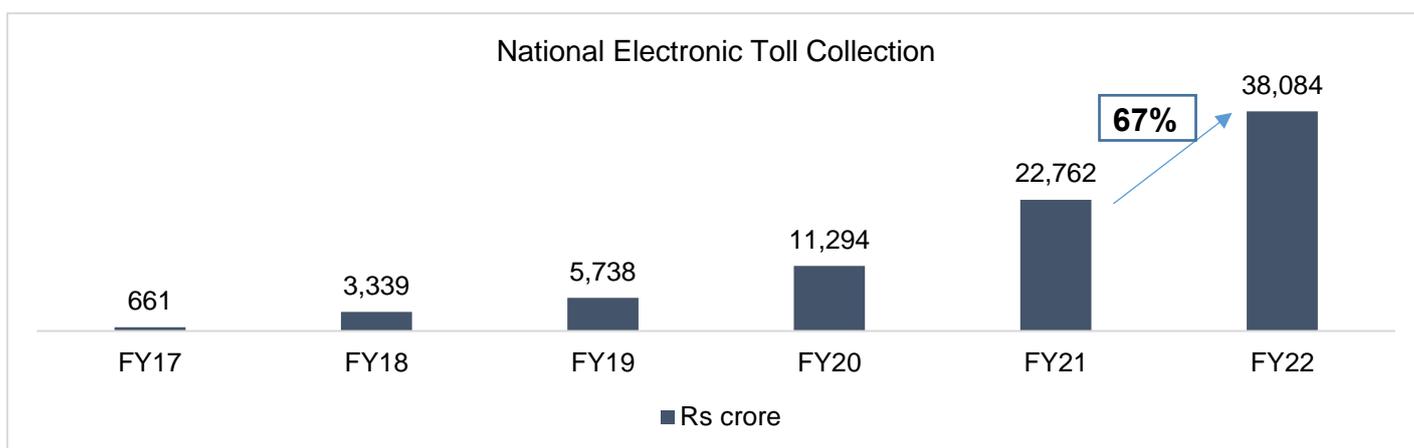
In order to ensure seamless movement of traffic through fee plazas and increase transparency in collection of user fee using FASTag, the National Electronic Toll Collection (NETC) programme, the flagship initiative of Ministry of Road Transport and Highways, has been implemented on pan-India basis. The National Payment Corporation of India (NPCI) is the Central Clearing House (CCH). There are thirty-six (36) banks (including Public and Private sector banks) engaged as issuer banks for FASTag issuance to road users and fourteen (14) acquirer banks to process the transactions at fee plazas.

The Ministry had mandated fitment of FASTag in M&N categories of motor vehicles with effect from 1st January 2021. Category 'M' stands for a motor vehicle with at least four wheels used for carrying passengers. Category 'N' stands for a motor vehicle with at least four wheels used for carrying goods, which may also carry persons in addition to goods. In order to further promote fee payment through digital mode, reduce waiting time and fuel consumption, and provide for seamless passage through fee plazas, Government has declared all lanes of the fee plazas on National Highways to be “FASTag lane of the fee plaza” w.e.f. the midnight of 15th/16th February 2021. (Source: Annual Report 2021-2022 of the MoRTH available at <https://morth.nic.in/>)

To ensure seamless traffic movement through toll plazas and increase transparency in collection of user fees using FASTag, the National Electronic Toll Collection (NETC) programme has been implemented on a pan-India basis. FASTags are simple to use reloadable tags to enable automatic deduction of toll charges from a pre-paid account without having to stop at toll plazas for cash transactions.

FASTag was started as a pilot project in 2014 on the stretch of Golden Quadrilateral between Mumbai and Ahmedabad. It was later extended to other toll plazas, with the FASTag use made mandatory across the country in February 2021. To ease the process of getting a FASTag for citizens, the Ministry also mandated that all vehicles manufactured after December 2017 should be pre-fitted with a FASTag. This reform has been immensely beneficial for citizens and toll plaza operators.

Transition to 100% FASTag was implemented w.e.f 15th February, 2021 and thereafter, significant increase in toll collection through FASTag has been observed



. (Source: CRISIL Report)

OUR BUSINESS

Overview

We are a registered infrastructure investment trust under the InvIT Regulations. We currently have a right to toll, operate and maintain a portfolio of five Initial Toll Roads (*defined below*) in the Indian states of Gujarat, Rajasthan, Telangana and Karnataka, and intend to toll, operate and maintain a portfolio of three Target Toll Roads (*defined below*) in the Indian states of, Telangana, Maharashtra, Uttar Pradesh and Madhya Pradesh under the Toll Operate Transfer (“TOT”) model conceived by NHAI. These Toll Roads (*defined below*) are operated and maintained pursuant to concessions granted by the NHAI. The Initial Toll Roads comprise five stretches spanning a total length of approximately 389 kms and the Target Toll Roads comprise three stretches spanning a total length of approximately 246 kms.

Our Sponsor is NHAI, an autonomous authority of the GoI under the MoRTH constituted on June 15, 1989 by an Act of the Indian Parliament titled - The National Highways Authority of India Act, 1988 (the “NHAI Act”). NHAI was operationalised in February 1995 with the appointment of a full-time Chairman and other members of the board. The functioning of NHAI is governed by the NHAI Act and the rules, and regulations framed thereunder.

The Project SPV has entered into eight (8) independent Concession Agreements with the NHAI for concessions of each of the Toll Roads. We have satisfied all conditions precedent and commenced our Concessions on December 16, 2021 in accordance with the terms of the Concession Agreements for the Initial Toll Roads and expect to satisfy all conditions precedent and commence our Concessions for the Target Toll Roads in accordance with the terms of the Concession Agreements for the Target Toll Roads. For further details, please see the section titled “*Summary of the Concession Agreements*” on page 132.

The Concession Agreements provide the Project SPV the right to collect tolls for a period of 20 years or 30 years (as applicable under the relevant Concession Agreement) from users of each Toll Road, with certain overlay activities and the construction of additional toll lanes in respect of certain of the Toll Roads (the “**Initial Improvement Works**”) to be completed by the Project SPV within 12 to 18 months from the Appointed Date (as defined in the section titled “*Summary of the Concession Agreements*”). Responsibility for the supervision of the operations and maintenance of the Toll Roads also vests with us. In return, the Project SPV is required to pay the concession fee to the NHAI prior to the commencement of the Concession, as set out in the respective Concession Agreements. For further information on the provisions of the Concession Agreements, see “*Summary of the Concession Agreements*”.

Pursuant to the Formation Transactions and the Proposed Transfer, the Trust has acquired 100% of the equity shares of the Project SPV from the Sponsor. For additional information about the Proposed Transfer, please see the section titled “*Formation Transactions in Relation to the Trust*”.

The Project SPV has a right to toll, operate and maintain the following toll road assets (the “**Initial Toll Roads**”):

- Palanpur/Khemana – Abu Road Project (“**Asset 1**”): Abu Road section of NH 27 with a total length of 45 kms, connecting the states of Gujarat and Rajasthan;
- Abu Road – Swaroopganj Project (“**Asset 2**”): Swaroopganj section of NH 27 with a total length of 31 kms, in the state of Rajasthan;
- Maharashtra/ Karnataka Border (Kagal) – Belgaum Project (“**Asset 3**”): Belgaum – Kagal section of NH 48 with a total length of 77.7 kms, connecting the states of Karnataka and Maharashtra;
- Chittorgarh – Kota & Chittorgarh Bypass Project (“**Asset 4**”): Chittorgarh – Kota section of NH 27 with a total length of 160.5 kms, in the state of Rajasthan; and
- Kothakota Bypass – Kurnool Project (“**Asset 5**”): Kothakota bypass – Kurnool section of NH 44 with a total length of 74.6 kms, connecting the states of Telangana to Andhra Pradesh.

From the Appointed Date, the Project SPV will have the right to toll, operate and maintain the following toll road assets (the “**Target Toll Roads**”, together with the Initial Toll Roads, the “**Toll Roads**”):

- Agra Bypass Project (“**Asset 6**”): Agra Bypass section with a total length of 32.80 kms, connecting NH19 (old NH2) to NH44 (old NH7) in Uttar Pradesh;
- Borkhedi - Kelapur Project (“**Asset 7**”): Borkhedi-Kelapur-Maharashtra/Telangana border section of NH44 (old NH7) with a total length of 138.15 kms, in the state of Maharashtra; and
- Shivpuri – Jhansi Project (“**Asset 8**”): Jhansi-Shivpuri section of NH 27 with a total length of 75.30 kms, connecting the districts of Jhansi in the state of Uttar Pradesh and Shivpuri in the state of Madhya Pradesh.

The following map depicts locations of the Toll Roads:



Note:

(1) This map is for illustrative purposes only, is not to scale and is subject to change at any time.

Strengths of the Trust

Experienced Sponsor with consistent track record in operating and maintaining projects in the roads and highways sector in India

Our Sponsor, NHAI is India’s national agency responsible for the development, maintenance and management of India’s national highways network. Our Sponsor has a consistent track record of growth and operational performance. Our Sponsor has been entrusted with National Highways Development Project (“**NHDP**”), which along with other minor projects, has vested in it 50,329 kms of national highways for development, maintenance and management. As part of the NHDP, our Sponsor infuses funds into immediate areas of development and enables private sector participation bringing about a healthy participatory economy.

Our Sponsor is also involved in the *Bharatmala Pariyojana* project (*more information available in the Industry Overview section*) and envisages development of 50 economic corridors, that would provide connectivity to 550 districts through national highway linkages and improve average road travel speed. Out of the total 34,800 kms of approval granted by the Cabinet Committee on Economic Affairs (“**CCEA**”) to our Sponsor for Phase-1 of *Bharatmala Pariyojana*, our Sponsor has already completed construction of 27,500 kms of national highways as part of the *Bharatmala Pariyojana*, Phase-1. A further 12,413 kilometers have been awarded and 2,921 kilometers have been constructed as of August 2020. (*Source: NHAI Annual Report 2018-2019*)

Our Sponsor’s awarding of new projects has witnessed a sequential rise from merely 2,222 km in FY 19 to 6,306 km in FY 22. FY 21 was a pivotal year since despite the COVID-induced disruptions, there was a healthy growth in awarding of new projects with the award of 4,818 kms. Of these, 54% were awarded under the Hybrid Annuity Model (HAM), 3% under the Build-Operate-Toll (BOT) mode and rest under the Engineering, Procurement and Construction (EPC) mode. In FY 22, the awarding

momentum continued unabated as our Sponsor awarded 6,306 kms. Despite the lockdowns and labour-related issues, developers made up for the lost time and construction as NHAI projects rose 5% year-on-year to 4,175 kms in FY 21. In FY 22, our Sponsor's focus on swifter execution of projects paid dividends as 4,673 kms were constructed which translated into a 12% growth as compared to the last fiscal. (Source: CRISIL Research)

Having NHAI as our Sponsor, we believe we are well positioned to drive new initiatives in the road sector in India. For more details about our Sponsor and the projects, please see the section titled "*Industry Overview*" on page 80 of this Prospectus.

Sizeable portfolio of diversified long-term revenue generating Toll Road assets

We own 100% of the Project SPV. The Project SPV tolls, operates and maintains the Initial Toll Roads and will toll, operate and maintain the Target Toll Roads. The Concession Agreements provide the Project SPV the right to collect toll for the respective concession periods. The Initial Toll Roads have concession periods of 30 years and the Target Toll Roads have concession periods of 20 years. We believe the Toll Roads currently have a healthy mix of passenger and commercial traffic. For details of the project traffic for each of the Toll Roads, please see **Annexure G**. We also believe that the Toll Roads possess a good mix of captive short distance traffic and long-distance traffic. In addition, the range of commodities transported by commercial traffic across the Toll Roads varies from agricultural products and other perishable goods to steel, cement and multiple industrial products, representing a broad cross-section of the Indian economy. Each Toll Road has a distinct set of users based on its local economy, which results in significant independence of traffic across the Toll Roads. As a result, we expect the geographical diversification of the Toll Roads to reduce our reliance on the local economy of any single state or district. The diversified composition of traffic along the Toll Roads is expected to provide us with stable cash flows.

We believe that the Toll Roads have revenue growth potential due to expected growth in traffic volumes as a result of regional and national growth and expected increases in toll fees as a result of inflation adjustments.

Presence in strategic regions/ Strategic geographic location of portfolio assets

The Toll Roads comprise eight stretches of toll roads located in the Indian states of Gujarat, Rajasthan, Telangana, Karnataka, Uttar Pradesh, Maharashtra and Madhya Pradesh. Two (2) Toll Roads are located in southern India, four (4) are located in central – western India, one (1) in western India and one (1) in northern India. According to the Traffic Consultants, these corridors are among the primary corridors for long distance commercial traffic movement and have witnessed high traffic growth rates in the past few years.

- ***Asset 1 – Palanpur/Khemana – Abu Road Project:*** This project stretch starts at Palanpur in the State of Gujarat and ends at Abu Road in the state of Rajasthan.
- ***Asset 2 – Abu Road – Swaroopganj Project:*** This project stretch starts at the end of Asset 1 and mainly falls in the state of Rajasthan, India. As per the Traffic Consultant, this project is one of the main highway corridors connecting Gujarat with an important tourist destination of Mount Abu. Palanpur, Ahmedabad, Mount Abu and Udaipur are some of the important cities in the vicinity of this stretch.
- ***Asset 3 – Maharashtra/ Karnataka Border (Kagal) – Belgaum Project:*** This project stretch starts at Belgaum in the State of Karnataka and ends at the Maharashtra/ Karnataka Border, and is a part of the corridor between Mumbai-Pune and Bengaluru.
- ***Asset 4 – Chittorgarh – Kota & Chittorgarh Bypass Project:*** This project stretch starts from Chittorgarh and ends at Kota Bypass about 10 km short of Chambal River Hanging Bridge. This project is divided into three sections based on toll plaza junctions. The project road is short in length and reduces travel time between Kota and Chittorgarh, providing congestion free services.
- ***Asset 5 – Kothakota Bypass – Kurnool Highway Project:*** This project stretch connects the state of Telangana with Andhra Pradesh. The project road offers the shortest itinerary, in length and travel time between Kothakota and Kurnool, and is a part of the corridor between Hyderabad and Bengaluru.
- ***Asset 6 – Agra Bypass:*** This project stretch is a 32.80 km four-lane road, forming part of the section connecting NH19 (old NH2) to NH44 (old NH7) in Uttar Pradesh, branches out to NH52 (old NH3) and NH44 (old NH7) at Gwalior.
- ***Asset 7 - Borkhedi – Kelapur Stretch:*** This project is located on NH44 and is about 138.15 kms long section between Borkhedi and Maharashtra/ Telangana Border (at Penganga River bridge) traversing through the districts of Nagpur, Wardha and Yavatmal in the state of Maharashtra. This stretch is a part of the corridor between Nagpur and Hyderabad.

- **Asset 8 - Jhansi – Shivpuri Project:** This project is a 4-lane, 75.3 kms long stretch, on national highways (NH) 27 which connects the districts of Jhansi and Shivpuri in the state of Uttar Pradesh and Madhya Pradesh, respectively.

We believe that future development of highways along the Toll Roads as highlighted by the Traffic Consultant in their Traffic Reports and the increased government initiatives such as *Bharatmala Pariyojana* to improve efficiency across roads in India, will provide an impetus to the growth in traffic on the Toll Roads. Furthermore, each of the Toll Roads lie upon significant inter-city connection routes within the populous states of Maharashtra, Madhya Pradesh, Uttar Pradesh, Karnataka, Rajasthan, Telangana and Andhra Pradesh, with captive passenger and commercial traffic.

Experienced management team with industry experience

We are managed by qualified personnel of the Investment Manager who have management and operational experience in the roads and highways sector. In addition, qualified personnel of the Project Manager manage our projects. For further details, see the sections titled “*Parties to the Trust*” on page 173 of this Prospectus. We believe that the experience and leadership of these teams will contribute to our growth and success and will position the Toll Road assets to be operated and managed in an efficient manner.

Growth opportunities and access to Sponsor’s portfolio

Through our relationship with the Sponsor, and in accordance with the approval granted by the Chairman of NHAI, by way of communication dated March 29, 2021, our Sponsor will offer to us around 1,500 km of roads in three (3) years (“**Future Assets**”) of which the Target Toll Roads have been offered for acquisition by the Sponsor. The process of identification of Future Assets, offer of Future Assets to Trust and completion of transfer of Future Assets to the Trust including valuation mechanism may be refined and/or modified in line with the internal policies of NHAI.

We believe that this access to future toll road assets of the Sponsor or its existing or future subsidiaries will be an important source of growth in the future.

Favourable Concession Agreements terms with Low Counterparty Risk and Inflation Passthrough

We believe that we have balanced Concession Agreements terms with low counterparty risk due to the creditworthiness of our Sponsor. We believe this, along with the following factors, provide for promising prospects for our business:

- **Long Concession Life with the possibility for an extension.** Our Concession Agreements are for a period of 20 years and/or 30 years (as applicable) from the relevant Appointed Date. We believe this is a sufficiently long period that provides us with ample opportunity to refinance the assets on a fully amortized basis. For details, see “*Summary of the Concession Agreements*”.
- **Termination Payments.** Furthermore, our Concession Agreements provide for termination payments under various default scenarios such as NHAI events of default or *force majeure* events. Under the Concession Agreements, NHAI is obligated to make termination payments in the case of a concessionaire event of default. NHAI’s strong track record of meeting its obligations when they become due gives us confidence that any termination payments will be made in a timely manner. Such termination payments may be used to compensate our creditors. For details, see “*Summary of the Concession Agreements*”.
- **Minimal Price Risk.** The toll rates for all Toll Roads are determined with reference to published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index measured in December of the preceding year plus a fixed 3% as per NHAI Fee Rules. Given India’s long track record of relatively higher inflation rates as well as the 3% fixed portion of the increase, we anticipate a continuing increase in toll rates over the life of the concession. We expect that this formula will minimize any risk of increasing operating costs over time.
- **Prohibition Against Additional Tollways.** Subject to certain exemptions, NHAI is prohibited from constructing, or permitting the construction of, any competing expressway or other toll road (“**Additional Tollway**”) between specified stretches of each Toll Road at any time during the relevant Concession Period. We will be compensated in line with the terms of the Concession Agreement if our toll collection activities are impacted by the Additional Tollway. NHAI is also obligated to use its best efforts to ensure that the tolls to be levied on vehicles using the Additional Tollway are at least 25% higher than the toll rates of the impacted Toll Road.
- **Prohibition Against Competing Roads.** Subject to certain exemptions, NHAI is prohibited from constructing a Competing Road (as such term is defined in the Concession Agreements) of each of the Toll Roads during the respective Concession Periods.

- *Compensation for reduced toll rates.* In terms of the Concession Agreements for the Target Toll Roads, if the Project SPV suffers a loss in revenue owing to reduction in the Equitable Tollable Length (*as defined in the relevant Concession Agreement*) pursuant to Capacity Augmentation (*as defined in the relevant Concession Agreement*), NHAI shall compensate the Project SPV for such loss incurred by the Project SPV, on a quarterly basis.
- *Installation of Additional Check Plazas.* Under the Concession Agreements, subject to certain restrictions we are permitted to install temporary or permanent fee collection booths to prevent fee evasion by users of the Toll Roads. We believe the installation of these check plazas will significantly decrease leakage in the Toll Roads, increasing cash collections and performance.

Strategies of The Trust

Organic growth through proactive management

Our principal investment strategy is to proactively manage the Toll Road assets to support growth. In particular, the Investment Manager will seek to maintain or improve the Project SPV's net incomes by, among other initiatives, curbing leakages, conducting proper due diligence, formulating and adopting policies and procedures and structuring investments to address tax or regulatory considerations. The Project Manager will assist the Investment Manager by carrying out the operations, management and maintenance of the project in accordance with the Concession Agreement and the Project Implementation Agreement and by procuring, operating and maintaining the project's toll management systems, including but not limited to, employing staff for toll collection, monitoring toll collection and providing security arrangements at toll plazas.

The Investment Manager will also focus on minimizing project operating expenses. The roads and highways sector are a highly competitive sector that is capital intensive and requires significant expenditure. Our ability to efficiently manage the costs associated with the Toll Road assets is critical to maintaining the Project SPV's profit margins. The Investment Manager also intends to focus on increasing the margins of the Project SPV by strengthening internal processes and systems so as to improve utilization of resources and reduce costs. As part of our operations and maintenance systems and processes, the Investment Manager intends to work closely with the Project Manager to promote best practices, to minimize downtime or defects with respect to the Toll Road assets and to monitor performance of toll booth operators and maintenance contractors. The Investment Manager also intends to work with the Project Manager and the Project SPV to upgrade technology as needed, to manage any leakages in toll collections and to streamline collection, route and maintenance operations. With this focus on proactive asset management and operating expense minimization, the Investment Manager hopes to increase our profit margins and achieve long-term growth.

Acquisition of toll road projects

The Investment Manager intends to expand our initial portfolio by identifying and selectively acquiring additional toll road projects that meet our investment criteria described below. The Investment Manager intends to capitalize on opportunities to acquire road projects that provide attractive cash flows and yields. While evaluating acquisition opportunities, the Investment Manager intends to focus on, among other things, the following investment criteria in order to make asset selections:

- *Yield thresholds.* The Investment Manager will seek to acquire assets with returns that are estimated to be above our cost of capital so as to maintain or enhance returns to the Unitholders;
- *Traffic characteristics.* The Investment Manager will seek to acquire assets with potential for traffic growth;
- *Residual concession period.* The Investment Manager will actively seek projects with residual concession periods of sufficient duration to meet the investment objectives of the Trust to generate stable returns and ensure long-term growth;
- *Geographic diversity.* The Investment Manager will seek projects in a variety of geographical locations in India to mitigate concentration risk and to take advantage of regional growth; and
- *Other.* In addition, the Investment Manager will also take into account factors such as estimated *maintenance* costs based on technical assessments of projects under evaluation, the impact of acquisitions on our expected distributions, and the requirements under the InvIT Regulations to propel our portfolio of completed and revenue generating projects and under-construction projects.

Optimization of capital structure

The Investment Manager will seek to employ appropriate financing policies and diversify its sources of financing with the objective of minimizing our overall cost of capital. The Investment Manager shall ensure that the Trust operates within the InvIT Regulations for borrowing, whereby the maximum level of external debt in the Trust Group will not exceed 70% (or such other percentage as may, from time to time, be prescribed in the InvIT Regulations) of the value of the assets of the Trust. If it is in the interests of the NCD Holders, the Investment Manager may also consider pursuing growth opportunities that require raising additional capital through the issuance of NCDs, in accordance with the process laid down by SEBI.

Seamlessly transition all aspects of the Toll Roads upon acquisition

Each of the Toll Roads are publicly funded toll roads which have been operated, pursuant to an annual toll contract, by sub-contractors of NHAI. Upon acquisition of the Toll Roads pursuant to our Concession Agreements, we expect to seamlessly transition the O&M of each of the Toll Roads in a timely and efficient manner to ensure a smooth transition of operation of the Toll Roads and in order to minimize disruption to toll collection or road usage.

The O&M of the Chittorgarh - Kota & Chittorgarh Bypass Project and Maharashtra/ Karnataka Border (Kagal) - Belgaum Project is being handled by us. However, with respect to the (i) Abu Road – Swaroopganj Project (ii) Palanpur/Khemana – Abu Road Project, and (iii) Kothakota Bypass – Kurnool Highway Project, we will take over the operations and maintenance of these Toll Roads upon expiration of their existing BOT concessions on March 25, 2024, March 25, 2024, September 16, 2026, and the Appointed Date(s) respectively. The operations of Target Toll Roads shall be taken over from the Appointed Date, in accordance with the Additional Concession Agreements.

Furthermore, the Sponsor, Project Manager and the Project SPV had entered into a transitional support agreement in relation to the Initial Toll Roads for the purpose of the Sponsor providing the transitional support to (i) the Project Manager in respect of its obligations under the Project Implementation and Management Agreement, and (ii) the Project SPV in respect of its O&M obligations and tolling obligations (*as provided under the Concession Agreements*). The terms and conditions of the transitional support agreement were, in respect of each Concession Agreement and the Project Implementation and Management Agreement, effective and binding on the Parties for a period of 6 (six) months commencing from the appointed date of the respective Concession Agreements, and has expired as of the date of this Prospectus. Additionally, the Sponsor, Project Manager and the Project SPV have entered into a transitional support agreement in relation to the Target Toll Roads for the purpose of the Sponsor providing the transitional support to (i) the Project Manager in respect of its obligations under the Project Implementation and Management Agreement, and (ii) the Project SPV in respect of its O&M obligations and tolling obligations (*as provided under the Additional Concession Agreements*). The terms and conditions of the transitional support agreement shall, in respect of each Concession Agreement and the Project Implementation and Management Agreement, be effective and binding on the Parties for a period of 3 (three) months commencing from the appointed date of the respective Concession Agreements, unless terminated earlier by mutual consent.

Improve toll collection efficiencies across the Toll Roads

We intend to transition from the existing semi-automatic and hybrid ETC toll collection methods currently employed at the Toll Roads to automated toll collection system which we expect will improve efficiency, reduce leakage and decongest toll plazas. The adoption of automated toll collection system involves, among other things, the upgradation of toll management software to record vehicles crossing toll plazas, the usage of robust two-fold toll monitoring (including an automated traffic counter and vehicle classifiers to be installed at each toll lane and a remote video monitoring center to be established at our head office) and strict implementation of ETC at the toll lanes. This strategy is in line with the GoI's recent initiatives to increase digitization, including the adoption of FASTags for all toll collections across India. Hitherto, the Toll Roads have seen an increasing share of ETC/FASTag-based toll collection, and according to the Traffic Consultants, this share is expected to grow further. For more details, please see the **Annexure G** of this Prospectus.

Further, we intend the Project SPVs to engage with local communities around the Toll Roads to improve our relationship with users. We intend to adopt practices such as, conducting community consultation, supporting road safety, installing rainwater harvesting systems and planting trees. We believe these practices will improve our reputation with our key stakeholders including communities and road users.

Summary of Our Toll Roads

| | AP | AS | KK | MH-B | CK | BWK | AB | SJ |
|---|--------------------|-------------------|-----------------|--|--------------------------------------|----------------------------------|---------------------------|-------------------|
| Highway | NH27 | NH27 | NH44 | NH48 | NH27 | NH 44 | Connecting NH 19 and NH44 | NH 27 |
| State..... | Gujarat /Rajasthan | Rajasthan | Telangana | Karnataka | Rajasthan | Maharashtra/ Telangana | Uttar Pradesh | – Madhya Pradesh |
| Original COD | Mar-09 | Mar-09 | Dec-09 | Jul-04 | Mar-09 | Apr-11 | Mar-17 | Jul-09 |
| Length (km)..... | 45.0 | 31.0 | 74.6 | 77.7 | 160.5 | 138.4 | 32.8 | 75.3 |
| No. of Lanes | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Km Chainage (km) | 601-646 | 646 – 677 | 135.5 - 211 | 515 – 592.240 | 891.9 – 1052.4 | 36.6- 175 | 0 – 32.8 | 1305.08 – 1380.38 |
| Toll Plaza (Kilometric point location) | Khemana (602.75) | Undvaria (670.75) | Pullur (200.95) | Hattargi(929.63), Aroli (537.77), Kognoli (591.24) | Bassi (986.63), Dhaneshwar (1032.63) | Darodha (92.50) Kelapur (150.45) | Raibha (10.80) | Raksha (1374.65) |
| Pavement Type..... | Flexible | Flexible | Flexible | Rigid/ Flexible | Rigid/ Flexible | Flexible | Flexible | Flexible |
| Initial Development Model..... | Annuity | Annuity | Annuity | Annuity | EPC | EPC | EPC | EPC |
| Annuity Concession End | Mar-24 | Mar-24 | Sep-26 | Dec-19 | - | - | - | - |
| Current Concessionaire ⁽¹⁾ | L&T IDPL* | L&T IDPL* | APEL^ | - | - | - | - | - |
| Tolling Handover date ⁽²⁾ | 16-Dec-21 | 16-Dec-21 | 16-Dec-21 | 16-Dec-21 | 16-Dec-21 | Appointed date | Appointed date | Appointed date |
| O&M Handover date | Mar-24 | Mar-24 | Sep-26 | Dec-16-21 | Dec-16-21 | Appointed date | Appointed date | Appointed date |
| InvIT - Concession period | 30 Years | 30 Years | 30 Years | 30 Years | 30 Years | 20 Years | 20 Years | 20 Years |
| FasTag enablement date | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 | 16-Feb-21 |

Source: Traffic reports, National Highways Infra Trust

*L&T Interstate Road Corridor Limited

^Andhra Pradesh Expressway Limited

Notes:

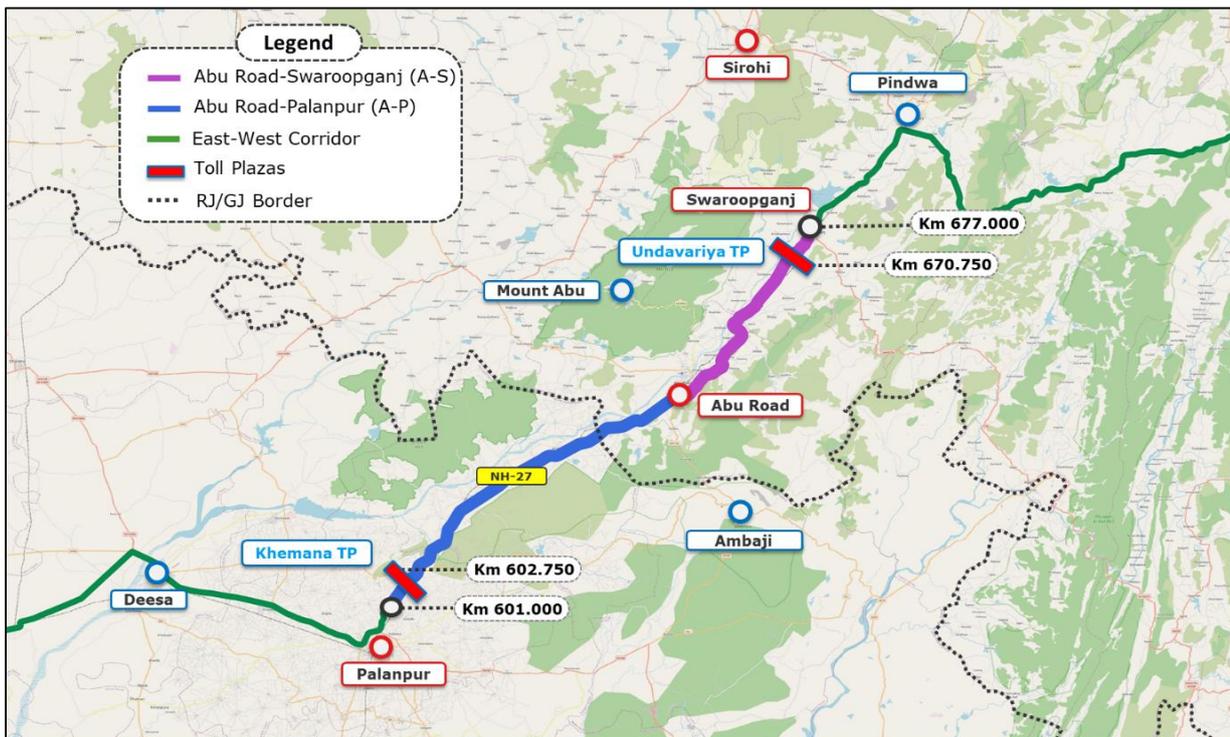
- (1) Maintenance for project stretches to continue under scope of existing concessionaire until end of current concession.
- (2) Appointed date as per the relevant Concession Agreements. Transitional support agreement has been entered into between NHA and the Trust to manage tolling and O&M for the first 6 months for the Initial Toll Roads and for the first 3 months for the Target Toll Roads.

Description of Our Toll Roads

1. Palanpur/Khemana – Abu Road Project (“Asset 1”) and Abu Road –Swaroopganj Project (“Asset 2”)

Project overview

According to the Traffic Consultant, the four-lane Asset 1, starts at Abu Road (KM 646.000) and ends at Palanpur (KM 601.000) in Banaskantha district in the state of Gujarat and Sirohi district in the state of Rajasthan. Asset 2 is also four-laned and starts at Abu Road (KM 646.000) and ends at Swaroopganj (KM 677.000) in Sirohi district in the state of Rajasthan. Both Asset 1 and Asset 2 are a part of NH27, which is the second-longest highway in India, catering to the north-west movement between Haryana, Punjab, Delhi, and the different business centres of Gujarat, and east-west movement between Silchar and Porbandar, connecting major centres of economic activity such as Guwahati, Silguri, Lucknow and Udaipur. Asset 1 and Asset 2 project roads in wider context serves long-distance traffic which is majorly plying between and northern/eastern region of India and Palanpur/Rajkot/Morbi/Kandla/Mundra/ Gandhidham of western region of Gujarat. Apart from long distance traffic, it also serves the short distance traffic which is mainly generated between Abu Road/Swaroopganj/Sirohi/Pindwara and Palanpur/Deesa/ Mehsana.



Source: Traffic Report

Salient growth features and traffic generators

According to the Traffic Consultant, the project sections of Asset 1 and Asset 2 fall under the jurisdiction of Sirohi district in the state of Rajasthan and Banaskantha district in the state of Gujarat, respectively.

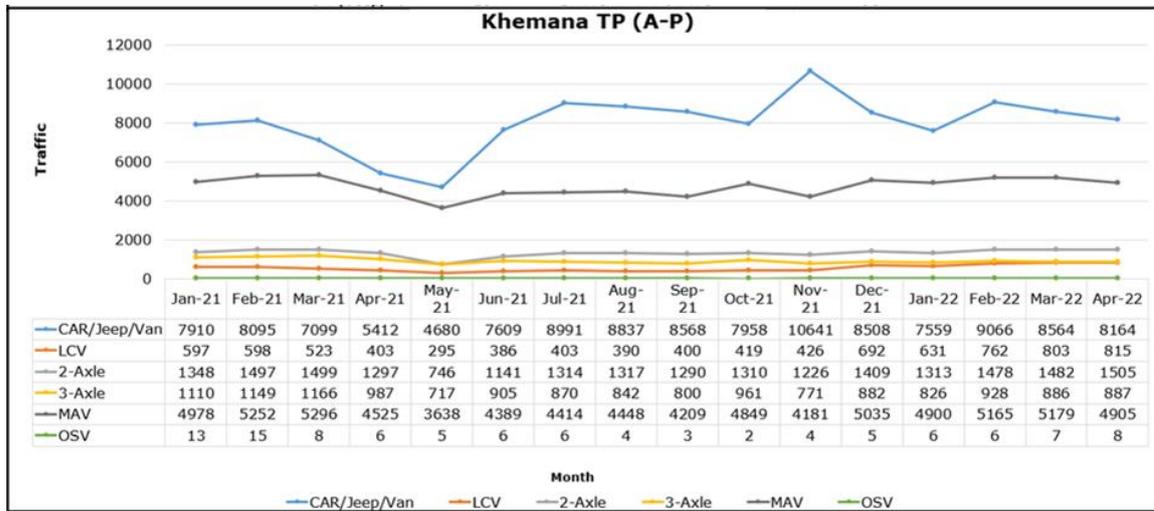
Sirohi district is located on the south-western part of the state of Rajasthan and shares borders with the state of Gujarat in the south. It is bounded by Pali district in the north-east, Udaipur district in the east, Jalore in the west and Banaskantha district of Gujarat in the south. The economy of the Sirohi district is based on agriculture and mineral based industries. Major crops in the district include millets, pulses, sesame, and red chillies. The district is also rich in mineral deposits of limestone, marble, granite, calcite, quartz, tungsten, flourite etc. Major mineral based industries which are involved in production of portland cement, cement slabs, tiles, granite, and mineral powder. The district is also known for Mount Abu, a popular hill station and houses the highest peak viz., Guru Shikhar of the Aravalli ranges.

Banaskantha district is located on the north-eastern part of the state of Gujarat, shares borders with the state of Rajasthan in the north. The district is surrounded by Marwad and Sirohi regions of the state of Rajasthan in the north, Sabarkantha district in the east, Mehshana district in the south and Patan district in the west. The economy of the district is based on agro & food processing, tourism, textile and mineral based industries (ceramics). It is the largest producer of potatoes in the state. Other major crops include bajri, maize, tobacco, castor oil, jowar, psyllium etc. The district is also rich in mineral resources which contribute in its economy to a great extent. Limestone, marble, granite, building stone, china clay. etc are the available mineral resources in the district. Food processing and textile industries are also found in the district. The district ranks first in the country in milk production and houses one of the biggest milk production dairies of Gujarat viz., Banas dairy at Palanpur.

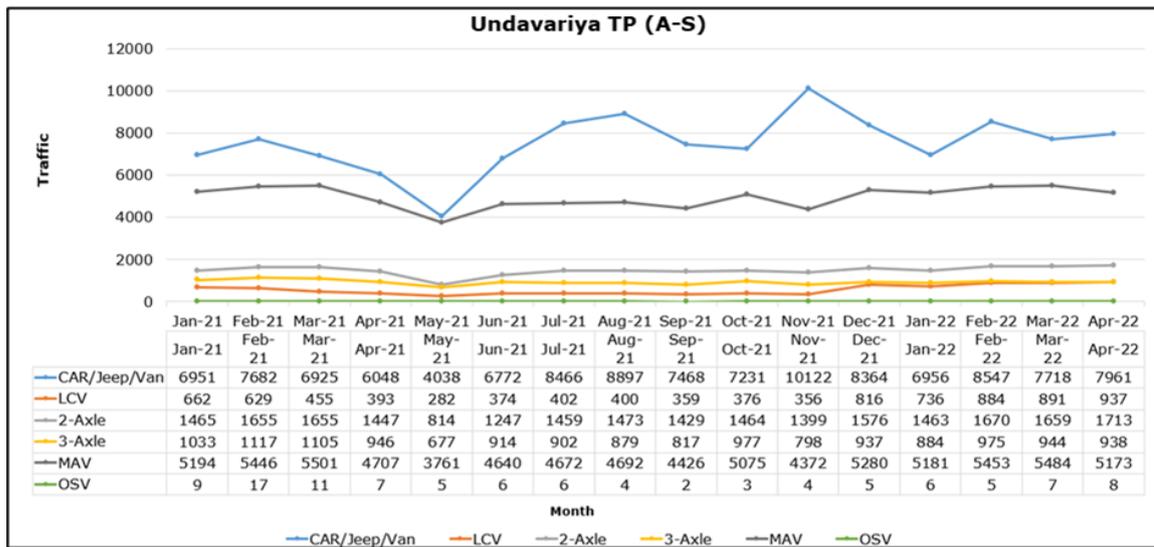
Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic data of Asset 1 and Assets 2, as provided in the Traffic Report annexed as **Annexure G**:



Source: Traffic Report



Source: Traffic Report

The onset of the second wave of Covid-19 and the lockdowns announced by the state government during April-June 2021 was a setback to the continuous recovery of traffic to normal levels. With that in mind, an average of July 2021 to April 2022 has been considered as the AADT for FY 22, by the Traffic Consultant, as provided below:

| Location/Mode | Car/Jeep/Van/Taxi | LCV | 2A | 3A | MAV | OSV |
|---------------------|-------------------|-----|-------|-----|-------|-----|
| Undavariya TP (A-S) | 8,187 | 602 | 1,530 | 905 | 4,981 | 5 |
| Khemana TP (A-P) | 8,583 | 677 | 1,364 | 865 | 4,728 | 5 |

Source: Traffic Report

Toll Segmentation

The tolling stream distribution in the present study has been derived from the toll data taking an average of ticket wise traffic from July 2021 to April 2022 and the same has been adopted for all the modes except cars. The level of exemptions in cars has been found to be high due to which a tapering has been considered in the future years. The table below presents the proposed segmentation for Toll Plaza Khemana and Toll Plaza Undavariya.

| Ticket Type/Modes | Car | | | LCV | Bus/ 2-axle Truck | 3-axle Truck | MAV | Oversized |
|--------------------------------|-------|-------|--------------|-------|-------------------|--------------|-------|-----------|
| | FY22 | FY23 | FY24 onwards | | | | | |
| Asset 1 (Khemana TP) | | | | | | | | |
| Single | 33.6 | 33.6 | 33.6 | 51.1 | 68.2 | 86.6 | 90.3 | 94.0 |
| Return | 16.1 | 25.1 | 32.9 | 38.3 | 30.7 | 10.7 | 8.5 | 4.5 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 1.4 | 7.3 | 12.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local commercial | 0.0 | 0.0 | 0.0 | 0.4 | 0.2 | 0.0 | 0.4 | 0.0 |
| Exempt | 48.9 | 34.0 | 21.0 | 10.3 | 0.9 | 2.7 | 0.7 | 1.5 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Asset 2 (Undavariya TP) | | | | | | | | |
| Single | 37.0 | 37.0 | 37.0 | 47.3 | 64.4 | 88.3 | 86.9 | 91.6 |
| Return | 25.5 | 36.6 | 43.2 | 45.3 | 34.3 | 10.1 | 11.6 | 3.2 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.9 | 8.3 | 12.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local commercial | 0.1 | 0.1 | 0.1 | 1.4 | 0.4 | 0.9 | 1.0 | 0.0 |
| Exempt | 36.5 | 18.0 | 7.0 | 5.8 | 0.9 | 0.7 | 0.4 | 5.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Traffic Report

Projected Traffic Data: Growth Passenger Car Unit (PCU)

The Traffic Consultant projected that there will be continued sustained growth in PCU of Asset 1 and Asset 2 across all vehicle types until FY2052. The below table shows the expected PCU by financial year for the Toll Plaza of Khemana and Toll Plaza of Undavariya:

| | | | | | | | |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Khemana | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU..... | 40,009 | 48,200 | 61,156 | 76,583 | 93,096 | 110,313 | 128,397 |
| Undavariya | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU..... | 41,210 | 48,919 | 61,335 | 76,189 | 92,105 | 108,708 | 126,082 |

Source: Traffic Report

Operations and maintenance

The Palanpur/Khemana – Abu Road Project (Asset 1) is currently operated under the BOT (Annuity) model, whereby the concessionaire is responsible for construction, operations and maintenance of the toll road while the relevant authority collects tolls and makes annuity payments to the concessionaire. The concessionaire is L&T Interstate Road Corridor Limited. We expect the current concessionaire to undertake routine and major maintenance works, as per the requirement of its current concession obligations, up to the termination of its concession period. Our O&M Handover Date for the Palanpur/Khemana – Abu Road Project is March 25, 2024. Following our takeover of O&M on March 25, 2024, we plan to perform ongoing major maintenance works on a regular basis to maintain in good condition.

Pursuant to the completion of Transitional Support Agreement, the Project SPV has taken over the toll operations with effect from June 21, 2022 and have engaged a third party for undertaking user fee collection services for the same for a period of one year.

Further, the Project SPV has engaged an EPC Contractor for undertaking initial improvement works as stipulated in the Concession Agreement, who is expected to complete the same on or before December 15, 2023, i.e. time line stipulated in the Concession Agreement.

The Abu Road – Swaroopganj Project (Asset 2) is currently operated under the BOT (Annuity) model, whereby the concessionaire is responsible for construction, operations and maintenance of the toll road while the relevant authority collects tolls and makes annuity payments to the concessionaire. The current concessionaire is L&T Interstate Road Corridor Limited. We expect the current concessionaire to undertake routine and major maintenance works, as per the requirement of its current concession obligations, up to the termination of its concession period and our O&M Handover Date for the Abu Road –

Swaroopganj Project on March 25, 2024. Following our takeover of O&M on March 25, 2024, we plan to perform ongoing major maintenance works on a regular basis to maintain in good condition.

Pursuant to the completion of Transitional Support Agreement, the Project SPV has taken over the toll operations with effect from June 21, 2022 and have engaged a third party for undertaking user fee collection services for the same for a period of one year.

Further, the Project SPV has engaged an EPC Contractor for undertaking initial improvement works as stipulated in the Concession Agreement, who is expected to complete the same on or before December 15, 2023, i.e. time line stipulated in the Concession Agreement.

Tollable Length and Toll Rates

In terms of tollable length, the Palanpur/Khemana – Abu Road Project comprises 50.92 kms of roads and Abu Road – Swaroopganj Project comprises 32.59 kms of roads. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 25, 2022, the toll rates at the Khemana toll plaza for the Palanpur/Khemana – Abu Road Project for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for Commercial Vehicle Registered within the district of the Toll Plaza |
|---|----------------|------------------|--------------|---|
| | | | | (Rs.) |
| Car/Jeep/Van or LMV | 70 | 105 | 2310 | 35 |
| LCV, LGV or Minibus | 110 | 170 | 3730 | 55 |
| Bus/Truck (2 axles) | 235 | 350 | 7820 | 115 |
| Vehicles with up to 3 axles | 255 | 385 | 8530 | 130 |
| HCM/EME or MAV with 4 to 6 axles | 370 | 550 | 12265 | 185 |
| Oversized vehicles with 7 or more axles | 450 | 670 | 14930 | 225 |

Source: NHAI

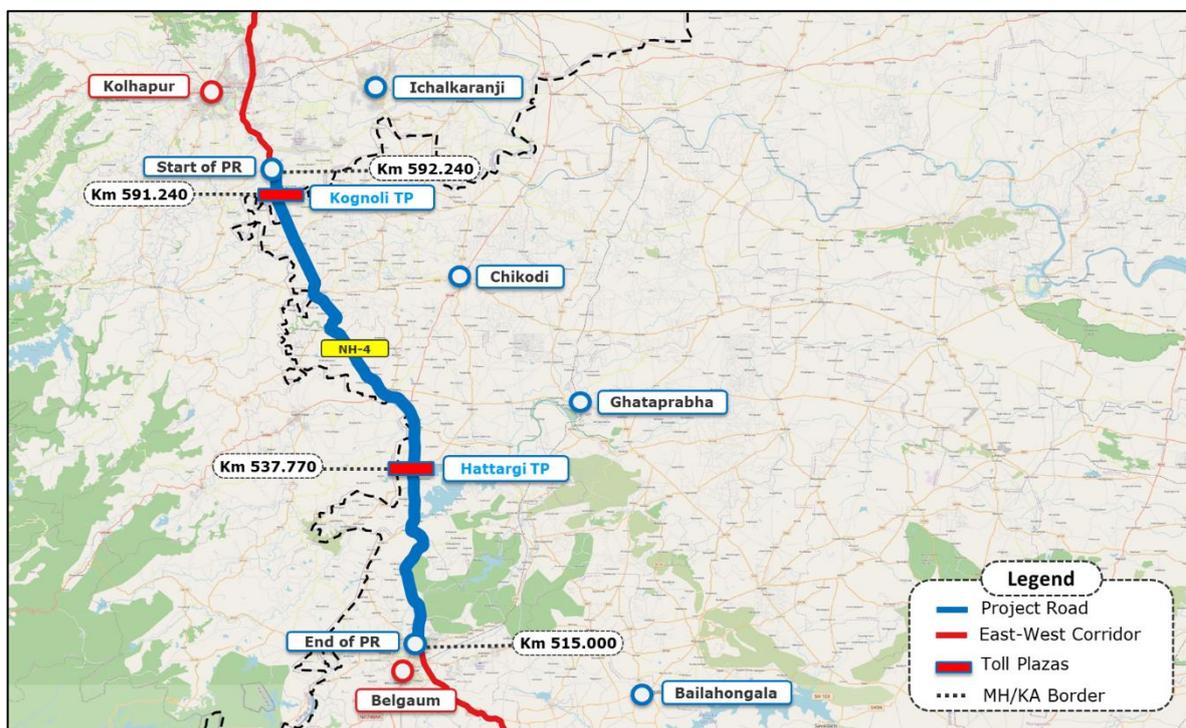
According to the NHAI's toll notification dated March 23, 2022, the toll rates at the Undavariya toll plaza for the Abu Road – Swaroopganj Project for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for Commercial Vehicle Registered within the district of the Toll Plaza |
|---|----------------|------------------|--------------|---|
| | | | | (Rs.) |
| Car/Jeep/Van or LMV | 45 | 65 | 1,480 | 20 |
| LCV, LGV or Minibus | 70 | 105 | 2,390 | 35 |
| Bus/Truck (2 axles) | 150 | 225 | 5,005 | 75 |
| Vehicles with up to 3 axles | 165 | 245 | 5,460 | 80 |
| HCM/EME or MAV with 4 to 6 axles | 235 | 355 | 7,850 | 120 |
| Oversized vehicles with 7 or more axles | 285 | 430 | 9,555 | 145 |

2. Maharashtra Border – Belgaum Project (“Asset 3”)

Project overview

According to the Traffic Consultant, the four-lane Asset 3 is part of the NH-4 in the state of Maharashtra/Karnataka, starts at KM 592.705 of NH-4 near Kagal and ends at KM 515.000 of NH-4 near Belgaum with a length of about 77.24 km. The project road falls under the jurisdiction of Kolhapur district of Maharashtra and Belgaum district of Karnataka passing through settlements of Kagal, Kognoli, Nippani, Sankeshwar, Hattargi and Belgaum. There are two operational toll plazas on the project road, one near Kognoli (KM 591.240) and other near Hattargi (KM 537.770).



Source: Traffic Report

Salient growth features and traffic generators

According to the Traffic Consultant, Asset 3 serves the long-distance traffic for freight vehicles, which are majorly plying between Mumbai/Pune/Delhi and Goa/Bangalore/Chennai/Vellore. Apart from long distance traffic, it also serves the short distance traffic for both passenger and freight which is mainly generated between Kolhapur/Sangli/Goa/Belgaum/Khanapur/Hubbali/Dharwad and nearby places.

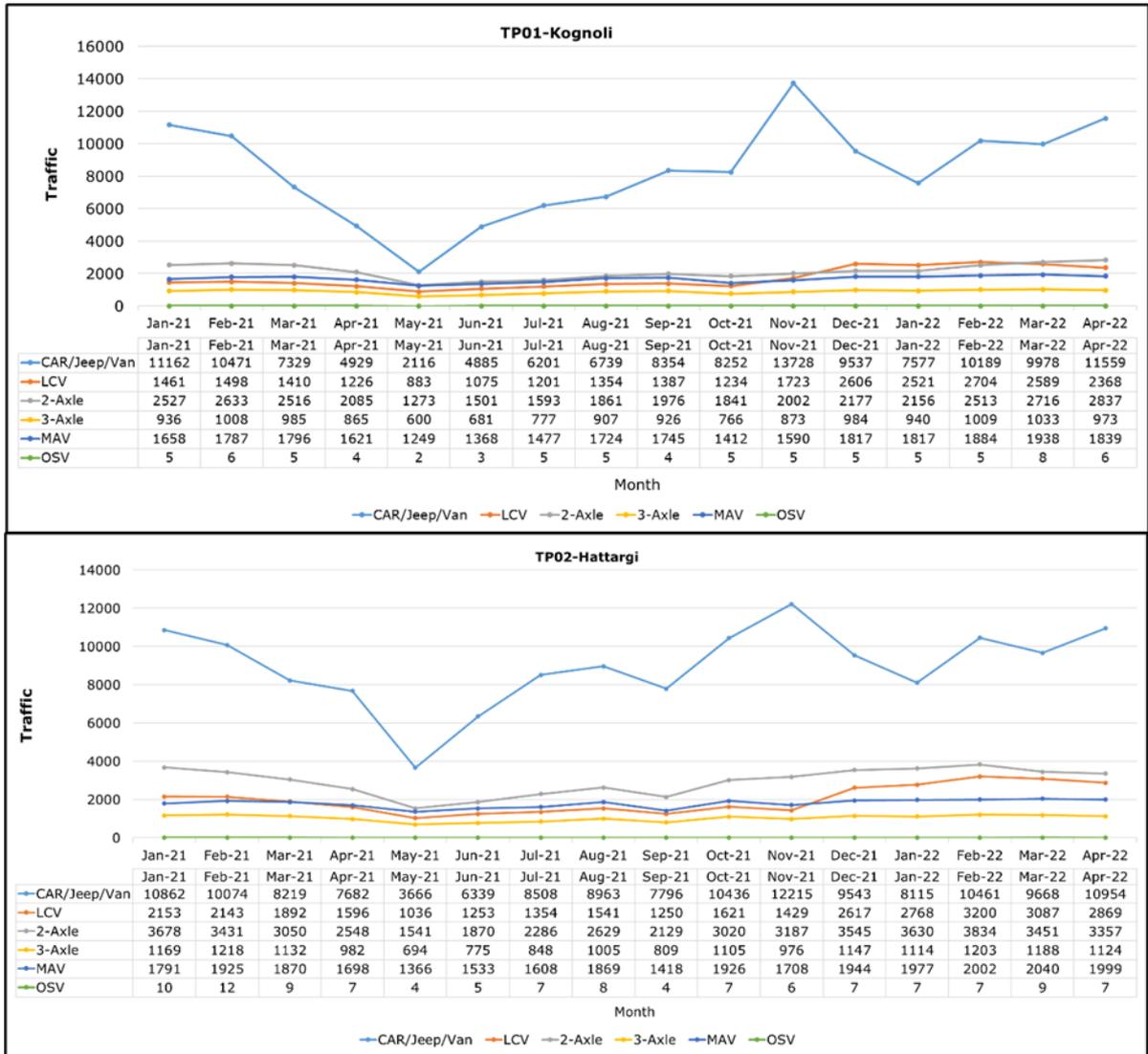
Kolhapur district is situated in the southern side of the state of Maharashtra, bounded by Sindhudurg district in the west, Sangli district in the north, Bijapur district of Karnataka in the east and Belgaum district of Karnataka in the south. It is one of the industrialised districts in Maharashtra. Due to the presence of abundant water and fertile soil, the district is prominent in cultivation of sugarcane, paddy, banana, soyabean and several vegetables. It is the major producer of jaggery and sugar. The district also houses many dairy and poultry farms. It is one of the prime centres of the textile industry, cotton mills and arts and handicrafts industry. The district also has the highest number of sugar refineries in the country and is also known as the sugar bowl of India.

Belgaum district is situated in northwest of the state of Karnataka, sharing borders with Goa and Maharashtra. Belgaum district is surrounded by Dharwad and Uttara Kannada districts on the south, Bagalkot and Bijapur districts in the east, and Kolhapur district of Maharashtra in the north. The district with different agro climatic conditions and soil types has vast agricultural potential. Major crops grown in the district are paddy, maize, jowar, oil seeds, cotton, onion, tomato and sugarcane. Belgaum has 16 industrial estates, six industrial areas and one SEZ. Belgaum district is important centre for manufacturing of valves, pumps, and its accessories, heavy machine tools and high-pressure oil hydraulics. It has 58 export-oriented units and 22 sugar industries in different parts of district. Rich deposits of natural resources like bauxite, uranium, silica sand, aluminum, laterite, limestone, dolomite, quartzite and china clay are also found in the district.

Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic data of Asset 3, according to the Traffic Report annexed as **Annexure G**:



Source: Traffic Report

The onset of the second wave of Covid-19 and the lockdowns announced by the state government during April-June 2021 was a setback to the continuous recovery of traffic to normal levels. With that in mind, an average of July 2021 to April 2022 is taken as FY22 AADT by the Traffic Consultant, as provided below:

| Location/ Mode | Car/Jeep/ Van/Taxi | LCV | 2A | 3A | MAV | OSV |
|----------------|--------------------|-------|-------|-------|-------|-----|
| TP01 | 9,839 | 1,341 | 2,167 | 919 | 1,724 | 5 |
| TP02 | 10,154 | 1,685 | 3,107 | 1,052 | 1,849 | 7 |

Source: Traffic Report

Toll Segmentation

The tolling stream distribution under the present study has been derived from the toll data taking an average of ticket wise traffic from July 2021 to April 2022. The table below presents the proposed segmentation for Toll Plaza Kognoli and Toll Plaza Hattargi.

| Ticket Type/ Modes | Car | LCV | Bus/ 2A Truck | 3 A Truck | 4-6 A Truck | OSV |
|------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| TP01 - Kognoli | | | | | | |
| Single | 50.7 | 57.8 | 74.7 | 89.6 | 91.3 | 98.1 |
| Return | 38.2 | 29.7 | 21.7 | 10.0 | 8.4 | 0.5 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local commercial | 0.0 | 0.0 | 2.8 | 0.0 | 0.0 | 0.0 |
| Exempt | 8.5 | 12.6 | 0.9 | 0.3 | 0.3 | 1.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| TP01 – Hattargi | | | | | | |
| Single | 40.4 | 57.0 | 56.3 | 84.5 | 88.2 | 93.3 |
| Return | 50.0 | 35.9 | 29.3 | 14.6 | 11.2 | 0.8 |
| Monthly | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local commercial | 0.3 | 1.4 | 13.5 | 0.4 | 0.1 | 0.0 |
| Exempt | 8.6 | 5.7 | 0.7 | 0.5 | 0.5 | 5.9 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Traffic Report

Projected Traffic Data: Growth Passenger Car Unit (PCU)

The Traffic Consultant projects that there will be continued sustained growth in PCU of Asset 3 across all vehicle types until FY2052. The below table shows the expected PCU by financial year for the Toll Plaza of Kognoli and Hattargi:

| | | | | | | | |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Kognoli | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU | 30,588 | 36,983 | 39,716 | 48,889 | 58,720 | 69,278 | 80,412 |
| Hattargi | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU | 35,384 | 42,418 | 45,342 | 55,332 | 66,008 | 77,427 | 89,430 |

Source: Traffic Report

Operations and maintenance

The Maharashtra/Karnataka Border (Kagal) - Belgaum Toll Road was under the operations and maintenance contract of the Authority until the appointed date in the relevant Concession Agreement, being, December 16, 2021.

Pursuant to the completion of Transitional Support Agreement, the Project SPV has taken over the toll operations with effect from June 21, 2022 and have engaged a third party for undertaking user fee collection services for the same for a period of one year.

In relation to the routine maintenance and incident management activities of Asset 3, the same being undertaken by an agency appointed by NHAI and which shall continue to do so until the appointed date of the relevant EPC contract. The EPC contractor shall be responsible for the scope till the completion of the defects liability period of the relevant EPC agreement.

The Authority has appointed two EPC Contractors for undertaking the 4-6 laning works of this section. The Appointed date of the EPC Contractor is likely to be declared on or before October 2022. The time for completion of the six laning work is 2.5 years from the Appointed Date.

Tollable Length and Toll Rates

In terms of tollable length, the Maharashtra/Karnataka Border (Kagal) - Belgaum Toll Road comprises 60.73 kms for Kognoli Toll Plaza and 23.74 kms for Hattargi Toll Plaza. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 24, 2022, the toll rates at the Kognoli toll plaza of the Maharashtra Border - Belgaum Project for FY2023 are as follow:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for Commercial Vehicle Registered within the district of the Kognoli Toll Plaza |
|--|----------------|------------------|--------------|---|
| | | | | (Rs.) |
| Car/Jeep/Van | 85 | 125 | 2755 | 40 |
| LCV | 135 | 200 | 4450 | 65 |
| Bus/Truck | 280 | 420 | 9325 | 140 |
| Vehicles with up to 3 axles | 305 | 460 | 10175 | 155 |
| HCM/EME (3 to 6 axles)..... | 440 | 660 | 14625 | 220 |
| Oversized vehicles (Vehicles with 7 or more axles) | 535 | 800 | 17805 | 265 |

Source: NHAI

According to the NHAI's toll notification dated March 24, 2022, the toll rates at the Hattargi toll plaza of the Maharashtra Border - Belgaum Project for FY2023 are as follows:

Source: NHAI

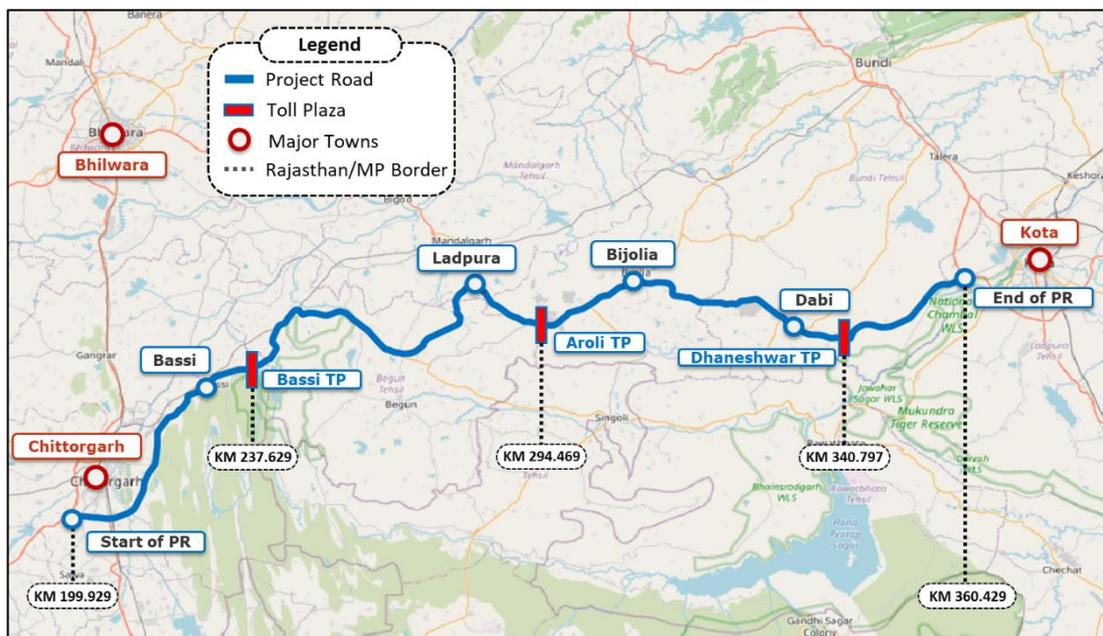
| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for Commercial Vehicle Registered within the district of the Hattargi Toll Plaza |
|--|----------------|------------------|--------------|--|
| | | | | (Rs.) |
| Car/Jeep/Van | 30 | 50 | 1075 | 15 |
| LCV | 50 | 80 | 1740 | 25 |
| Bus/Truck | 110 | 165 | 3645 | 55 |
| Vehicles with up to 3 axles | 120 | 180 | 3975 | 60 |
| HCM/EME (3 to 6 axles)..... | 170 | 255 | 5715 | 85 |
| Oversized vehicles (Vehicles with 7 or more axles) | 210 | 315 | 6960 | 105 |

Source: NHAI

3. Chittorgarh – Kota & Chittorgarh Bypass Project (“Asset 4”)

Project overview

According to the Traffic Consultant, Asset 4 is a 4-lane, 160.5 km long stretch, on national highway (NH) 27, with three (3) toll plazas at Airoli, Bassi and Dhaneshwar. The project highway, NH-27, is part of the East – West corridor envisaged under National Highway Development Program (Phase – II). The total length of NH-27 is roughly 3,530 km starting from Porbandar in the state of Gujarat and ending at Silchar in the state of Assam while passing through the states of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal. NH-27 connects important tourist and industrial cities and towns like Porbandar (port city), Rajkot, Palanpur, Udaipur, Chittorgarh, Jhansi, Kanpur, Lucknow, Muzaffarpur, Purnea, Siliguri, Jalpaiguri. The project road section, Chittorgarh-Kota, part of the NH-27 in the state of Rajasthan, starts at KM 891.929 of NH-27 near Chittorgarh and ends at KM 1,052.429 of NH-27 at Kota with a length of about 160.5 km. The project road falls under the jurisdiction of Chittorgarh, Bhilwara, Bundi and Kota districts passing through settlements of Chittorgarh, Bassi, Aroli, Ladpura, Bijolia, Dhaneshwar, Dabi and Kota. There are three operational toll plazas on the project road, near Bassi (KM 929.629), near Aroli (KM 986.629), and near Dhaneshwar (KM 1,032.629).



Source: Traffic Report

Salient growth features and traffic generators

According to the Traffic Consultant, the project stretch mostly falls in four districts, namely Chittorgarh, Bhilwara, Bundi and Kota.

The Chittorgarh district is situated in south-east part of Rajasthan. The economy of the district is predominated by agriculture with about 72% of the workers being involved in agriculture or as agricultural labourers. The major crops grown in the district are maize, soybean, groundnut, sorghum, cotton and black gram in kharif season and wheat, mustard, gram, barley and opium in rabi season. Also, cultivation of fruits and vegetables is done in limited portions of land. The district is rich in mineral resources like barytes, china clay, limestone, sandstone and ochre. Several industries like cement, fabric processing units, chemical and fertilizer manufacturing units, polypropylene, HDPE woven sacks and fabric manufacturing units are present in the district. The cement plants include Birla Corporation Limited, Wonder Cement Limited, Aditya Cement Limited, Lafarge India Private Ltd. and J K Cement Works. Hindustan Zinc Limited has various plants spread across the district which produce sulphuric acid, refined zinc, refined lead. There is an atomic power plant and a heavy water plant located at Rawatbhata beside Rana Pratap Sagar dam. In addition to this, the presence of Chittorgarh fort and palaces makes it a famous tourist destination.

The Bhilwara district is located in the south-eastern part of Rajasthan and its economy driven by agriculture with 62.6% of the total workers involved in the primary sector. The major crops grown in the district include maize, oil seeds, wheat, pulses, jowar, barley and fibres with small quantities of different spices, bajra and some fruits and vegetables. The major agro-based industries here are oil mills, flour mills, ice candy manufacturing units, dal mills and units producing biscuits, confectionary items, khandsari, masala and cattle feed. The district is also well established in textile industry and known as Vastra Nagari and Manchester of Rajasthan. It is famous for manufacturing of synthetics and cotton mix fabric and synthetic yarn. The mineral resources available in the district include lead, zinc, soap stone, china clay, feldspar, quartz, mica, marble, granite, asbestos and garnet. It is one of the largest producers of raw material required for ceramic industry – quartz feldspar, china clay.

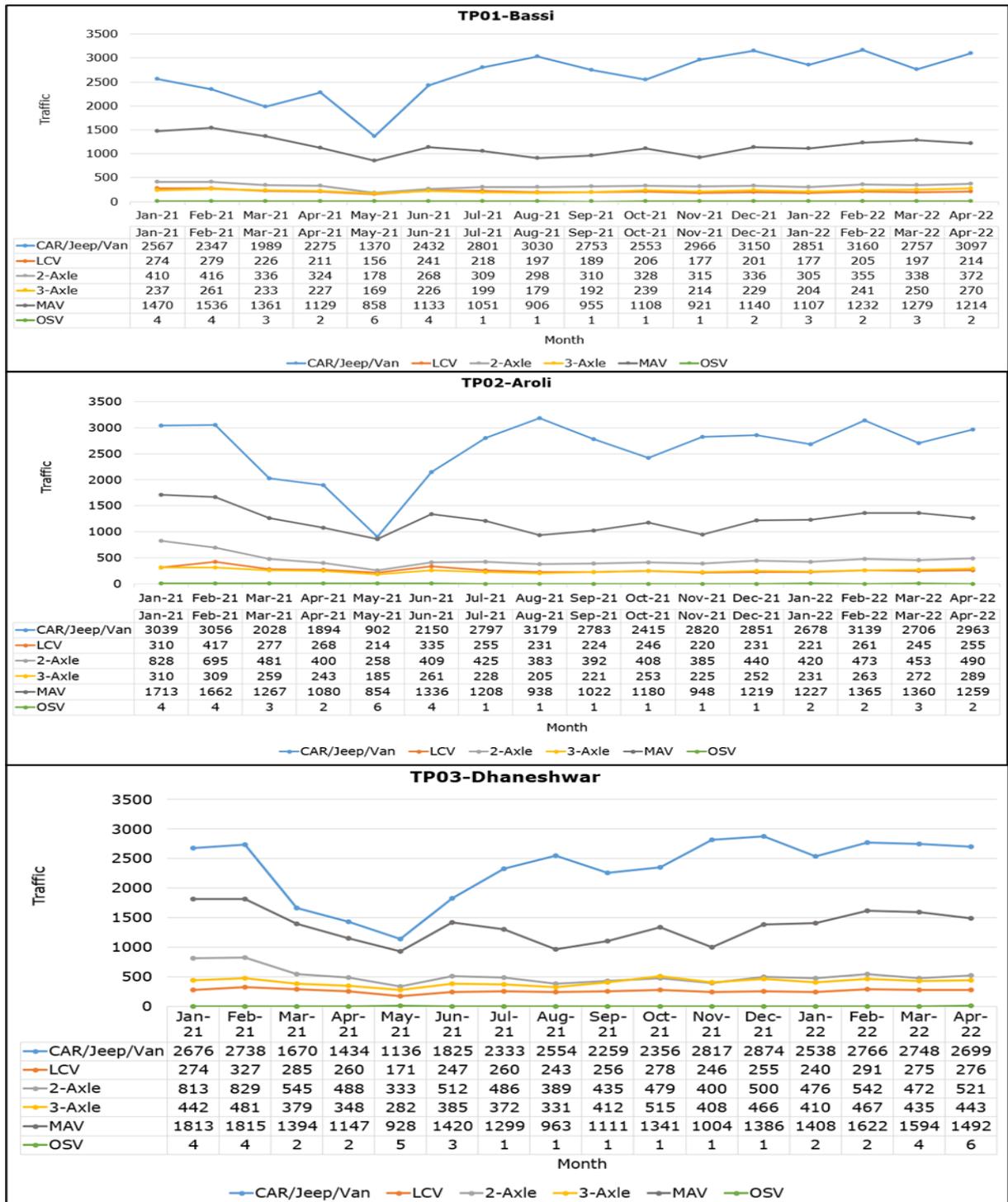
The Bundi district is famous for its contribution to agriculture. Major agricultural crops include pulses, wheat, gram, barley, cotton, tobacco and oil seeds. Among oil seeds, mustard and rapeseed are the mostly produced. Important fruit trees in Bundi include orange, pomegranate, lemon, guava and mango. Textile, tourism, handicrafts and small-scale industries play a pivotal role in the economic prosperity of Bundi in Rajasthan. Polyester fiber is the major produce as a part of textiles. The district is famous for its beautiful forts and palaces which have been converted into heritage hotels and step-well reservoirs to attract more tourists.

The Kota district is the trade centre for cotton, millet, wheat, coriander and oilseeds. Major cultivated crops include soybean, paddy and maize in kharif season while rapeseed & mustard, wheat, coriander and gram in rabi season. Ramganj mandi in Kota is famous for the stone and coriander market. It is the largest market for coriander in India. The industries prevalent in the district include cotton and oilseed milling, textile weaving, distilling, dairying, and the manufacture of metal handicrafts. Kota city is also known as the “Education hub of India” with the presence of a number of coaching institutes for engineering and medical entrance exams.

Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic data of Asset 4 according to the Traffic Report annexed as **Annexure G**:



Source: Traffic Report

The onset of the second wave of Covid-19 and the lockdowns announced by the state government during April-June 2021 was a setback to the continuous recovery of traffic to normal levels. With that in mind, an average of July 2021 to April 2022 is taken as FY 22 AADT by the Traffic Consultant, as provided below:

| Location/Mode | Car/Jeep/ Van/Taxi | LCV | 2A | 3A | MAV | OSV |
|---------------|--------------------|-----|-----|-----|-------|-----|
| TP01 | 2,974 | 136 | 326 | 222 | 1,091 | 2 |

| | | | | | | |
|------|-------|-----|-----|-----|-------|---|
| TP02 | 2,939 | 133 | 427 | 244 | 1,173 | 1 |
| TP03 | 2,736 | 125 | 470 | 426 | 1,322 | 2 |

Source: Traffic Report

Toll Segmentation

The tolling stream distribution under the present study has been derived from the toll data taking an average of ticket wise traffic from July 2021 to April 2022 and the same has been adopted for all the modes except cars. The level of exemptions in cars has been found to be high due to which a tapering has been considered in the future years by the Traffic Consultant. The table below presents proposed segmentation for the three (3) toll plazas of Asset 4:

| Ticket Type/Modes | Car | | | LCV | Bus/ 2A Truck | 3A Truck | MAV | OSV |
|------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| | FY22 | FY23 | FY24 onwards | | | | | |
| TP01-Bassi | | | | | | | | |
| Single | 28.9 | 28.9 | 28.9 | 45.1 | 44.4 | 60.5 | 73.4 | 88.1 |
| Return | 28.9 | 39.2 | 48.2 | 51.7 | 49.0 | 38.5 | 16.3 | 7.8 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.0 | 6.9 | 12.9 | | | | | |
| Local commercial | 0.0 | 0.0 | 0.0 | 1.5 | 6.3 | 0.8 | 10.2 | 1.0 |
| Exempt | 42.2 | 25.0 | 10.0 | 1.4 | 0.2 | 0.2 | 0.2 | 3.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| TP02-Aroli | | | | | | | | |
| Single | 34.8 | 34.8 | 34.8 | 41.3 | 40.2 | 58.7 | 67.2 | 89.1 |
| Return | 37.9 | 45.3 | 48.3 | 57.0 | 59.7 | 41.2 | 32.7 | 8.9 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.0 | 4.9 | 6.9 | | | | | |
| Local commercial | 0.0 | 0.0 | 0.0 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exempt | 27.3 | 15.0 | 10.0 | 0.6 | 0.1 | 0.1 | 0.0 | 2.0 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| TP03-Dhaneshwar | | | | | | | | |
| Single | 31.9 | 31.9 | 31.9 | 36.2 | 34.7 | 33.8 | 51.7 | 62.1 |
| Return | 36.4 | 40.4 | 49.4 | 63.5 | 62.6 | 64.0 | 47.8 | 37.6 |
| Monthly | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.0 | 2.7 | 8.7 | | | | | |
| Local commercial | 0.0 | 0.0 | 0.0 | 0.2 | 2.7 | 2.1 | 0.5 | 0.0 |
| Exempt | 31.7 | 25.0 | 10.0 | 0.1 | 0.0 | 0.0 | 0.0 | 0.4 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Traffic Report

Projected Traffic Data: Growth Passenger Car Unit (PCU)

The Traffic Consultant project that there will be continued sustained growth in PCU of Asset 4 across all vehicle types until FY2052. The below table shows the expected PCU by financial year:

| Bassi | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| PCU..... | 10,406 | 13,328 | 17,250 | 21,780 | 26,896 | 32,475 | 38,433 |
| Airoli | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU..... | 11,139 | 14,211 | 18,346 | 23,118 | 28,502 | 34,365 | 40,622 |
| Dhaneshwar | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
| PCU..... | 12,340 | 15,667 | 20,167 | 25,356 | 31,198 | 37,551 | 44,319 |

Source: Traffic Report

Operations and maintenance

Upon completion of the Transitional Support Agreement, the Project SPV has taken over the toll operations with effect from June 21, 2022, and have appointed a third party for undertaking user fee collection services for the same, for a period of one year.

In relation to the routine maintenance and incident management the same is being managed through the agency M/s Kalthia Engineering and Construction Limited.

Further, the Project SPV is in the process of engaging an EPC Contractor for undertaking initial improvement works of Chittorgarh – Kota & Chittorgarh Bypass Project, as stipulated in the Concession Agreement, which is expected to complete on or before December 15, 2023.

Tollable Length and Toll Rates

In terms of tollable length, the Chittorgarh – Kota & Chittorgarh Bypass Project comprises 64.18 kms for Bassi Toll Plaza, 54.82 kms for Aroli Toll Plaza and 53.50 kms for Dhaneshwar Toll Plaza. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 23, 2022, the toll rates at the Aroli toll plaza for the Chittorgarh – Kota & Chittorgarh Bypass Toll Road for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for |
|------------------------------------|----------------|------------------|--------------|---|
| | | | | Commercial Vehicle Registered within the district of the Aroli Toll Plaza |
| (Rs.) | | | | |
| Car/Jeep/Van | 75 | 110 | 2485 | 35 |
| LCV | 120 | 180 | 4020 | 60 |
| Bus/Truck | 255 | 380 | 8420 | 125 |
| Vehicles with up to 3 axles | 275 | 415 | 9185 | 140 |
| HCM/EME | 395 | 595 | 13200 | 200 |
| Vehicles with 7 or more axles..... | 480 | 725 | 16070 | 240 |

Source: NHAI

According to the NHAI's toll notification dated March 23, 2022, the toll rates at the Bassi toll plaza for the Chittorgarh – Kota & Chittorgarh Bypass Toll Road for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for |
|------------------------------------|----------------|------------------|--------------|---|
| | | | | Commercial Vehicle Registered within the district of the Bassi Toll Plaza |
| (Rs.) | | | | |
| Car/Jeep/Van | 85 | 130 | 2910 | 45 |
| LCV | 140 | 210 | 4705 | 70 |
| Bus/Truck | 295 | 445 | 9855 | 150 |
| Vehicles with up to 3 axles | 325 | 485 | 10750 | 160 |
| HCM/EME | 465 | 695 | 15455 | 230 |
| Vehicles with 7 or more axles..... | 565 | 845 | 18815 | 280 |

Source: NHAI

According to the NHAI’s toll notification dated March 23, 2022, the toll rates at the Dhaneshwar toll plaza for the Chittorgarh – Kota & Chittorgarh Bypass Toll Road for FY2023 are as follows:

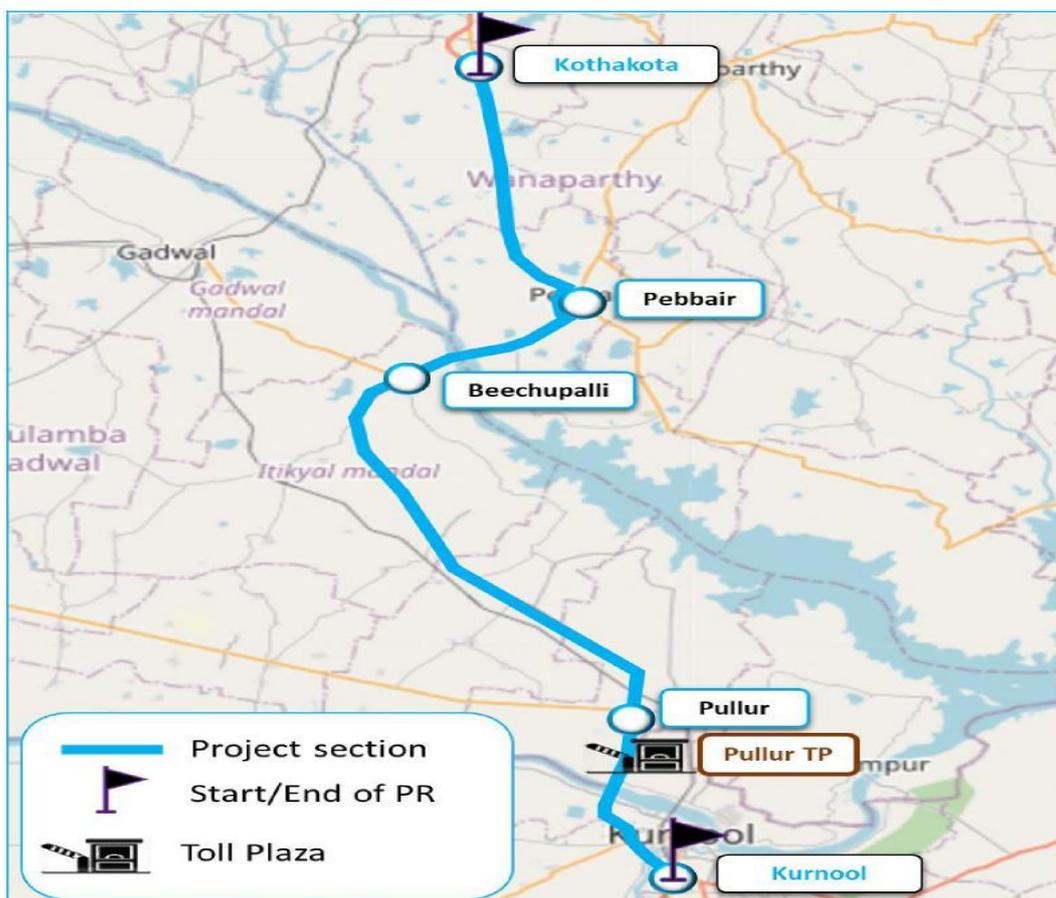
| Vehicle Type | Single Journey | Multiple Journey (Rs.) | Monthly Pass | Fee for |
|------------------------------------|----------------|---------------------------|--------------|--|
| | | | | Commercial Vehicle Registered within the district of the Dhaneshwar Toll Plaza |
| Car/Jeep/Van | 75 | 110 | 2425 | 35 |
| LCV | 120 | 175 | 3920 | 60 |
| Bus/Truck | 245 | 370 | 8215 | 125 |
| Vehicles with up to 3 axles..... | 270 | 405 | 8965 | 135 |
| HCM/EME | 385 | 580 | 12885 | 195 |
| Vehicles with 7 or more axles..... | 470 | 705 | 15685 | 235 |

Source: NHAI

4. Kothakota Bypass – Kurnool Highway Project (“Asset 5”)

Project overview

According to the Traffic Consultant, Asset 5 is a 4-lane, 74.6 kms long stretch, on national highways (NH) 44 which starts in Telangana State and ends at Kurnool in the state of Andhra Pradesh, with one toll plaza at Pullur. The project road serves for long distance traffic which is majorly plying between Hyderabad/Nagpur/northern region and Bengaluru/Mysuru/southern region. Apart from long distance traffic, it also serves the short distance traffic which is mainly generated between Mahbubnagar/ Kothakota/ Wannaparthy/ Pebbair and Kurnool/Ananthpur areas. NH-44, which is the project highway for Asset 5 is the longest highway in India connecting Srinagar with Kanyakumari and is part of North-South corridor envisaged under National Highway Development Program (Phase – II). NH-44 passes through the cities of Jammu, Jalandhar, Delhi, Faridabad, Agra, Gwalior, Jhansi, Sagar, Nagpur, Hyderabad, Bengaluru and Salem.



Source: Traffic Report

Salient growth features and traffic generators

According to the Traffic Consultant, the project stretch mostly passes through the districts of Wanaparthy and Jogulamba Gadwal in the state of Telangana and Kurnool in the state of Andhra Pradesh.

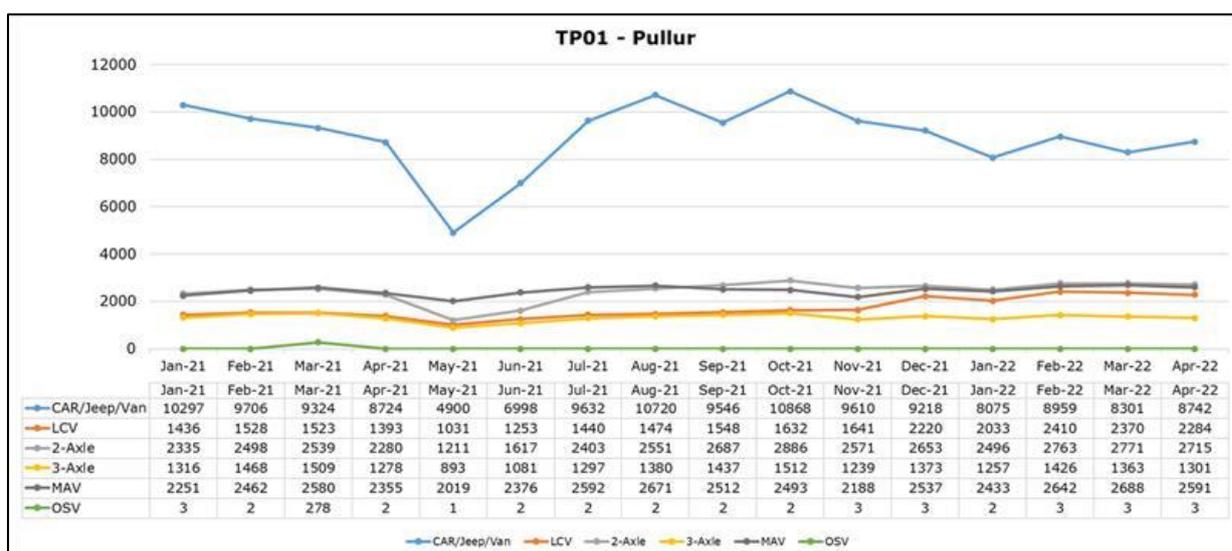
The Wanaparthy district is situated in south-east part of Telangana State, sharing border with the state of Andhra Pradesh. Wanaparthy district is surrounded by Mahabubnagar district in north, Nagarkurnool district in east, the state of Andhra Pradesh in south and Jogulamba Gadwal district in west. Agriculture is the main livelihood of the people in Wanaparthy district with 75% total workers engaged in agro-based labour. Red sandy soil and sandy loam soil covers 89% of the area. Paddy, groundnut, jowar, maize, red gram, castor, cotton and chili are the major crops cultivated within the district. Wanaparthy district, being one of the newly formed districts finds its place in backward districts of the state. Sri Ranganayaka Temple, Ghanpur Fort, Pangal Fort, Wanaparthy Palace, Saralasaragar Project are few tourist attractions present in the district.

The Kurnool District is situated in Western part of Andhra Pradesh. It is surrounded by Nagarkurnool, Wanaparthy districts of Telangana state in north, Kadapa and Anantapur Districts in south, the Bellary district of Karnataka state in west and Prakasam District in east. Almost half of the geographical area is under agriculture use. Paddy, cotton, tomato and onion are the major crops grown in the district. Mining/quarrying is the prevailing industry in the district. District has deposits of limestone, iron ore, barites and shale within its geographical area. Belum Caves, Mahanandi, Manthralayam, Srisailam and Rollapadu sanctuary are the main tourist attractions in the district.

Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic data of Asset 5 according to the Traffic Report annexed as **Annexure G**:



Source: Traffic Report

The onset of the second wave of Covid-19 and the lockdowns announced by the state government during April-June 2021 was a setback to the continuous recovery of traffic to normal levels. With that in mind, an average of July 2021 to April 2022 is taken by Traffic Consultant as FY22 AADT, as provided below:

| Location/Mode | Car/Jeep/ Van/Taxi | LCV | 2A | 3A | MAV | OSV |
|---------------|--------------------|-------|-------|-------|-------|-----|
| TP01 | 9,745 | 1,527 | 2,650 | 1,358 | 2,535 | 2 |

Source: Traffic Report

Toll Segmentation

The tolling stream distribution under the present study has been derived from the toll data taking an average of ticket wise traffic from July 2021 to April 2022. The table below presents proposed segmentation of total traffic assessed from the toll data for the toll plaza of Asset 5:

| | | | | | | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | |
| Single | 49.9 | 58.5 | 56.5 | 86.1 | 90.7 | 97.9 |
| Return | 40.6 | 40.9 | 42.0 | 13.3 | 8.7 | 1.3 |
| Monthly Pass | 0.0 | 0.0 | 0.9 | 0.0 | 0.0 | 0.0 |
| Local personal | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Local commercial | 4.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Exempt | 5.2 | 0.7 | 0.6 | 0.6 | 0.6 | 0.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Traffic Report

Projected Traffic Data: Growth Passenger Car Unit (PCU)

The Traffic Consultant projects that there will be continued sustained growth in PCU of Asset 5 across all vehicle types until FY2052. The below table shows the expected PCU by financial year:

| Pullur | FY23 | FY27 | FY32 | FY37 | FY42 | FY47 | FY52 |
|----------|--------|--------|--------|--------|--------|--------|---------|
| PCU..... | 37,594 | 42,984 | 50,677 | 63,089 | 77,277 | 92,949 | 109,912 |

Source: Traffic Report

Operations and maintenance

The Kothakota Bypass – Kurnool Highway Toll Road is currently operated under the BOT (Annuity) model, whereby the concessionaire is responsible for construction, operations and maintenance of the toll road while the relevant authority collects tolls and makes annuity payments to the concessionaire. The current concessionaire is Andhra Pradesh Expressway Limited. We expect the current concessionaire to undertake routine and major maintenance works, as per the requirement of its current concession obligations, up to the termination of its concession period and our O&M Handover Date for the Kothakota Bypass – Kurnool Highway Toll Road on September 16, 2026. Following our takeover of O&M on September 16, 2026, we plan to perform ongoing major maintenance works on a regular basis to maintain in good condition the Kothakota Bypass – Kurnool Highway Toll Road.

Upon completion of the Transitional Support Agreement, the Project SPV has taken over the toll operations with effect from June 21, 2022 and have appointed a third party for undertaking user fee collection services for the same, for a period of one year.

NHAI by way of its letter bearing reference NHAI/PIU-HYD/NH-44/AP- 5/InvIT/2022/939 dated June 10, 2022, has informed that it proposes to undertake six-laning of NH-44 from KM 22.300 to KM 210.369 which includes the stretch of Asset 5 from KM 135.469 to KM 211.00. Accordingly, NHAI has advised the Project SPV (being the Concessionaire) to keep the proposed initial improvement works on Asset 5 on hold until the completion of the proposed six-laning of of NH-44 from KM 22.300 to KM 210.369 is completed.

Tollable Length and Toll Rates

In terms of tollable length, the Kothakota Bypass – Kurnool Highway Toll Road comprises 92.43 kms of roads. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 17, 2022, the toll rates at the Pullur toll plaza for the Kothakota Bypass – Kurnool Highway Toll Road for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for Commercial Vehicle Registered within the district of the Pullur Toll Plaza |
|--------------------|----------------|------------------|--------------|--|
| | | | | (Rs.) |
| Car/Jeep/Van | 125 | 190 | 4195 | 65 |
| LCV..... | 205 | 305 | 6775 | 100 |

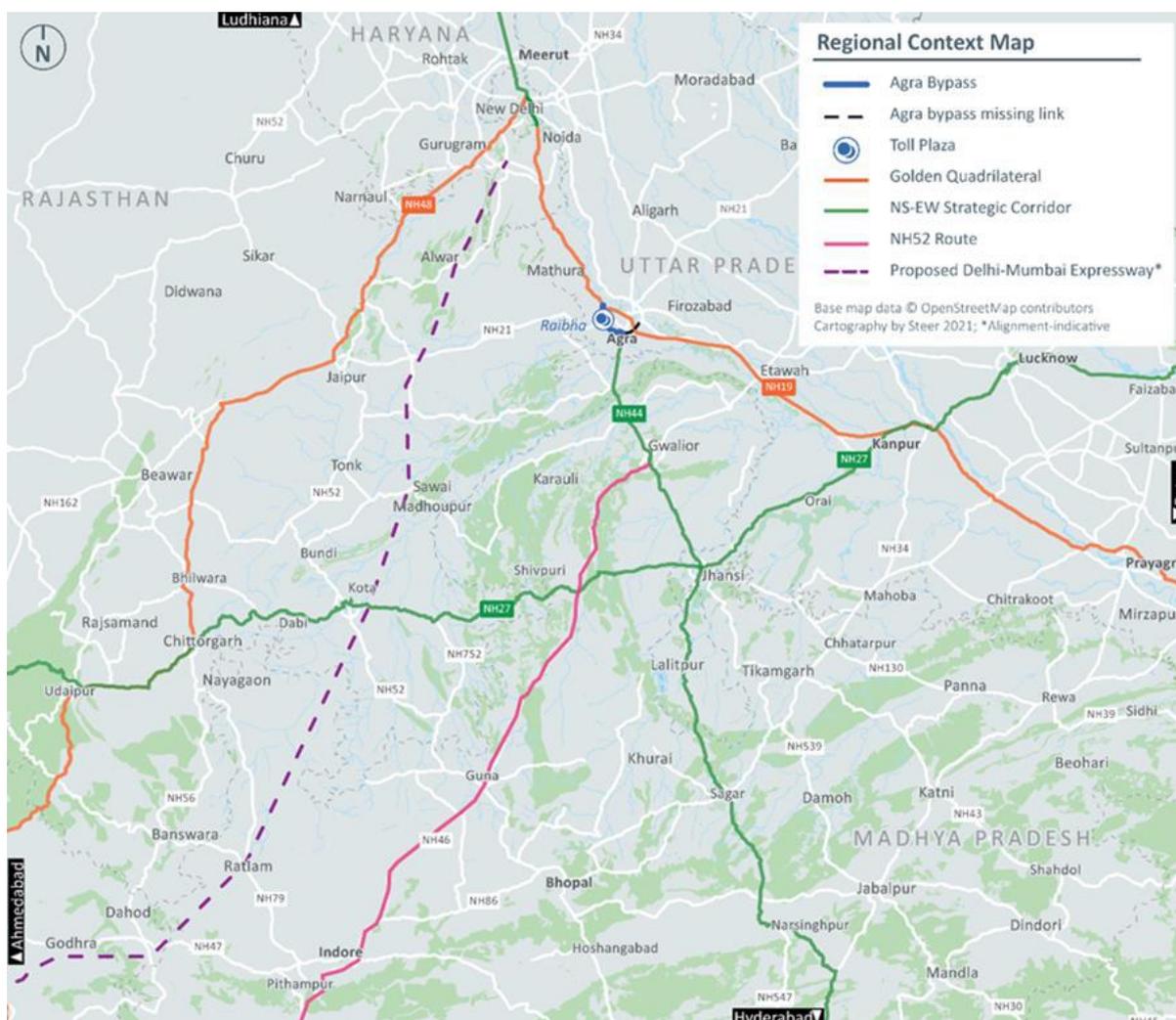
| | | | | |
|--|-----|-------|-------|-----|
| Bus/Truck | 425 | 640 | 14195 | 215 |
| Vehicles with up to 3 axles | 465 | 695 | 15485 | 230 |
| HCM/EME (Vehicles with 4 to 6 axles) | 670 | 1,000 | 22260 | 335 |
| Vehicles with 7 or more axles | 815 | 1,220 | 27100 | 405 |

Source: NHA1

5. Agra Bypass (“Asset 6”)

Project overview

According to the Traffic Consultant, Asset 6 is a 32.80 km four-lane road, forming part of the section connecting NH19 (old NH2) to NH44 (old NH7) in Uttar Pradesh, branches out to NH52 (old NH3) and NH44 (old NH7) at Gwalior. Asset 6 is in operations since March 2017. Asset 6 acts as a bypass to the city of Agra, a majority of approach roads and structures on the Asset 6 are already six lanes as this was required as per the construction requirements when Asset 6’s construction was completed by the NHA1’s contractors. Asset 6 lies on the outskirts of Agra, bypassing the city and acting as a key connection between Delhi to the regions of Gwalior and south. It further connects the traffic originating from west from areas such as Gujarat and Jaipur to the cities in the East (Kanpur, Lucknow and beyond), thereby supporting the east-west movement. A small section of Agra Bypass is currently incomplete due to land acquisition issues and financing hurdles. However, according to the Traffic Consultant, this link will get completed in the due course of time, as pressure on local government and NHA1 increases, due to growing urban settlements within Agra.



Source: Steer cartography using OpenStreetMap data

Salient growth features and traffic generators

According to the Traffic Consultant, Asset 6 serves:

- NH19/NH2 – North to Central/Eastern movements originating from Delhi and northern parts of the country (Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir) to the central (UP, Bihar) and eastern (West Bengal, Jharkhand, Chhattisgarh, North-Eastern region) of the country.

- NH2/19 – NH52 and NH44 connection. This is the traditional north south movement between Delhi (and northern states) to destination such as Indore (Madhya Pradesh), Maharashtra, and all southern states. The traffic having origin destinations to south of Asset 6 split at Gwalior to use NH52 and NH44 depending on the destination.
 - NH52 (old NH3): predominantly serves the Indore, Nashik, Mumbai movement in addition to movements between Delhi-Bangalore, Goa, and other destinations;
 - NH44 (old NH7): serves the Karnataka, Telangana, Andhra Pradesh, Tamil Nadu and Kerala movements.
- East-West movements NH21 traffic between Gujarat, Rajasthan, and Kanpur/Lucknow in addition to the Gujarat – Delhi (and north) movements.

The traffic profile is predominantly goods vehicles undertaking long distance movements between the locations discussed above. The commodity mix carried by the vehicles observed at the toll plaza during site visit was mix of manufacturing, courier/parcel, automobile, and agriculture confirming the long-distance nature of the traffic.

Asset 6 forms part of the section connecting NH2 to NH44, later branching out to NH52 and NH44 at Gwalior. The Asset caters to the demands generated by the states connected through the above-mentioned highways. NH2 runs over 1,465 kms completing the east – west movement and connects some of the major states and industrial centres of Delhi, Haryana, Uttar Pradesh with the eastern states of Bihar, Jharkhand, and West Bengal. On the contrary, NH44 completes the north-south movement of the country as it connects the northern states/UTs of Jammu and Kashmir, Punjab, Haryana, Delhi, Uttar Pradesh, Rajasthan, Madhya Pradesh, Maharashtra with the southern states of Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu. Following a parallel route with NH44, NH52 starts in Punjab and ends in Karnataka. The Asset acts as a key connection between Delhi NCR and cities in Madhya Pradesh such as Gwalior and Indore, a city in south of the Asset in the state of Madhya Pradesh. Gwalior has an existing industrial area where the economy is driven by textile mills, artificial silk manufacturing plants, handicraft, and hand loom industries, tanning industries, and chemical industries. The city is also home to Gwalior Chemical Industries Limited. The group is primarily into the business of manufacturing and marketing of specialty chemicals, catering to both the domestic and exports customers in the agrochemical, paints and coatings, dyes, and flavour & fragrance industries. Indore has large industrial cluster for automobile and other ancillary industries. Pithampur industrial area is one of the biggest industrial clusters in the country and support large industrial activity.

The Asset lies on the outskirts of Agra which has several medium and small-scale industries and is one of the prime centres of the handloom, plastic pallets, and automotive spares, in addition to being a key tourist destination because of the Taj Mahal. Numerous major tourist attractions also exist in the vicinity of the Asset. Agra, Mathura, Fatehpur Sikri and other towns in the region are home to several historical monuments, places of worship and heritage sites.

Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic data of Asset 6, according to the Traffic Consultant:

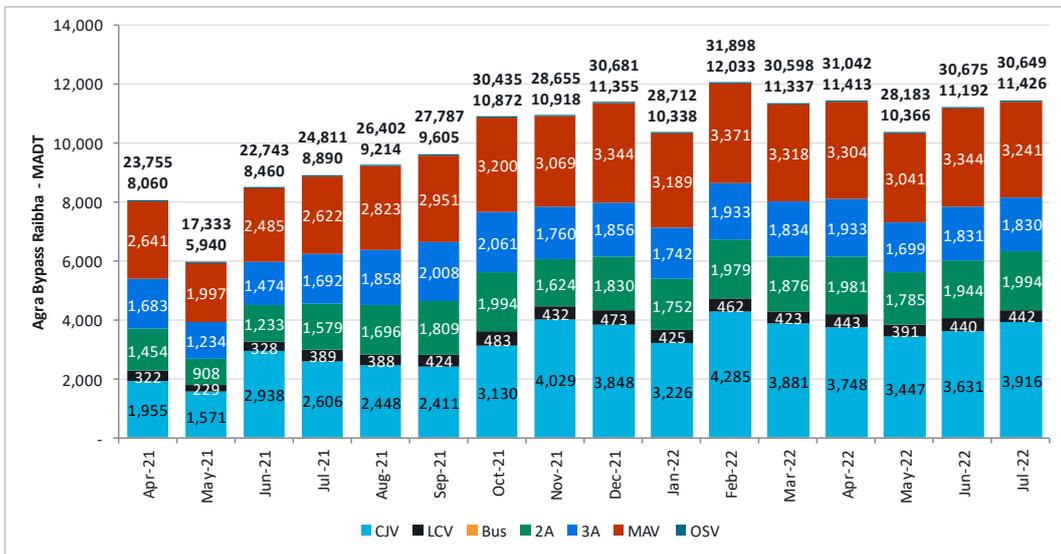
Indian Highway Management Company Limited (“IHMCL”) seven day traffic counts are available on Asset 6 - **Raibha toll plaza** starting in December 2016 (FY17) and ending in September 2020 (FY21).

| Vehicle type | December 2016 | May 2017 | September 2017 | March 2018 | April 2019 | September 2020 |
|-------------------|---------------|--------------|----------------|--------------|---------------|----------------|
| CJV..... | 5,617 | 4,364 | 3,422 | 3,925 | 5,479 | 3,873 |
| LCV..... | 519 | 424 | 387 | 303 | 443 | 357 |
| 2A/bus..... | 492 | 433 | 507 | 666 | 549 | 353 |
| 3A..... | 411 | 313 | 320 | 303 | 318 | 227 |
| MAV..... | 329 | 263 | 307 | 252 | 352 | 317 |
| Total..... | 7,368 | 5,797 | 4,943 | 5,449 | 7,141 | 5,127 |
| PCU..... | 10,585 | 8,422 | 7,865 | 8,421 | 10,329 | 7,575 |

Source: Traffic Report, Steer analysis of data

Monthly Average Daily Traffic

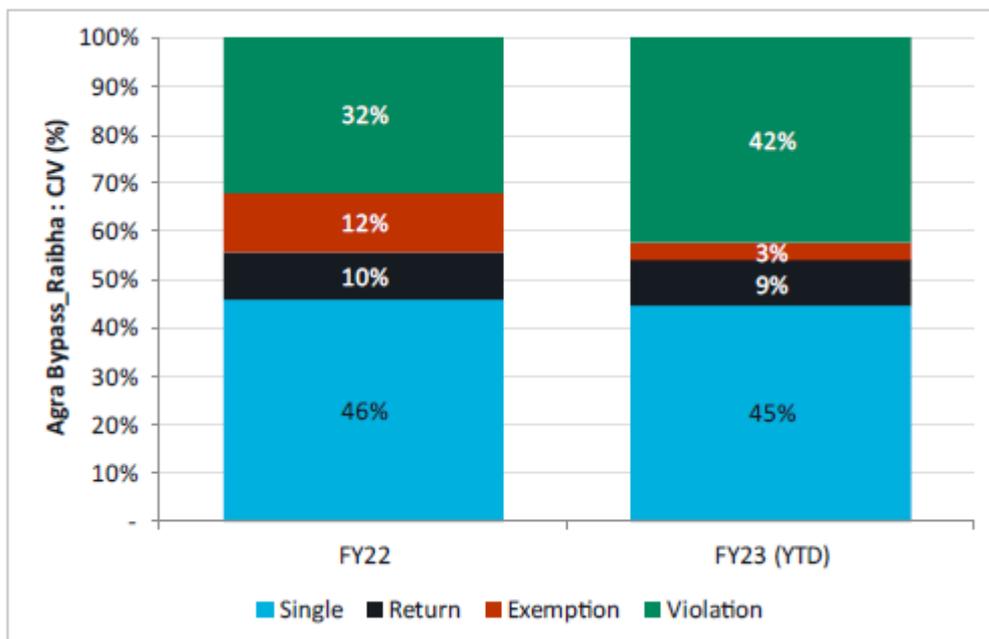
The chart below presents the reported traffic volume for toll plaza Raibha on Asset 6, in terms of monthly average daily traffic (MADT) from April 2021 to July 31, 2022.



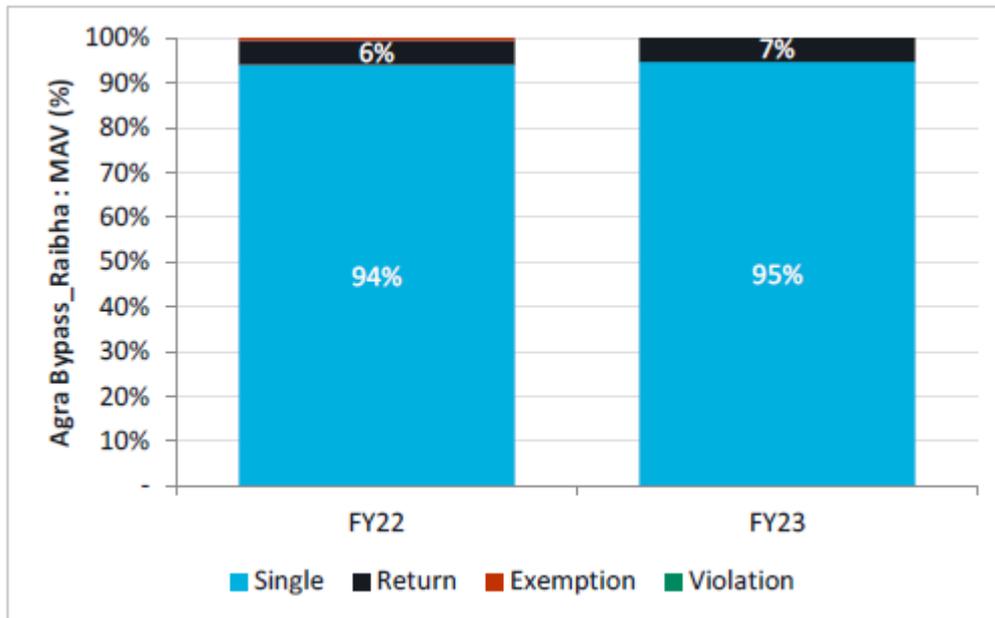
Source: Steer analysis of client toll plaza data

Toll Segmentation

The chart below presents the estimated segmentation based on traffic data from FY22 for Toll Plaza Raibha.

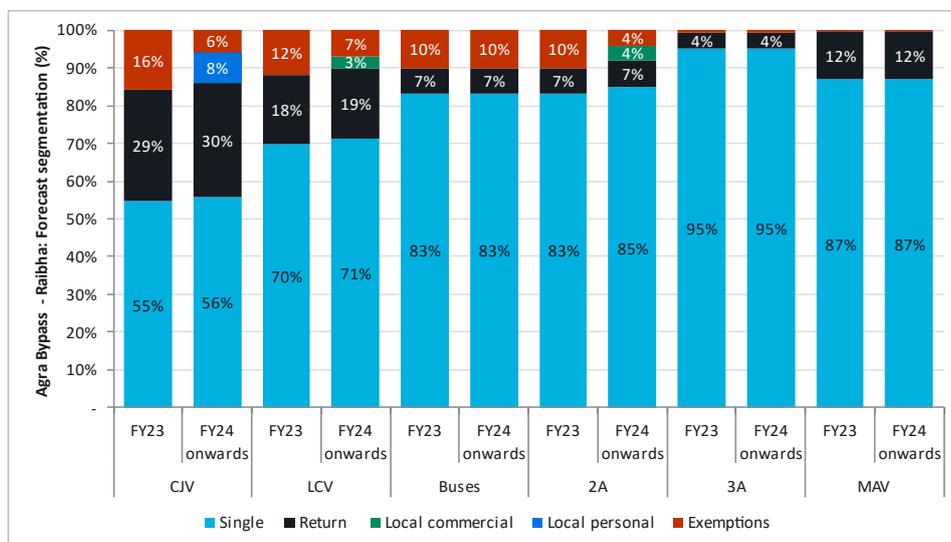


Source: Traffic Report, Steer analysis of traffic data.



Source: Traffic Report, Steer analysis of traffic data.

In addition, the Traffic Consultant has also forecasted toll segmentation for FY23.



Source: Steer analysis

The table below provides the final (background plus impacts) AADT CAGR % for the toll plaza at Raibha, as provided by the Traffic Consultant:

| Vehicle Type | FY23-FY25 | FY25-FY30 | FY30-FY35 | FY35-FY40 | FY40-FY43 | FY23-FY43 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CJV | 6.1% | 6.3% | 5.9% | 5.4% | 4.9% | 5.7% |
| Mini LCV | 2.4% | 2.5% | 2.4% | 2.1% | 2.0% | 2.3% |
| Bus | 43.6% | 1.6% | 1.5% | 1.3% | 1.2% | 5.0% |
| LCV | (1.0%) | 2.4% | 2.4% | 2.1% | 2.0% | 1.9% |
| 2A | (0.6%) | 4.5% | 3.4% | 3.1% | 2.9% | 3.1% |
| 3A | 0.3% | 5.3% | 4.6% | 4.2% | 3.8% | 4.1% |
| MAV | (0.6%) | 6.9% | 5.7% | 5.2% | 4.8% | 5.1% |
| OSV | 5.3% | 5.5% | 5.2% | 4.7% | 4.3% | 5.0% |
| AADT | 1.3% | 5.7% | 5.0% | 4.6% | 4.2% | 4.6% |
| PCU's | 0.3% | 5.9% | 5.0% | 4.6% | 4.3% | 4.5% |

Source: Steer analysis

Projected Traffic Data: Growth in Passenger Car Unit (PCU)

| Vehicle Type | FY23 | FY25 | FY30 | FY35 | FY40 | FY43 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| CJV | 2,263 | 2,548 | 3,455 | 4,601 | 5,977 | 6,897 |
| Mini LCV | 194 | 203 | 230 | 259 | 288 | 305 |
| Bus | 32 | 66 | 71 | 77 | 82 | 85 |
| LCV | 480 | 471 | 529 | 594 | 661 | 700 |
| 2A | 2,116 | 2,089 | 2,606 | 3,086 | 3,603 | 3,923 |
| 3A | 1,927 | 1,938 | 2,504 | 3,133 | 3,847 | 4,307 |
| MAV | 3,342 | 3,303 | 4,621 | 6,106 | 7,883 | 9,071 |
| OSV | 3 | 4 | 5 | 6 | 7 | 8 |
| AADT | 10,357 | 10,622 | 14,020 | 17,861 | 22,347 | 25,296 |
| PCU's | 30,455 | 30,617 | 40,834 | 52,140 | 65,356 | 74,055 |

Source: Steer analysis

Tollable Length and Toll Rates

In terms of tollable length, the Agra Bypass Toll Road currently comprises 56.04 kms of roads. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 24, 2022, the toll rates at the Raibha toll plaza for Asset 6 for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for |
|--|----------------|------------------|--------------|--|
| | | | | Commercial Vehicle Registered within the district of the Raibha Toll Plaza |
| | | | | (Rs.) |
| Car/Jeep/Van | 75 | 115 | 2545 | 40 |
| LCV | 125 | 185 | 4105 | 60 |
| Bus/Truck | 260 | 385 | 8605 | 130 |
| Vehicles with up to 3 axles | 280 | 420 | 9390 | 140 |
| HCM/EME (Vehicles with 4 to 6 axles) | 405 | 605 | 13495 | 200 |
| Vehicles with 7 or more axles | 495 | 740 | 16430 | 245 |

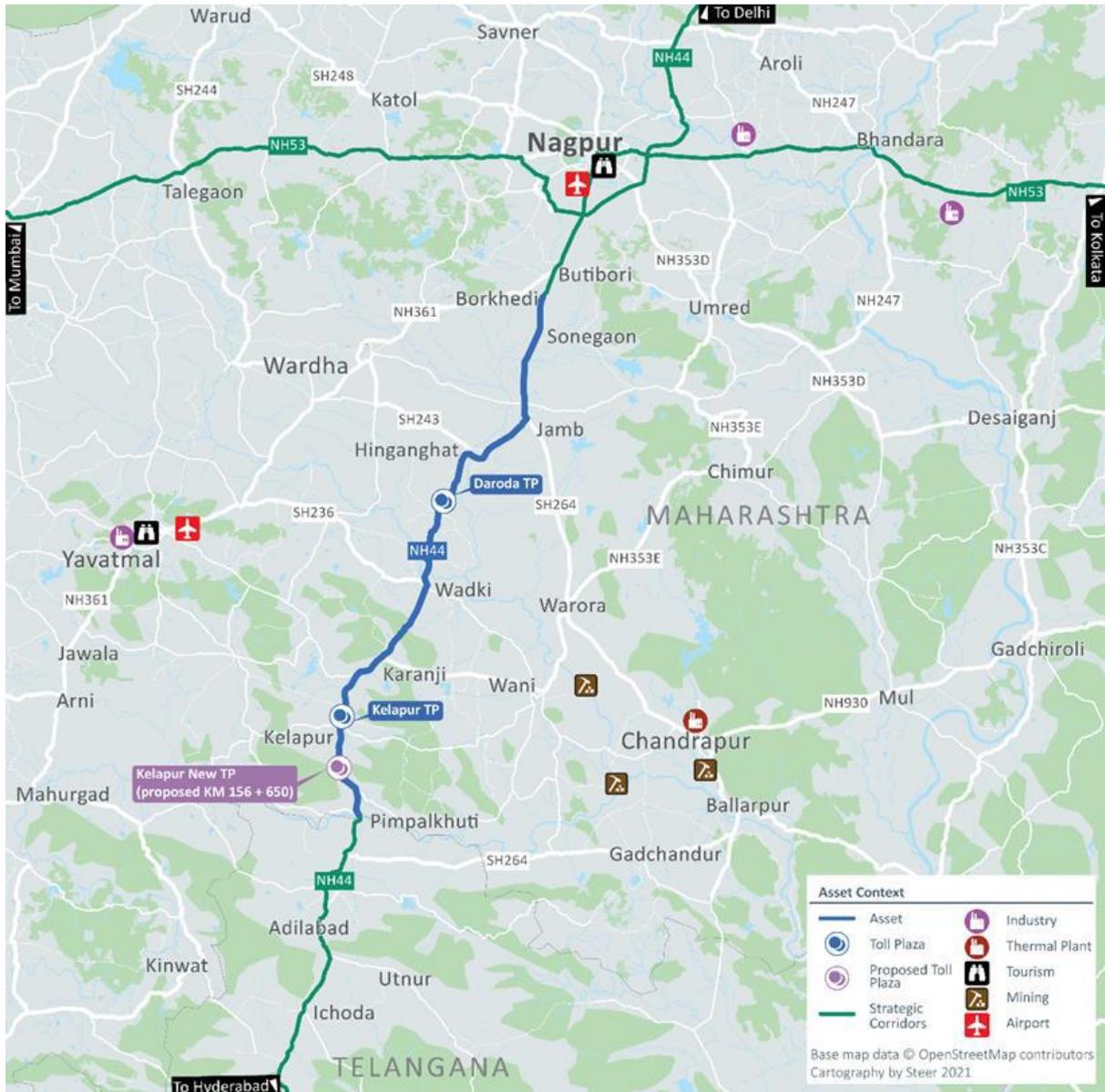
Source: NHAI

For further details in relation to Asset 6, please refer to **Annexure G** of this Prospectus.

6. Borkhedi – Kelapur Project (“Asset 7”)

Project overview

According to the Traffic Consultant, Asset 7 is located on NH44 and is about 138.15 kms long section between Borkhedi and Maharashtra/ Telangana Border (at Penganga River bridge) traversing through the districts of Nagpur, Wardha and Yavatmal in the state of Maharashtra. The two toll plazas on Asset 7 are located at Darodha (KM 92.500) and Kelapur (KM 150.450, to be shifted to KM 156.650). Kelapur toll plaza is proposed to be relocated to a new location, approximately 6 km south of the existing location in absence of adequate land to construct proper toll plaza at the present location. This is named as Kelapur New TP (KM 156 +250) in the map below.



Source: Traffic Report

Salient growth features and traffic generators

According to the Traffic Consultant, Asset 7 is in vicinity of Nagpur, which is home to several manufacturing hubs, food processing units, and CONCOR’s multi modal logistics logistic hub. Yavatmal (textile/cotton), Butibori (MIDC), and Chandrapur (coal) are some of key traffic generators for the Asset. Asset 7 forms part of NH19/NH7 (new NH44) north-south long-distance strategic corridor connecting Srinagar in Kashmir (northernmost state) to Kanyakumari in Tamil Nadu (southernmost state). It directly connects national capital Delhi and northern states with state capitals of Hyderabad (Telangana), Bengaluru (Karnataka) including other major cities/industrial nodes/ junctions along the way like Agra (Uttar Pradesh), Gwalior and Jhansi (Madhya Pradesh), Nagpur (Maharashtra), Selam, Madurai, Tirunelveli (Tamil Nadu). The Asset also provides strategic linkage between Delhi and Chennai via Hyderabad- Kadapa and Hyderabad-Ongole routes. In addition to its role as national connector, the Asset provides important regional connectivity between neighbouring states i.e., Maharashtra and Telangana. Nagpur, being centrally located in the country, acts as a strategic junction within immediate influence area in Maharashtra. The Asset provides fair condition round the year connectivity to various urban/ semi-urban centres of eastern Maharashtra i.e., Chandrapur, Wadner, Padharkawada, Yavatmal among each other and with regional commercial centre of Nagpur. The major commodities observed during surveys are manufacturing, courier/parcel, agricultural products, and groceries. The traffic profile is predominantly goods vehicles undertaking long distance movements between the locations discussed above. The commodity mix carried by the vehicles observed at the toll plaza during site visit was mix of manufacturing, courier/parcel, automobile, and agriculture confirming the long-distance nature of the traffic. The Asset has seen an increase in proportion of the long-distance goods traffic in recent years as compared to past performance which may be attributed to shift of long-distance traffic from other corridors to NH44 (old NH7) corridor as NH44 observed continuous Level of Service (LoS) upgrades. Being the shortest route between Delhi and Hyderabad/Bengaluru, the increased LoS on the corridor attracted traffic on NH44 post improvement.

The Asset lies on the outskirts of Nagpur which is the third largest city in Maharashtra. It is known for medium to large scale industries alongside agriculture, being, manufacturing and food processing. Manufacturing segment includes products ranging from agriculture equipment, aluminum products, castings, cement, chemicals, paper and packaging, electrical equipment and fittings, textile engineering goods, tools manufacturing, fabrication and machining, ferro alloys, paints, furniture, plastic and moulding products, etc. Food processing giants having presence at Nagpur includes Haldiram, Dinshaw, Patanjali and other medium scales orange and spices processing units, etc. Government of Maharashtra has set-up Multi-Modal International Passenger and Cargo Hub Airport at Nagpur (MIHAN). That will upgrade existing domestic airport along with a Special Economic Zone which is abutting to the boundary of the airport. MIHAN houses plant of Tata Aeronautics which manufactures parts for Boeing and Air India and Dassault's assembly plants. Container Corporations of India Limited (CONCOR) constructed Multi Modal Logistic Park along with a rail terminal connecting MIHAN with different ports in country. Butibori industrial area established by Maharashtra Industrial Development Corporation (MIDC), north of the Asset, is one of the country's largest industrial hubs. It houses textile, machine and metal fabrication and manufacturing units and is home to industrial giants like KEC, Hyundai, and Unitech. Koradi Thermal Power Station and Khaparkheda Thermal Power Station are the two major thermal power stations located in vicinity of the hub. Yavatmal industrial area, in west of the Asset, has textile and cotton processing industries including Raymond India's garment plant. The industrial hub is also home to export units of machineries, cement, medicines, limestones, and clothes. Chandrapur is key coal mining centre in close vicinity of the Asset and has thermal plant, cement, paper and ferro alloy manufacturing industries.

The agricultural stretches present along the Asset as well as in Nagpur generate a considerable share of traffic on the Asset. Nagpur, also known as Orange City, is famous for the production of oranges in addition to being home to large number of Paddy, Jowar, Cotton, Tur and Soyabean fields. The same is observed in our 'commodity analysis', a part of survey results, as well as ~13% of the MAVs were found to carry agricultural products.

Traffic volume and composite of vehicles

Historical traffic data

The following table shows the historical traffic counts of Asset 7 according to the Traffic Consultant:

IHMCL weekly counts are available on Asset 7 - **Darodha toll plaza** starting in September 2015 and ending in September 2020 (not adjusted for seasonality).

| Vehicle type | September 2015 | May 2016 | October 2016 | June 2017 | March 2018 | September 2018 | February 2019 | January 2020 | September 2020 |
|-------------------|----------------|--------------|--------------|--------------|---------------|----------------|---------------|---------------|----------------|
| CJV..... | 732 | 1,167 | 904 | 851 | 1,112 | 899 | 1,470 | 1,295 | 1,830 |
| LCV..... | 249 | 402 | 346 | 390 | 562 | 557 | 612 | 590 | 709 |
| 2A/bus..... | 415 | 367 | 439 | 427 | 544 | 582 | 616 | 725 | 871 |
| 3A..... | 910 | 799 | 773 | 843 | 1,057 | 1,205 | 1,221 | 1,367 | 1,508 |
| MAV..... | 444 | 447 | 700 | 657 | 1,028 | 1,221 | 1,032 | 1,323 | 1,241 |
| Total..... | 2,750 | 3,182 | 3,162 | 3,168 | 4,303 | 4,464 | 4,951 | 5,300 | 6,159 |
| PCU..... | 7,079 | 7,280 | 8,209 | 8,203 | 11,384 | 12,590 | 12,543 | 14,410 | 15,615 |

Source: Traffic Report, Steer analysis of data

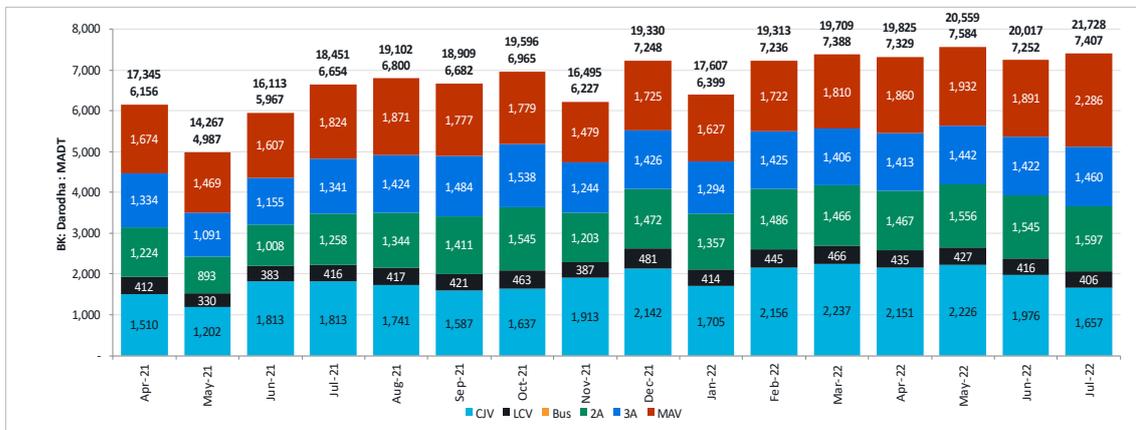
IHMCL weekly counts are available on Asset 7 - **Kelapur toll plaza** starting in March 2015 and ending in November 2020 (not adjusted for seasonality).

| Vehicle type | March 2015 | January 2017 | October 2016 | June 2017 | February 2018 | August 2018 | February 2019 | November 2020 |
|-------------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
| CJV..... | 1,169 | 1,670 | 1,144 | 1,608 | 1,488 | 1,267 | 1,924 | 1,855 |
| LCV..... | 399 | 560 | 405 | 294 | 551 | 531 | 695 | 881 |
| 2A/bus..... | 594 | 764 | 627 | 522 | 673 | 653 | 834 | 1,386 |
| 3A..... | 1,145 | 1,171 | 889 | 613 | 1,117 | 1,286 | 1,187 | 1,638 |
| MAV..... | 460 | 739 | 691 | 379 | 924 | 1,330 | 1,079 | 1,692 |
| Total..... | 3,767 | 4,904 | 3,756 | 3,416 | 4,753 | 5,067 | 5,719 | 7,452 |
| PCU..... | 9,055 | 11,641 | 9,409 | 7,160 | 11,843 | 13,866 | 13,885 | 19,863 |

Source: Traffic Report

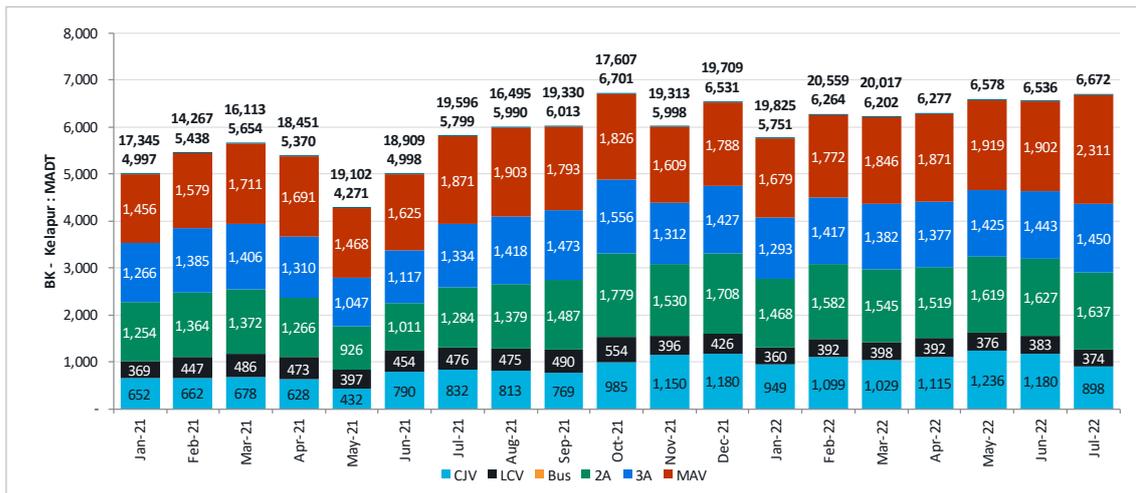
Monthly Average Daily Traffic

The chart below presents the reported traffic volume for toll plaza Darodha on Asset 7, in terms of monthly average daily traffic (MADT) from April 2021 to July 20, 2022.



Source: Steer analysis

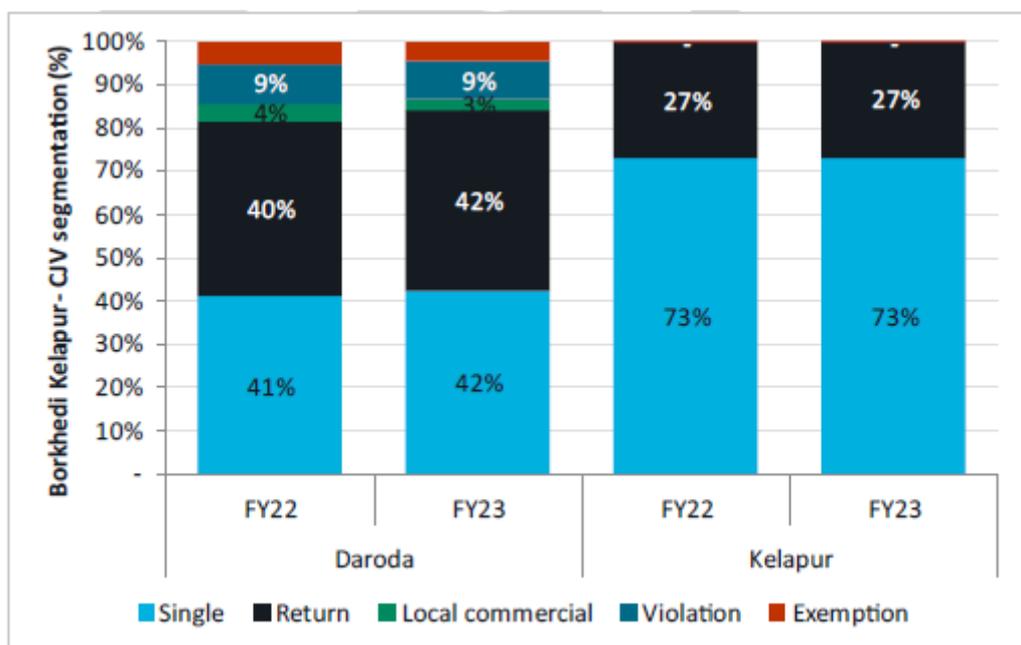
The chart below presents the reported traffic volume for toll plaza Kelapur on Asset 7, in terms of monthly average daily traffic (MADT) from April 2021 to July 20, 2022.



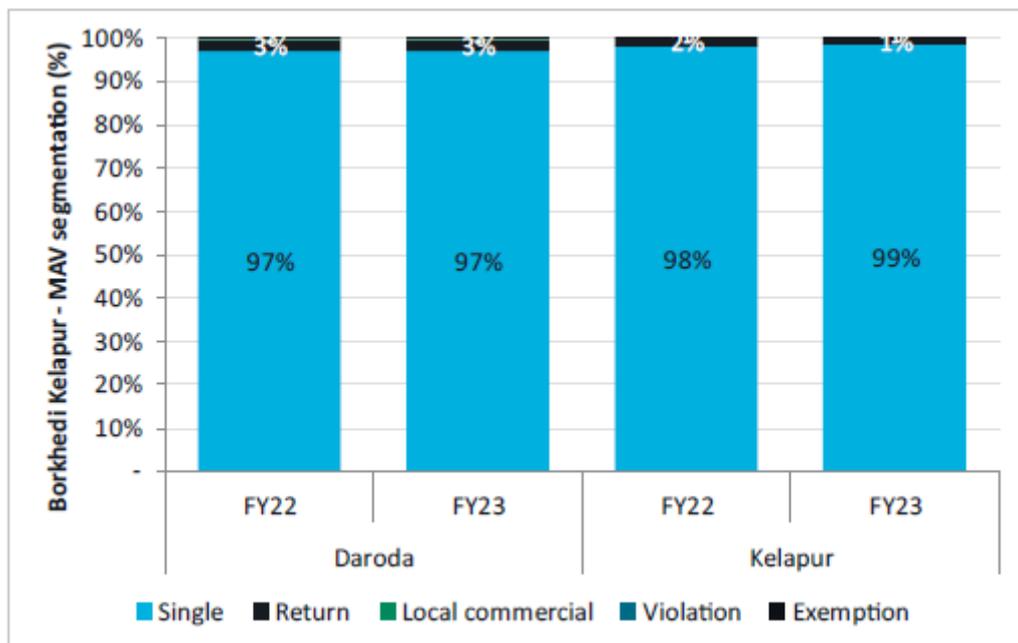
Source: Steer analysis

Toll Segmentation

The charts below present the estimated segmentation based on traffic data from FY22 and FY23 (until July 31, 2022) for Toll Plaza Darodha and Kelapur.

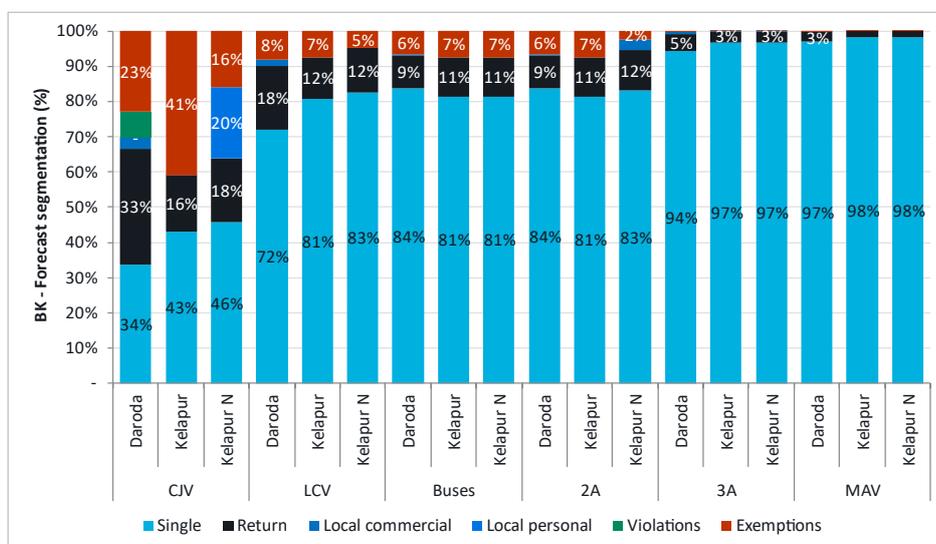


Source: Steer analysis



Source: Steer analysis

In addition, the Traffic Consultant has also forecasted toll segmentation for FY23.



Source: Steer analysis

The table below provides the final (background plus impacts) AADT CAGR (%) for the Darodha toll plaza, as provided by the Traffic Consultant:

| Vehicle Type | FY23-FY25 | FY25-FY30 | FY30-FY35 | FY35-FY40 | FY40-FY43 | FY23-FY43 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CJV | 5.9% | 6.1% | 5.7% | 5.2% | 4.8% | 5.6% |
| Mini LCV | 3.2% | 3.3% | 3.0% | 2.7% | 2.4% | 2.9% |
| Bus | 3.2% | 2.5% | 3.0% | 2.7% | 2.4% | 2.7% |
| LCV | 1.9% | 2.0% | 1.8% | 1.6% | 1.5% | 1.8% |
| 2A | 3.5% | 1.4% | 3.4% | 3.1% | 2.9% | 2.8% |
| 3A | 4.1% | 3.0% | 4.0% | 3.7% | 3.4% | 3.6% |
| MAV | 5.8% | 4.3% | 5.7% | 5.2% | 4.8% | 5.1% |
| OSV | 5.3% | 5.5% | 5.2% | 4.7% | 4.3% | 5.0% |
| AADT | 4.7% | 3.8% | 4.7% | 4.4% | 4.0% | 4.3% |
| PCU's | 4.8% | 3.5% | 4.8% | 4.4% | 4.1% | 4.2% |

Source: Traffic Report

The table below provides the final (background plus impacts) AADT CAGR (%) for the Kelapur toll plaza, as provided by the Traffic Consultant:

| Vehicle Type | FY23-FY25 | FY25-FY30 | FY30-FY35 | FY35-FY40 | FY40-FY43 | FY23-FY43 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CJV | 5.9% | 6.1% | 5.7% | 5.2% | 4.8% | 5.6% |
| Mini LCV | 3.2% | 3.3% | 3.0% | 2.7% | 2.4% | 2.9% |
| Bus | 3.2% | 2.4% | 3.0% | 2.7% | 2.4% | 2.7% |
| LCV | 1.9% | 2.0% | 1.8% | 1.6% | 1.5% | 1.8% |
| 2A | 3.5% | 1.5% | 3.4% | 3.1% | 2.9% | 2.8% |
| 3A | 4.1% | 3.0% | 4.0% | 3.7% | 3.4% | 3.6% |
| MAV | 5.8% | 4.3% | 5.7% | 5.2% | 4.8% | 5.1% |
| OSV | 5.3% | 5.5% | 5.2% | 4.7% | 4.3% | 5.0% |
| AADT | 4.6% | 3.7% | 4.6% | 4.3% | 3.9% | 4.2% |
| PCU's | 4.7% | 3.4% | 4.7% | 4.4% | 4.0% | 4.2% |

Source: Traffic Report

The table below provides the final (background plus impacts) AADT CAGR (%) for the new location of the Kelapur toll plaza, as provided by the Traffic Consultant:

| Vehicle Type | FY23-FY25 | FY25-FY30 | FY30-FY35 | FY35-FY40 | FY40-FY43 | FY23-FY43 |
|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CJV | 5.9% | 6.1% | 5.7% | 5.2% | 4.8% | 5.6% |
| Mini LCV | 3.2% | 3.3% | 3.0% | 2.7% | 2.4% | 2.9% |
| Bus | 3.2% | 2.4% | 3.0% | 2.7% | 2.4% | 2.7% |
| LCV | 1.9% | 2.0% | 1.8% | 1.6% | 1.5% | 1.8% |
| 2A | 3.5% | 1.5% | 3.4% | 3.1% | 2.9% | 2.8% |
| 3A | 4.1% | 3.0% | 4.0% | 3.7% | 3.4% | 3.6% |
| MAV | 5.8% | 4.3% | 5.7% | 5.2% | 4.8% | 5.1% |
| OSV | 5.3% | 5.5% | 5.2% | 4.7% | 4.3% | 5.0% |
| AADT | 4.6% | 3.6% | 4.6% | 4.3% | 3.9% | 4.2% |
| PCU's | 4.7% | 3.4% | 4.7% | 4.4% | 4.0% | 4.2% |

Source: Traffic Report

Projected Traffic Data: Growth in Passenger Car Unit (PCU)

The table below provides the final (background plus impacts) AADT forecast at the Darodha toll plaza, as provided by the Traffic Consultant:

| Vehicle Type | FY23 | FY25 | FY30 | FY35 | FY40 | FY43 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| CJV | 1,970 | 2,207 | 2,966 | 3,920 | 5,061 | 5,824 |
| Mini LCV | 466 | 497 | 584 | 678 | 774 | 832 |
| Bus | 442 | 471 | 531 | 616 | 703 | 755 |
| LCV | 194 | 201 | 222 | 243 | 263 | 275 |
| 2A | 1,434 | 1,536 | 1,646 | 1,949 | 2,276 | 2,478 |
| 3A | 1,450 | 1,572 | 1,820 | 2,216 | 2,653 | 2,929 |
| MAV | 1,892 | 2,120 | 2,611 | 3,450 | 4,454 | 5,126 |
| OSV | 1 | 2 | 2 | 3 | 3 | 4 |
| AADT | 7,850 | 8,605 | 10,382 | 13,074 | 16,187 | 18,223 |
| PCU | 20,855 | 22,883 | 27,169 | 34,282 | 42,523 | 47,918 |

Source: Traffic Report

The table below provides the final (background plus impacts) AADT forecast at the Kelapur toll plaza, as provided by the Traffic Consultant:

| Vehicle Type | FY23 | FY25 | FY30 | FY35 | FY40 | FY43 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| CJV | 1,404 | 1,573 | 2,114 | 2,794 | 3,607 | 4,151 |
| Mini LCV | 457 | 487 | 573 | 665 | 759 | 816 |
| Bus | 408 | 434 | 489 | 566 | 646 | 695 |
| LCV | 246 | 256 | 282 | 308 | 334 | 349 |
| 2A | 1,470 | 1,575 | 1,698 | 2,011 | 2,348 | 2,557 |
| 3A | 1,454 | 1,576 | 1,826 | 2,223 | 2,661 | 2,938 |
| MAV | 1,941 | 2,174 | 2,681 | 3,542 | 4,573 | 5,263 |
| OSV | 1 | 2 | 2 | 3 | 3 | 4 |
| AADT | 7,382 | 8,077 | 9,664 | 12,112 | 14,933 | 16,773 |
| PCU | 20,725 | 22,722 | 26,910 | 33,888 | 41,962 | 47,242 |

Source: Traffic Report

The table below provides the final (background plus impacts) AADT forecast at the Kelapur toll plaza (new location), as provided by the Traffic Consultant:

| Vehicle Type | FY23 | FY25 | FY30 | FY35 | FY40 | FY43 |
|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| CJV | 1,366 | 1,530 | 2,056 | 2,717 | 3,508 | 4,037 |
| Mini LCV | 496 | 528 | 621 | 721 | 823 | 885 |
| Bus | 408 | 434 | 489 | 566 | 646 | 695 |
| LCV | 246 | 256 | 282 | 308 | 334 | 349 |
| 2A | 1,470 | 1,575 | 1,698 | 2,011 | 2,348 | 2,557 |
| 3A | 1,435 | 1,555 | 1,801 | 2,193 | 2,626 | 2,899 |
| MAV | 1,882 | 2,108 | 2,600 | 3,435 | 4,435 | 5,104 |
| OSV | 1 | 2 | 2 | 3 | 3 | 4 |
| AADT | 7,304 | 7,988 | 9,549 | 11,955 | 14,724 | 16,529 |
| PCU | 20,402 | 22,361 | 26,462 | 33,296 | 41,197 | 46,362 |

Source: Traffic Report

Tollable Length and Toll Rates

In terms of tollable length, the Borkhedi – Kelapur Project currently comprises 80.08 kms of roads at the Darodha toll plaza and 75.16 kms of roads at the Kelapur toll plaza. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

According to the NHAI's toll notification dated March 25, 2022, the toll rates at the Darodha toll plaza for Asset 7 for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for |
|--|----------------|------------------|--------------|---|
| | | | | Commercial Vehicle Registered within the district of the Darodha Toll Plaza |
| | | | | (Rs.) |
| Car/Jeep/Van | 100 | 150 | 3370 | 50 |
| LCV | 165 | 245 | 5445 | 80 |
| Bus/Truck | 340 | 515 | 11410 | 170 |
| Vehicles with up to 3 axles | 375 | 560 | 12445 | 185 |
| HCM/EME (Vehicles with 4 to 6 axles) | 535 | 805 | 17890 | 270 |
| Vehicles with 7 or more axles | 655 | 980 | 21780 | 325 |

Source: NHAI

According to the NHAI's toll notification dated March 25, 2022, the toll rates at the Kelapur toll plaza for Asset 7 for FY2023 are as follows:

| Vehicle Type | Single Journey | Multiple Journey | Monthly Pass | Fee for |
|--|----------------|------------------|--------------|---|
| | | | | Commercial Vehicle Registered within the district of the Kelapur Toll Plaza |
| | | | | (Rs.) |
| Car/Jeep/Van | 100 | 150 | 3370 | 50 |
| LCV | 165 | 245 | 5445 | 80 |
| Bus/Truck | 340 | 515 | 11410 | 170 |
| Vehicles with up to 3 axles | 375 | 560 | 12445 | 185 |
| HCM/EME (Vehicles with 4 to 6 axles) | 535 | 805 | 17890 | 270 |
| Vehicles with 7 or more axles | 655 | 980 | 21780 | 325 |

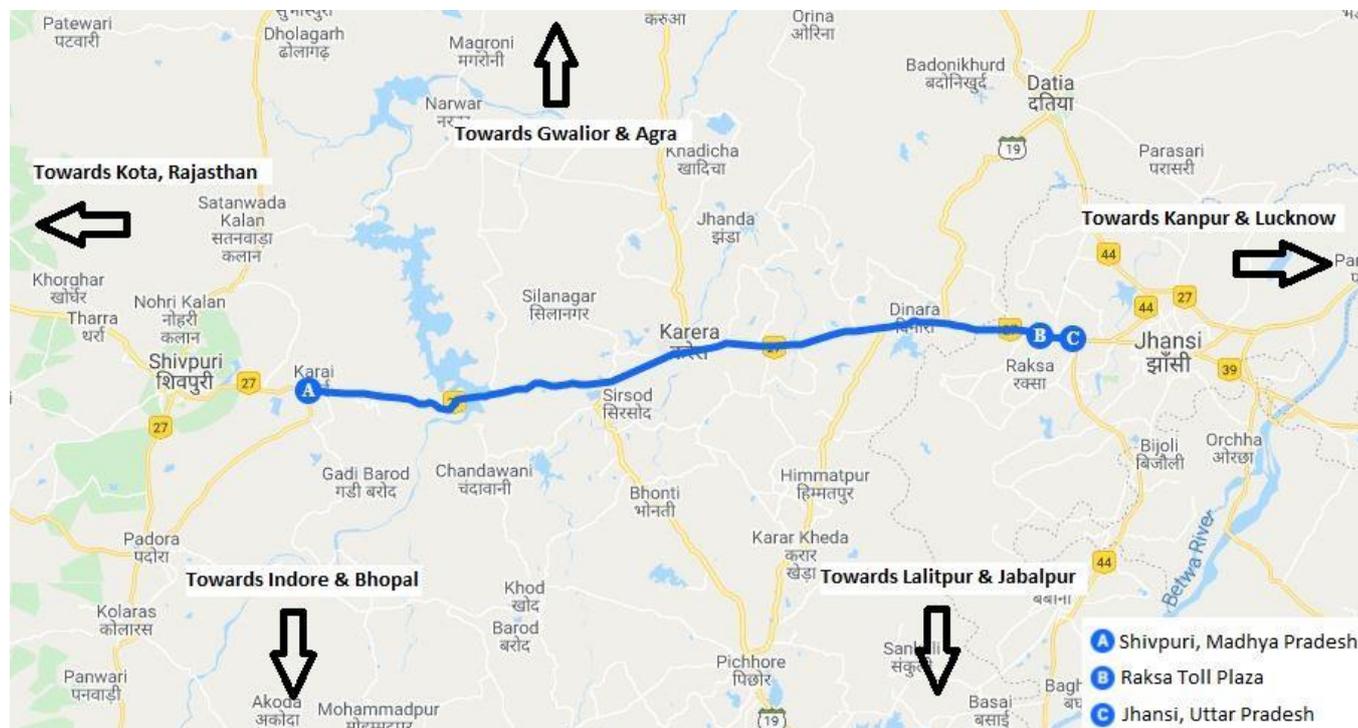
Source: NHAI

For further details in relation to Asset 7, please refer to **Annexure G** of this Prospectus.

7. Jhansi – Shivpuri Project (“Asset 8”)

Project overview

According to the Traffic Consultant, Asset 8 is a 4-lane, 75.3 kms long stretch, on national highways (NH) 27 which connects the districts of Jhansi and Shivpuri in the state of Uttar Pradesh and Madhya Pradesh, respectively. The two states Uttar Pradesh and Madhya Pradesh form the two key project stretch influence states. The project stretch has one toll plaza by the name of Raksha toll plaza which lies at the chainage of km 1374+650 near Jhansi. In the larger road network, the project stretch is a part of East-West corridor (NH-27) which connects Porbandar in Gujarat to Silchar in Assam. Hence, the project stretch witnesses higher proportion of long route traffic between the eastern and western regions.



Source: CRISIL Research

Salient growth features and traffic generators

According to the Traffic Consultant, the project stretch is used by the traffic originating and destined in regions such as Kanpur-Lucknow cluster, Indore cluster, Maharashtra and Gujarat. Lucknow and Indore are the key regions where the east-west traffic converges. Currently, the traffic between Indore-Lucknow uses the project stretch which takes them 13-14 hours and travels ~793 km. There exists an alternate route between Lucknow and Indore which passes through Chhatarpur and Sagar. This route takes 16-17 hours and the distance is 801 km. The key reason for this longer travel time is that the alternate route is a mix of 2 lane and 4 lanes. Kanpur to Bhopal section of the alternate route which is nearly 527 km is 2 lanes. Under the Bharatmala program, the section from Lucknow to Sagar and Sagar to Kandla are proposed for augmentation. Hence, the Traffic Consultant has assumed FY33 to be start year for the alternate road stretch.

Further, there is a greenfield expressway coming up in the region. The 4-lane access controlled Atal progress-way (Chambal expressway) will connect Etawah (UP) to Kota (Rajasthan). The connection point is likely to be the Agra-Lucknow expressway on one end and the Delhi-Mumbai expressway on the Kota side. Thus, the traffic from eastern region converging at Lucknow will have an alternative to the project stretch. The traffic can travel on the Agra-Lucknow expressway and Atal progress-way to reach Rajasthan. They also have Delhi-Mumbai expressway connectivity to Gujarat and Maharashtra. The Delhi-Mumbai expressway is expected to begin operations in mid-2024 and for the Atal progress-way, the Traffic Consultant has assumed FY29 to be start year for the road stretch.

Agri produce forms the key commodity travelling on the project stretch, followed by courier & parcels, construction material, consumer items, and iron and steel. Kanpur, Lucknow, Jhansi, Indore, Mumbai and Rajkot are the major contributors to the goods traffic on the project stretch. Project stretch and its vicinity regions such as Kanpur, Lucknow, Indore etc. are the key origin-destination for the passenger traffic.

The Shivpuri-Jhansi Project is a part of the East-West Corridor, which includes industrialised districts such as Kanpur and Lucknow. These districts form the origination and destination points of the traffic. Other key consumption/industrial centres

include Indore, Jhansi, Ahmedabad, Mumbai, and Pune. These are also catered by the stretch. Shivpuri and Jhansi districts, immediately adjacent to the stretch, have witnessed an economic growth greater than the national average (8.4% vs 7.1%).

Traffic volume and composite of vehicles

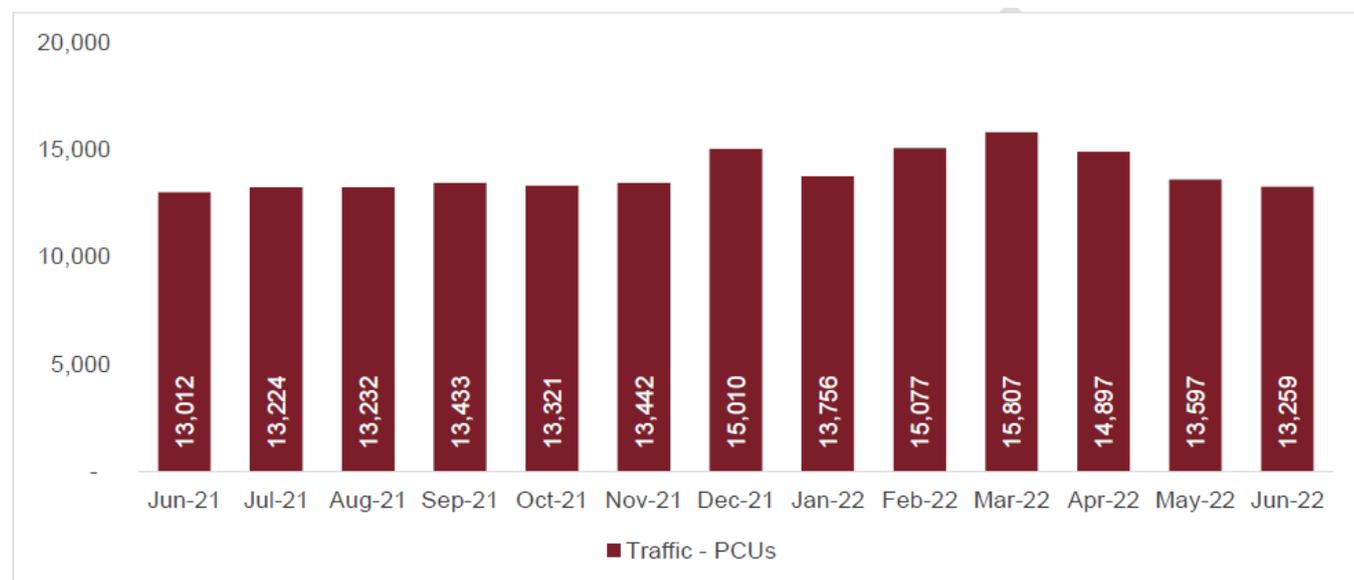
Historical traffic data

The following table shows the IHMCL seven-day historical traffic counts of Asset 8 according to the Traffic Consultant:

| From | Sep 26, 2015 | Apr 5, 2016 | Oct 2, 2016 | Jan 27, 2017 | Jul 22, 2017 | Feb 9, 2018 | May 26, 2019 |
|---------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| To | Oct 2, 2015 | Apr 11, 2016 | Oct 8, 2016 | Feb 2, 2017 | Jul 28, 2017 | Feb 15, 2018 | Jun 1, 2019 |
| Cars/ Jeep/ Van | 1,249 | 1,413 | 1,406 | 1,325 | 1,289 | 1,861 | 2,028 |
| LCV | 188 | 228 | 246 | 186 | 255 | 305 | 296 |
| 2-Axle | 275 | 332 | 298 | 270 | 281 | 373 | 410 |
| 3-Axle | 400 | 667 | 466 | 423 | 402 | 533 | 554 |
| MAV | 726 | 1,059 | 1,012 | 981 | 1,217 | 1,632 | 1,619 |
| OSV | 0 | 1 | 0 | 0 | 2 | 1 | 1 |
| Total | 2,838 | 3,701 | 3,428 | 3,184 | 3,447 | 4,704 | 4,907 |
| Total (PCUs) | 6,823 | 9,524 | 8,622 | 8,097 | 9,208 | 12,382 | 12,648 |

Source: IHMCL, CRISIL Research

The chart below shows the average daily traffic on Asset 8 over June 2021 to June 2022:



Source: CRISIL Research

Toll Segmentation

The table below presents a segmentation of total traffic assessed from the toll data June 2021 to May 2022 for the toll plaza of Asset 8. The trip segmentation has been assumed to remain constant throughout the projection period i.e., over fiscals 2023 to 2043 as follows:

| Vehicle category | Single journey | Return journey | Monthly pass | Exemption |
|--|----------------|----------------|--------------------------|-----------|
| Car, Jeep, Van or Light Motor Vehicle | 61.0% | 25.9% | 7.0% (local category) | 6.1% |
| Light Commercial Vehicle, Light Goods Vehicle or | 90.0% | 7.5% | 0.5% | 2.0% |

| | | | | |
|--|-------|------|------|------|
| Mini Bus | | | | |
| Bus or Truck (Two Axles) | 90.7% | 7.5% | 0.0% | 1.8% |
| Three- axle commercial vehicles | 94.7% | 4.0% | 0.0% | 1.3% |
| Heavy Construction Machinery (HCM) or Earth Moving Equipment (EME) or Multi Axle Vehicle (MAV) (four to six axles) | 97.2% | 2.1% | 0.0% | 0.7% |

Source: CRISIL Research

The table below provides the traffic growth rates considering diversions to expressway and other alternative routes, as provided by the Traffic Consultant:

| CAGR | FY23-25 | FY25-30 | FY30-35 | FY35-42 | FY23-42 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Car | 7.8% | 6.5% | 5.1% | 3.7% | 5.2% |
| Bus | 3.9% | 3.3% | 2.5% | 1.9% | 2.6% |
| Minibus | 3.9% | 3.3% | 2.5% | 1.9% | 2.6% |
| LCV | 5.3% | 2.4% | 2.0% | 4.2% | 3.3% |
| 2-axle | 4.6% | 2.9% | 2.9% | 4.9% | 3.8% |
| 3-axle | 4.6% | 3.2% | 2.8% | 4.8% | 3.8% |
| MAV | 5.0% | 3.1% | 2.2% | 4.4% | 3.5% |
| Total PCU | 5.3% | 3.7% | 2.9% | 4.3% | 3.9% |
| Revenue growth | 9.8% | 7.4% | 6.3% | 7.6% | 7.4% |

Source: CRISIL Research

Projected Traffic Data: Growth in Passenger Car Unit (PCU)

| Vehicle Type | FY23 | FY25 | FY30 | FY35 | FY40 | FY43 |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Car | 2,339 | 2,718 | 3,730 | 4,772 | 5,782 | 6,351 |
| Bus | 120 | 130 | 153 | 173 | 191 | 200 |
| LCV + Minibus | 185 | 205 | 231 | 256 | 313 | 354 |
| 2-axle | 865 | 946 | 1,092 | 1,260 | 1,603 | 1,855 |
| 3-axle | 531 | 581 | 681 | 781 | 989 | 1,139 |
| MAV | 1,723 | 1,901 | 2,213 | 2,468 | 3,056 | 3,471 |
| Total | 5,763 | 6,481 | 8,099 | 9,711 | 11,934 | 13,370 |
| Total PCU | 14,919 | 16,550 | 19,810 | 22,904 | 28,353 | 32,084 |

Source: CRISIL Research

Tollable Length and Toll Rates

In terms of tollable length, the Jhansi – Shivpuri Project comprises 89.66 kms of roads. In India, toll rates are as per notification by the Ministry of Road Transport and Highways in the National Gazette. The present toll rates are determined with reference to the published base toll rates and are adjusted annually at the beginning of each fiscal year equal to 40% of the movement in the wholesale price index in December of the preceding year plus a fixed 3%.

Single toll rates in INR at the Raksha toll plaza, applicable from April 2022 until March 2023 are as provided below:

| Type of Vehicle | SJ: Raksha |
|-----------------|------------|
| CJV | 120 |
| LCV | 195 |
| Bus/Truck | 415 |

| Type of Vehicle | SJ: Raksha |
|-----------------|------------|
| 3A | 450 |
| MAV/ HCM/EME | 650 |
| OSV | 790 |

Source: CRISIL Research

For further details in relation to Asset 8, please refer to **Annexure G** of this Prospectus.

8. Revalidation of Traffic and Revenue Estimates Based on Recent Data

Ramboll was engaged to carry out a review of the earlier traffic and revenue forecasts pertaining to the Traffic Report submitted by Traffic Consultant in relation to the Initial Toll Roads in the month of May 2022, based on the actual traffic/ revenue data from May 2022 to July 2022 (“**Revalidation Note**”). In the Revalidation Note, Ramboll has confirmed that the previous estimates of traffic and revenue for the Initial Toll Roads provided in the Traffic Reports for FY23 and beyond can still be considered as valid. The detailed revalidation note is annexed as **Annexure G**.

Operations

Toll collection system

Toll is collected for each journey through each of the toll plazas. Signs setting out the toll rates for the Toll Road assets are displayed at the toll booths and tolls can be paid or tendered by the driver of any vehicle in the following manners:

Cash

Tolls paid by means of cash are collected by toll collectors at the manual toll booths.

Electronic toll collection

To ensure seamless traffic movement through toll plazas and increase transparency in collection of user fees using FASTag, the National Electronic Toll Collection (NETC) programme has been implemented on a pan-India basis. FASTags are simple to use reloadable tags to enable automatic deduction of toll charges from a pre-paid account without having to stop at toll plazas for cash transactions.

FASTag was started as a pilot project in 2014 on the stretch of Golden Quadrilateral between Mumbai and Ahmedabad. It was later extended to other toll plazas, with the FASTag use made mandatory across the country in February 2021. To ease the process of getting a FASTag for citizens, the Ministry also mandated that all vehicles manufactured after December 2017 should be pre-fitted with a FASTag. This reform has been immensely beneficial for citizens and toll plaza operators.

Transition to 100% FASTag was implemented w.e.f 15th February, 2021 and thereafter, significant increase in toll collection through FASTag has been observed. (*Source: CRISIL Report*)

Monitoring

Toll collection

Payments at the toll plazas, both electronic as well as cash payments, are processed through a semi-automated or a fully automated toll collection system, depending on complexity of the project. Both these systems collect and store traffic and payment data, thereby reducing the need for manual operation. A semi-automated system consists of a revenue collection software desktop, a barrier gate, smart cards and monitoring cameras and a fully automated system includes equipment such as vehicle counting classifier, vehicle audit system, communication channels and traffic control equipment in addition to all the components of a semi-automated system.

For the purpose of identifying categories of vehicles and to charge an appropriate toll rate, the automatic vehicle identification based in-road/infrared sensors are also used. The Project SPV would use weigh-in-motion technology for projects where weight-based toll collection is mandated. The weight based tolling systems are integrated with the fully automatic toll collection system for enhanced revenue controls.

There are cameras installed particularly for capturing and recording any toll evasion incidents by vehicles. There is also a back-up power supply system to ensure that there is no interruption to power supply at the toll plazas in order to maintain a stable power supply for the sub-systems and equipment. Servers used in the toll collection systems at the toll plazas are capable of real time uploading of transaction data from toll lane equipment and performing an automatic daily backup to prevent any toll data loss and to enable quick system recovery, which would allow the Project SPV to collect variable amounts of tolls depending on the class of motor vehicles and serves as a traffic information system.

Only certain authorised persons have access to the toll collection systems and the activities are recorded for security purposes. The Project SPV is responsible for operating the toll collection system at its toll plaza and taking regular preventive and corrective measures to maintain such systems at the highest levels of security and reliability.

Traffic control

There are helpline numbers displayed along the national highways for communication between the road users and the control room in case of any emergency. This provides a reliable communication channel for the road users in cases of an exigency where they need to communicate with staff at the Control Room. The Project SPV would take regular preventive and corrective measures to maintain the emergency telephone system at the highest levels of reliability and safety. The Project SPV is required to carry out regular patrolling and regulate and maintain traffic order within the projects. Emergency telephone systems and emergency helpline numbers are provided at all projects where such systems and numbers are required by the Concession Agreement. There are also patrol vehicles that continuously move on the section of the project that it is assigned to, which will intervene to regulate traffic and carry out surveillance activities.

Traffic and motorway assistance services

Traffic assistance

The Project SPV would provide emergency assistance to motorists using the toll roads. They station patrol/light recovery vehicles on each toll road, which are deployed to patrol the toll roads on a continuous basis.

In the case of a vehicle breakdown or traffic accident, the Control Room will announce the occurrence via mobile phones or handsets to instruct a mobile supervisor and a recovery supervisor to proceed to the scene immediately, and file relevant reports with the police if personal injury is involved. At the scene of a traffic accident or vehicle breakdown, the mobile supervisor will report to the Control Room on the situation of the incident, ensure safety of the scene and apply first aid to injured persons, if any. The recovery supervisor will determine whether the vehicle can be recovered on site or deploy recovery vehicles for towing. The traffic officer will stop the traffic, close the affected lane where necessary and direct trapped vehicles away to other unaffected lanes.

Safety Measures

Under the Concession Agreement, the concessionaire is obligated to abide by certain safety requirements, which include measures such as road signs, pavement marking, traffic control devices, roadside furniture, highway design elements, enforcement and emergency response. The concessionaire must abide by among others, applicable laws and applicable permits, the Manual for Safety in Road Design as issued by the Ministry of Shipping, Road Transport and Highways, relevant standards and guidelines of the Indian Roads Congress and good industry practice. NHAI also carries out safety audits of the projects by appointing a safety consultant employing a team comprising of, among others, one road safety expert and one traffic planner. These safety requirements apply to all phases of construction, operations and maintenance with emphasis on identification of factors associated with accidents and implementation of appropriate remedial measures.

Management

We are managed by qualified personnel of the Investment Manager and Investment Committee, with members who have management and operational experience in the roads and highways sector. For further details about the Investment Manager, please see the sections titled “*Parties to the Trust*” on page 173 of this Prospectus.

The Investment Manager, in consultation with the Trustee, has appointed a majority of the directors on the board of the Project SPV in accordance with the InvIT Regulations, and such directors form part of the quorum. The Project SPV’s board of directors have also formed committees, as applicable and required, under the Companies Act, 2013 and rules made thereunder.

Seasonality

Traffic volume tends to decrease during the monsoon season and conversely tends to increase during holiday seasons. While the northern parts of India experience monsoon rains during the period from June or July until September or October every year, the southern parts of India, especially coastal parts of Andhra Pradesh, experience monsoon rains even during the months of October to December. The monsoon season may also restrict the Trust’s ability to carry on activities related to its operations and maintenance of toll roads. For further details on risk associated with seasonality, please see the section titled “*Risk Factors*” on page 16 of this Prospectus. Conversely, traffic volume tends to increase during holiday seasons.

Property

The Investment Manager's corporate offices are located in G - 5 & 6, Sector 10, Dwarka, New Delhi – 110075 from which all its administrative and reporting activities are conducted.

Insurance

The Trust's operations are subject to hazards inherent in providing operations and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. The Project SPV, in relation to itself and the Initial Toll Roads, has obtained insurance coverages, including, but not limited to, fire and special perils, loss of profit, fidelity guarantee and burglary. The Project SPV shall obtain insurance with respect to the Target Toll Roads, in accordance with the relevant Concession Agreements.

Legal Proceedings

The Project SPV, the Sponsor, the Investment Manager, the Project Manager and the Trustee may be involved in legal proceedings or claims from time to time. As on date of this Prospectus, certain proceedings or claims involving the Sponsor and certain of its Associates and the Trustee, are currently pending at different levels of adjudication before various courts, tribunals and regulatory authorities. For a description of the material legal proceedings that are outstanding, please see the section titled "Legal and Other Information" on page 302 of this Prospectus.

Key Operational and Financial Parameters

| Balance Sheet | Standalone Basis | | Consolidated Basis | |
|---|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | As on June 30, 2022 (Unaudited) | As on March 31, 2022 (Audited) | As on June 30, 2022 (Unaudited) | As on March 31, 2022 (Audited) |
| Net Fixed assets | - | - | 74,068.96 | 74,412.93 |
| Non-current assets excluding Net Fixed Assets | 71,627.34 | 72,111.05 | 369.69 | 343.33 |
| Current assets | 5,976.03 | 4,371.61 | 1,304.35 | 733.51 |
| Total assets | 77,603.37 | 76,482.66 | 75,743.00 | 75,489.77 |
| Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) | 14,503.52 | 14,555.69 | 14,503.52 | 14,555.69 |
| Financial (borrowings, trade payables, and other financial liabilities) | - | - | - | - |
| Provisions | - | - | 123.44 | 40.34 |
| Deferred tax liabilities (net) | - | 0.32 | - | - |
| Other non-current liabilities | - | - | - | - |
| Current Liabilities (including maturities of long-term borrowings) | 125.00 | 98.09 | 125.00 | 98.09 |
| Financial (borrowings, trade payables, and other financial liabilities) | 2.85 | 45.68 | 179.86 | 134.26 |
| Provisions | - | - | 0.00 | 0.00 |
| Current tax liabilities (net) | 1.87 | 16.18 | 1.87 | 16.18 |
| Other current liabilities | 26.67 | 9.98 | 32.17 | 24.08 |
| Total liabilities | 14,659.91 | 14,725.94 | 14,965.86 | 14,868.64 |
| Equity (equity and other equity) | 62,943.46 | 61,756.72 | 60,777.14 | 60,621.13 |
| Total equity and liabilities | 77,603.37 | 76,482.66 | 75,743.00 | 75,489.77 |
| Profit and Loss | | | | |
| Total Income | 1,959.93 | 2,383.69 | 1,384.91 | 1,497.51 |
| Total Expenses (including tax expenses) | 301.16 | 564.47 | 756.88 | 813.88 |
| Total comprehensive income | 1,658.77 | 1,819.22 | 628.03 | 683.63 |
| Profit / loss after tax | 1,658.77 | 1,819.22 | 628.03 | 683.63 |
| Earnings per unit | | | | |
| Basic | 2.79 | 3.06 | 1.06 | 1.15 |
| Diluted | 2.79 | 3.06 | 1.06 | 1.15 |
| Cash Flow Statement | | | | |
| Net cash flows form/(used in) operating activities | (45.38) | (516.28) | 1,336.58 | (72,744.25) |

| Balance Sheet | Standalone Basis | | Consolidated Basis | |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | As on June 30, 2022 (Unaudited) | As on March 31, 2022 (Audited) | As on June 30, 2022 (Unaudited) | As on March 31, 2022 (Audited) |
| Net cash flows form/(used in) investing activities | 1,459.70 | (72,317.25) | 131.71 | (30.42) |
| Net cash flows form/(used in) financing activities | (761.63) | 73,313.64 | (761.63) | 73,313.64 |
| Opening Cash and cash equivalents | 480.12 | - | 538.98 | - |
| Closing Cash and cash equivalents | 1,132.81 | 480.12 | 1,245.64 | 538.98 |
| Additional Information | | | | |
| Net worth | 62,943.46 | 61,756.72 | 60,777.14 | 60,621.13 |
| Cash and Cash Equivalents | 1,132.81 | 480.12 | 1,245.64 | 538.98 |
| Current Investments | - | 99.22 | - | 99.22 |
| Net Sales (excluded other income) | 1,951.36 | 2,284.31 | 1,373.74 | 1,396.06 |
| EBITDA | 1,927.21 | 2,178.63 | 1,185.53 | 1,122.05 |
| EBIT | 1,927.21 | 2,178.63 | 841.48 | 1,016.48 |
| Long term debt to working capital | 2.49 | 3.46 | 15.02 | 31.58 |
| Current Liability ratio – Current liabilities / Non-current liabilities | 1.08% | 1.17% | 2.32% | 1.87% |
| Total Debts to Total assets | 18.85% | 19.16% | 19.31% | 19.41% |
| Debt Service Coverage Ratios (Operating Cash Flow/(Interest paid in cash plus Principal repaid) | 4.60 | 2.58 | 4.60 | 2.58 |
| Interest service coverage ratio (EBITDA/Interest Expense) | 7.28 | 6.91 | 4.47 | 3.56 |

OVERVIEW OF THE TRUST

The following overview is qualified in its entirety by, and is subject to, the more detailed information contained in or referred to elsewhere in this Prospectus. Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions that could cause actual results of the Trust to differ materially from those forecasted or projected in this Prospectus. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction of the accuracy of the underlying assumptions by the Trust, the Parties to the Trust or the Lead Managers or any other person or that these results will be achieved or are likely to be achieved. Investment in NCDs involves risks. Investors are advised not to rely solely on this overview, and, should read this Prospectus in its entirety and, in particular, the sections titled “Risk Factors” and “Forward Looking Statements” on pages 16 and 11, respectively.

Structure and description of the Trust

National Highways Infra Trust (“**Trust**”) was settled on October 19, 2020, in New Delhi pursuant to the Trust Deed as a contributory irrevocable trust in accordance with the Indian Trusts Act, 1882. The Trust was registered with SEBI on October 28, 2020, under Regulation 3(1) of the InvIT Regulations and has obtained a certificate of registration from SEBI bearing number IN/InvIT/20-21/0014. The principal place of business of the Trust is situated at G - 5 & 6, Sector 10, Dwarka, New Delhi – 110 075.

For details of the registered office and contact person of the Sponsor, please see the section titled “*General Information*” on page 39. For the contact details of the Trust, please see the cover page.

Further, NHIIMPL has been appointed as the investment manager, and NHIPMPL has been appointed as the project manager to the Trust. For further details please see the section titled “*Parties to the Trust*” on page 173.

Investment Objectives

The investment objectives of the Trust are to carry on the activity of and to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations. The investment of the Trust shall only be in any manner permissible under, and in accordance with, the InvIT Regulations and applicable law, including in such holding companies and/or special purpose vehicles and/or infrastructure projects and/or securities in India as permitted under the InvIT Regulations. Whilst making such investments, the Trust shall adhere to the investment strategy as set out in the section titled “*Our Business*” on page 91. The investment by the Trust shall be in compliance with the provisions of the InvIT Regulations.

As on the date of this Prospectus, the Trust is not permitted to carry out any other principal activity unless specifically provided under applicable law.

SUMMARY OF THE CONCESSION AGREEMENTS

The following are summaries of the concession agreements entered into by the National Highways Infra Projects Private Limited in relation to Toll Roads. The descriptions and summaries of the agreements below are not, nor do they purport to be complete descriptions or summaries of all terms of such agreements. Certain terms used in this section have the meaning assigned to them in the respective concession agreements. Copies of these concession agreements are also available for inspection at the registered office of the Investment Manager (on behalf of the Trust). For details, refer to “Material Contracts and Documents for Inspection” on page 329.

1. Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Kotha Kota Kurnool Project

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of the Kotha Kota Kurnool Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Kotha Kota Kurnool Concession Agreement**”), for a period of 30 years from the Appointed Date (i.e. December 16, 2021) or such date on which the Kotha Kota Kurnool Concession Agreement is terminated by a termination notice (“**Kotha Kota Kurnool Concession Period**”).

Certain Definitions

“**Kotha Kota Kurnool Project**” means the operation and maintenance of the Kotha Kota Kurnool Project Highway in accordance with the provisions of the Kotha Kota Kurnool Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Kotha Kota Kurnool Project as set forth in the Kotha Kota Kurnool Concession Agreement;

“**Kotha Kota Kurnool Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Kotha Kota Kurnool Project Highway, but does not include Additional Facilities; and

“**Kotha Kota Kurnool Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|--------------------------|-----------|------------|----------|--------|
| Kothakota Bypass-Kurnool | Telangana | 135.469 | 211.000 | 74.622 |

and all Kotha Kota Kurnool Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Kotha Kota Kurnool Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Kotha Kota Kurnool Concession Agreement to operate, manage and maintain the Kotha Kota Kurnool Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Kotha Kota Kurnool Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Kotha Kota Kurnool Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Kotha Kota Kurnool Concession Agreement;
- ii. manage, operate and maintain the Kotha Kota Kurnool Project Highway and regulate the use thereof by third parties in accordance the terms of Kotha Kota Kurnool Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Kotha Kota Kurnool Project Highway or any part thereof and refuse entry of any vehicle to the Kotha Kota Kurnool Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Kotha Kota Kurnool Concession Agreement;

- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Kotha Kota Kurnool Concession Agreement, or the concession granted thereby, or on the whole or any part of the Kotha Kota Kurnool Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Kotha Kota Kurnool Concession Agreement.

Fees

The Concessionaire is entitled to, during the Kotha Kota Kurnool Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Kotha Kota Kurnool Project Highway pursuant to and in accordance with the provisions in the Kotha Kota Kurnool Concession Agreement and National Highways Fee (Determination of Rates and Collection) Rules, 2008 as amended (the “**Fee Rules**”) and to appropriate the same. In accordance with the terms of the Kotha Kota Kurnool Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Kotha Kota Kurnool Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 19,401.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Kotha Kota Kurnool Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Kotha Kota Kurnool Concession Agreement are only applicable if the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Kotha Kota Kurnool Project are being credited to such escrow account. During the Kotha Kota Kurnool Concession Period, all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Kotha Kota Kurnool Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Kotha Kota Kurnool Concession Agreement, including, if any, in relation to the change of scope in the Kotha Kota Kurnool Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Kotha Kota Kurnool Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Kotha Kota Kurnool Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Kotha Kota Kurnool Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Kotha Kota Kurnool Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Kotha Kota Kurnool Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- viii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Kotha Kota Kurnool Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

- i. all taxes due and payable by the Concessionaire for and in respect of the Kotha Kota Kurnool Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Kotha Kota Kurnool Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Kotha Kota Kurnool Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Kotha Kota Kurnool Project as contemplated by the Kotha Kota Kurnool Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the

concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Kotha Kota Kurnool Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Kotha Kota Kurnool Concession Agreement.

Termination of the Kotha Kota Kurnool Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Kotha Kota Kurnool Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Kotha Kota Kurnool Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Kotha Kota Kurnool Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a “**Concessionaire Default**”) unless they have occurred as a result of any breach of the Kotha Kota Kurnool Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Kotha Kota Kurnool Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Kotha Kota Kurnool Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Kotha Kota Kurnool Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Kotha Kota Kurnool Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Kotha Kota Kurnool Concession Agreement;
- vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Kotha Kota Kurnool Concession Agreement;
- x. the Concessionaire repudiates the Kotha Kota Kurnool Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Kotha Kota Kurnool Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Kotha Kota Kurnool Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or

for the whole or material part of its assets that has a material bearing on the Kotha Kota Kurnool Project;

- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Kotha Kota Kurnool Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Kotha Kota Kurnool Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Kotha Kota Kurnool Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Kotha Kota Kurnool Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Kotha Kota Kurnool Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Kotha Kota Kurnool Concession Agreement, NHAI shall be deemed to be in default of the Kotha Kota Kurnool Concession Agreement, unless the default has occurred as a result of any breach of the Kotha Kota Kurnool Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Kotha Kota Kurnool Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Kotha Kota Kurnool Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Kotha Kota Kurnool Concession Agreement.

Termination Payments

The termination payment pursuant to the Kotha Kota Kurnool Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Kotha Kota Kurnool Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Kotha Kota Kurnool Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Kotha Kota Kurnool Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

2. **Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Chittorgarh Kota Project**

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Chittorgarh Kota Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Chittorgarh Kota Concession Agreement**”), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Chittorgarh Kota Concession Agreement is terminated by a termination notice (“**Chittorgarh Kota Concession Period**”).

Certain Definitions

“**Chittorgarh Kota Project**” means the operation and maintenance of the Chittorgarh Kota Project Highway in accordance with the provisions of the Chittorgarh Kota Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Chittorgarh Kota Project as set forth in the Chittorgarh Kota Concession Agreement;

“**Chittorgarh Kota Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Chittorgarh Kota Project Highway, but does not include Additional Facilities; and

“**Chittorgarh Kota Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|---|--------------|-------------------|-----------------|---------------|
| Chittorgarh-Kota and Chittorgarh Bypass | Rajasthan | 891.29 | 1052.429 | 160.500 |

and all Chittorgarh Kota Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Chittorgarh Kota Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Chittorgarh Kota Concession Agreement to operate, manage and maintain the Chittorgarh Kota Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Chittorgarh Kota Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Chittorgarh Kota Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Chittorgarh Kota Concession Agreement;
- ii. manage, operate and maintain the Chittorgarh Kota Project Highway and regulate the use thereof by third parties in accordance with the terms of Chittorgarh Kota Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Chittorgarh Kota Project Highway or any part thereof and refuse entry of any vehicle to the Chittorgarh Kota Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Chittorgarh Kota Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Chittorgarh Kota Concession Agreement, or the concession granted thereby, or on the whole or any part of the Chittorgarh Kota Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Chittorgarh Kota Concession Agreement.

Fees

The Concessionaire is entitled to, during the Chittorgarh Kota Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Chittorgarh Kota Project Highway pursuant to and in accordance with the provisions in the Chittorgarh Kota Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Chittorgarh Kota Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Chittorgarh Kota Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“

(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 11,934.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Chittorgarh Kota Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Chittorgarh Kota Concession Agreement are only applicable if the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Chittorgarh Kota Project are being credited to such escrow account. During the Chittorgarh Kota Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Chittorgarh Kota Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Chittorgarh Kota Concession Agreement, including, if any, in relation to the change of

scope in the Chittorgarh Kota Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Chittorgarh Kota Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Chittorgarh Kota Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Chittorgarh Kota Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Chittorgarh Kota Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Chittorgarh Kota Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- viii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Chittorgarh Kota Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

- i. all taxes due and payable by the Concessionaire for and in respect of the Chittorgarh Kota Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Chittorgarh Kota Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Chittorgarh Kota Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Chittorgarh Kota Project as contemplated by the Chittorgarh Kota Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Chittorgarh Kota Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Chittorgarh Kota Concession Agreement.

Termination of the Chittorgarh Kota Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Chittorgarh Kota Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Chittorgarh Kota Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Chittorgarh Kota Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Chittorgarh Kota Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Chittorgarh Kota Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Chittorgarh Kota Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Chittorgarh Kota Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Chittorgarh Kota Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Chittorgarh Kota Concession Agreement;
- vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Chittorgarh Kota Concession Agreement;
- x. the Concessionaire repudiates the Chittorgarh Kota Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Chittorgarh Kota Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Chittorgarh Kota Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Chittorgarh Kota Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and

that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement and the project agreements; and provided that:

- a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Chittorgarh Kota Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Chittorgarh Kota Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Chittorgarh Kota Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Chittorgarh Kota Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Chittorgarh Kota Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Chittorgarh Kota Concession Agreement, NHAI shall be deemed to be in default of the Chittorgarh Kota Concession Agreement, unless the default has occurred as a result of any breach of the Chittorgarh Kota Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Chittorgarh Kota Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Chittorgarh Kota Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Chittorgarh Kota Concession Agreement.

Termination Payments

The termination payment pursuant to the Chittorgarh Kota Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Chittorgarh Kota Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Chittorgarh Kota Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Chittorgarh Kota Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

3. Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Maharashtra Belgaum Project

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Maharashtra Belgaum Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Maharashtra Belgaum Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Maharashtra Belgaum Concession Agreement is terminated by a termination notice ("**Maharashtra Belgaum Concession Period**").

Certain Definitions

“**Maharashtra Belgaum Project**” means the operation and maintenance of the Maharashtra Belgaum Project Highway in accordance with the provisions of the Maharashtra Belgaum Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Maharashtra Belgaum Project as set forth in the Maharashtra Belgaum Concession Agreement;

“**Maharashtra Belgaum Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Maharashtra Belgaum Project Highway, but does not include Additional Facilities; and

“**Maharashtra Belgaum Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|--|---------------------------|-------------------|-----------------|---------------|
| Maharashtra/Karnataka Border (Kagal)-Belgaum | Karnataka and Maharashtra | 515.00 | 592.705 | 77.705 |

and all Maharashtra Belgaum Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Maharashtra Belgaum Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Maharashtra Belgaum Concession Agreement to operate, manage and maintain the Maharashtra Belgaum Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Maharashtra Belgaum Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Maharashtra Belgaum Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Maharashtra Belgaum Concession Agreement;
- ii. manage, operate and maintain the Maharashtra Belgaum Project Highway and regulate the use thereof by third parties in accordance with terms hereof;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Maharashtra Belgaum Project Highway or any part thereof and refuse entry of any vehicle to the Maharashtra Belgaum Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Maharashtra Belgaum Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Maharashtra Belgaum Concession Agreement, or the concession granted thereby, or on the whole or any part of the Maharashtra Belgaum Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Maharashtra Belgaum Concession Agreement.

Fees

The Concessionaire is entitled to, during the Maharashtra Belgaum Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Maharashtra Belgaum Project Highway pursuant to and in accordance with the provisions in the Maharashtra Belgaum Concession Agreement and Fee Rules and to appropriate the same. In accordance with the terms of the Maharashtra Belgaum Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Maharashtra Belgaum Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 23,287.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Maharashtra Belgaum Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Maharashtra Belgaum Concession Agreement are only applicable if the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Maharashtra Belgaum Project are being credited to such escrow account. During the Maharashtra Belgaum Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Maharashtra Belgaum Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Maharashtra Belgaum Concession Agreement, including, if any, in relation to the change of scope in the Maharashtra Belgaum Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Maharashtra Belgaum Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Maharashtra Belgaum Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in

such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Maharashtra Belgaum Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Maharashtra Belgaum Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Maharashtra Belgaum Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- viii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Maharashtra Belgaum Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

- i. all taxes due and payable by the Concessionaire for and in respect of the Maharashtra Belgaum Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Maharashtra Belgaum Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Maharashtra Belgaum Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Maharashtra Belgaum Project as contemplated by the Maharashtra Belgaum Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Maharashtra Belgaum Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Maharashtra Belgaum Concession Agreement.

Termination of the Maharashtra Belgaum Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Maharashtra Belgaum Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Maharashtra Belgaum Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Maharashtra Belgaum Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a “**Concessionaire Default**”) unless they have occurred as a result of any breach of the Maharashtra Belgaum Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Maharashtra Belgaum Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Maharashtra Belgaum Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Maharashtra Belgaum Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Maharashtra Belgaum Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Maharashtra Belgaum Concession Agreement;
- vii. upon occurrence of a financial default, the lenders’ representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Maharashtra Belgaum Concession Agreement;
- x. the Concessionaire repudiates the Maharashtra Belgaum Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Maharashtra Belgaum Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Maharashtra Belgaum Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Maharashtra Belgaum Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Maharashtra Belgaum Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the

Maharashtra Belgaum Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

- c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Maharashtra Belgaum Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Maharashtra Belgaum Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Maharashtra Belgaum Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Maharashtra Belgaum Concession Agreement, NHAI shall be deemed to be in default of the Maharashtra Belgaum Concession Agreement, unless the default has occurred as a result of any breach of the Maharashtra Belgaum Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Maharashtra Belgaum Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Maharashtra Belgaum Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Maharashtra Belgaum Concession Agreement.

Termination Payments

The termination payment pursuant to the Maharashtra Belgaum Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Maharashtra Belgaum Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Maharashtra Belgaum Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Maharashtra Belgaum Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

4. Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Abu Road – Swaroopganj Project

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Abu Road – Swaroopganj Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Abu Road – Swaroopganj Concession Agreement**”), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Abu Road – Swaroopganj Concession Agreement is terminated by a termination notice (“**Abu Road – Swaroopganj Concession Period**”).

Certain Definitions

“**Abu Road – Swaroopganj Project**” means the operation and maintenance of the Abu Road – Swaroopganj Project Highway in accordance with the provisions of the Abu Road – Swaroopganj Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Abu Road – Swaroopganj Project as set forth in the Abu Road – Swaroopganj Concession Agreement;

“Abu Road – Swaroopganj Project Assets” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Abu Road – Swaroopganj Project Highway, but does not include Additional Facilities; and

“Abu Road – Swaroopganj Project Highway” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|----------------------|-----------|------------|----------|--------|
| Abu Road-Swaroopganj | Rajasthan | 646.000 | 677.000 | 31.000 |

and all Abu Road – Swaroopganj Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Abu Road – Swaroopganj Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Abu Road – Swaroopganj Concession Agreement to operate, manage and maintain the Abu Road – Swaroopganj Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Abu Road – Swaroopganj Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Abu Road – Swaroopganj Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Abu Road – Swaroopganj Concession Agreement;
- ii. manage, operate and maintain the Abu Road – Swaroopganj Project Highway and regulate the use thereof by third parties in accordance with terms Abu Road – Swaroopganj Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Abu Road – Swaroopganj Project Highway or any part thereof and refuse entry of any vehicle to the Abu Road – Swaroopganj Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Abu Road – Swaroopganj Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Abu Road – Swaroopganj Concession Agreement, or the concession granted thereby, or on the whole or any part of the Abu Road – Swaroopganj Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Abu Road – Swaroopganj Concession Agreement.

Fees

The Concessionaire is entitled to, during the Abu Road – Swaroopganj Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Abu Road – Swaroopganj Project Highway pursuant to and in accordance with the provisions in the Abu Road – Swaroopganj Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Abu Road – Swaroopganj Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Abu Road – Swaroopganj Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the

Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the user fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 7,417.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Abu Road – Swaroopganj Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Abu Road – Swaroopganj Concession Agreement are only applicable if the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Abu Road – Swaroopganj Project are being credited to such escrow account. During the Abu Road – Swaroopganj Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Abu Road – Swaroopganj Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Abu Road – Swaroopganj Concession Agreement, including, if any, in relation to the change of scope in the Abu Road – Swaroopganj Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Abu Road – Swaroopganj Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Abu Road – Swaroopganj Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Abu Road – Swaroopganj Project Highway;
- ii. concession fee;

- iii. all payments relating to construction of the Abu Road – Swaroopganj Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Abu Road – Swaroopganj Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- viii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Abu Road – Swaroopganj Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

- i. all taxes due and payable by the Concessionaire for and in respect of the Abu Road – Swaroopganj Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Abu Road – Swaroopganj Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Abu Road – Swaroopganj Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Abu Road – Swaroopganj Project as contemplated by the Abu Road – Swaroopganj Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Abu Road – Swaroopganj Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Abu Road – Swaroopganj Concession Agreement.

Termination of the Abu Road – Swaroopganj Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Abu Road – Swaroopganj Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Abu Road – Swaroopganj Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Abu Road – Swaroopganj Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a “**Concessionaire Default**”) unless they have occurred as a result of any breach of the Abu Road – Swaroopganj Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Abu Road – Swaroopganj Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Abu Road – Swaroopganj Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Abu Road – Swaroopganj Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Abu Road – Swaroopganj Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Abu Road – Swaroopganj Concession Agreement;
- vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Abu Road – Swaroopganj Concession Agreement;
- x. the Concessionaire repudiates the Abu Road – Swaroopganj Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Abu Road – Swaroopganj Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Abu Road – Swaroopganj Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Abu Road – Swaroopganj Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Abu Road – Swaroopganj Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Abu Road – Swaroopganj Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;

- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Abu Road – Swaroopganj Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Abu Road – Swaroopganj Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Abu Road – Swaroopganj Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Abu Road – Swaroopganj Concession Agreement, NHAI shall be deemed to be in default of the Abu Road – Swaroopganj Concession Agreement, unless the default has occurred as a result of any breach of the Abu Road – Swaroopganj Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Abu Road – Swaroopganj Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Abu Road – Swaroopganj Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Abu Road – Swaroopganj Concession Agreement.

Termination Payments

The termination payment pursuant to the Abu Road – Swaroopganj Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Abu Road – Swaroopganj Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Abu Road – Swaroopganj Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Abu Road – Swaroopganj Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

5. Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Palanpur Abu Road Project

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of the Palanpur Abu Road Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Palanpur Abu Road Concession Agreement**”), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Palanpur Abu Road Concession Agreement is terminated by a termination notice (“**Palanpur Abu Road Concession Period**”).

Certain Definitions

“**Palanpur Abu Road Project**” means the operation and maintenance of the Palanpur Abu Road Project Highway in accordance with the provisions of the Palanpur Abu Road Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Palanpur Abu Road Project as set forth in the Palanpur Abu Road Concession Agreement;

“**Palanpur Abu Road Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief

centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Palanpur Abu Road Project Highway, but does not include Additional Facilities; and

“**Palanpur Abu Road Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|----------------------------|-----------------------|-------------------|-----------------|---------------|
| Palanpur/Khemana- Abu Road | Gujarat and Rajasthan | 601.000 | 646.000 | 45.000 |

and all Palanpur Abu Road Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Palanpur Abu Road Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Palanpur Abu Road Concession Agreement to operate, manage and maintain the Palanpur Abu Road Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Palanpur Abu Road Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Palanpur Abu Road Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Palanpur Abu Road Concession Agreement;
- ii. manage, operate and maintain the Palanpur Abu Road Project Highway and regulate the use thereof by third parties in accordance with the terms of Palanpur Abu Road Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Palanpur Abu Road Project Highway or any part thereof and refuse entry of any vehicle to the Palanpur Abu Road Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Palanpur Abu Road Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Palanpur Abu Road Concession Agreement, or the concession granted thereby, or on the whole or any part of the Palanpur Abu Road Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Palanpur Abu Road Concession Agreement.

Fees

The Concessionaire is entitled to, during the Palanpur Abu Road Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Palanpur Abu Road Project Highway pursuant to and in accordance with the provisions in the Palanpur Abu Road Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Palanpur Abu Road Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Palanpur Abu Road Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 11,465.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Palanpur Abu Road Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Palanpur Abu Road Concession Agreement are only applicable if the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Palanpur Abu Road Project are being credited to such escrow account. During the Palanpur Abu Road Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Palanpur Abu Road Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Palanpur Abu Road Concession Agreement, including, if any, in relation to the change of scope in the Palanpur Abu Road Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Palanpur Abu Road Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Palanpur Abu Road Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Palanpur Abu Road Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Palanpur Abu Road Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Palanpur Abu Road Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Palanpur Abu Road Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

- i. all taxes due and payable by the Concessionaire for and in respect of the Palanpur Abu Road Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Palanpur Abu Road Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Palanpur Abu Road Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Palanpur Abu Road Project as contemplated by the Palanpur Abu Road Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Palanpur Abu Road Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Palanpur Abu Road Concession Agreement.

Termination of the Palanpur Abu Road Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Palanpur Abu Road Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Palanpur Abu Road Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Palanpur Abu Road Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Palanpur Abu Road Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Palanpur Abu Road Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Palanpur Abu Road Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Palanpur Abu Road Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Palanpur Abu Road Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Palanpur Abu Road Concession Agreement;
- vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Palanpur Abu Road Concession Agreement;
- x. the Concessionaire repudiates the Palanpur Abu Road Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Palanpur Abu Road Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Palanpur Abu Road Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Palanpur Abu Road Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Palanpur Abu Road Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Palanpur Abu Road Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Palanpur Abu Road Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Palanpur Abu Road Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Palanpur Abu Road Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Palanpur Abu Road Concession Agreement, NHAI shall be deemed to be in default of the Palanpur Abu Road Concession Agreement, unless the default has occurred as a result of any breach of the Palanpur Abu Road Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Palanpur Abu Road Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Palanpur Abu Road Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Palanpur Abu Road Concession Agreement.

Termination Payments

The termination payment pursuant to the Palanpur Abu Road Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders’ representative recording/ effecting release/ vacation/ discharge of the charge on Palanpur Abu Road Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Palanpur Abu Road Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Palanpur Abu Road Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

6. Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Agra Bypass

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Agra Bypass Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Agra Bypass Concession Agreement**”), for a period of 20 years from the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Agra Bypass Concession Agreement is terminated by a termination notice (“**Agra Bypass Concession Period**”).

Certain Definitions

“**Agra Bypass Project**” means the operation and maintenance of the Agra Bypass Project Highway in accordance with the provisions of the Agra Bypass Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Agra Bypass Project as set forth in the Agra Bypass Concession Agreement;

“**Agra Bypass Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Agra Bypass Project Highway, but does not include Additional Facilities; and

“**Agra Bypass Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|-----------------|---------------|------------|----------|--------|
| Agra Bypass | Uttar Pradesh | 0.000 | 32.800 | 32.800 |

and all Agra Bypass Project Assets.”

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Agra Bypass Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Agra Bypass Concession Agreement to operate, manage and maintain the Agra Bypass. Notwithstanding anything to the contrary in the Agra Bypass Concession Agreement, the parties have expressly agreed that the Concession Period shall not be reduced by more than five years, or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Agra Bypass Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Agra Bypass Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Agra Bypass Concession Agreement;
- ii. manage, operate and maintain the Agra Bypass and regulate the use thereof by third parties in accordance with the terms of Agra Bypass Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Agra Bypass or any part thereof and refuse entry of any vehicle to the Agra Bypass if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Agra Bypass Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Agra Bypass Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Agra Bypass Concession Agreement, or the concession granted thereby, or on the whole or any part of the Agra Bypass nor transfer, lease or part possession thereof, save and except as expressly permitted by the Agra Bypass Concession Agreement.

Fees

The Concessionaire is entitled to, during the Agra Bypass Concession Period, levy, collect and appropriate fees from users ("User Fee") of the Agra Bypass pursuant to and in accordance with the provisions in the Agra Bypass Concession Agreement and National Highways Fee (Determination of Rates and Collection) Rules, 2008 as amended (the "Fee Rules") and to appropriate the same. In accordance with the terms of the Agra Bypass Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Agra Bypass Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 10,210.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date, as a Condition Precedent. The Concessionaire agrees that payment of the concession fee

constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled “*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into the Project SPV*” on page 63.”

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Agra Bypass Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Agra Bypass Concession Agreement are only applicable if the obligations of the Concessionaire under the Agra Bypass Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Agra Bypass shall be credited to such escrow account. During the Agra Bypass Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Agra Bypass Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Agra Bypass Concession Agreement, including, if any, in relation to the change of scope in the Agra Bypass shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Agra Bypass Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Agra Bypass Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Agra Bypass;
- ii. concession fee;
- iii. all payments relating to construction of the Agra Bypass, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Agra Bypass Concession Agreement, and certified by NHAI as due and payable to it;

- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Agra Bypass Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

- i. all taxes due and payable by the Concessionaire for and in respect of the Agra Bypass;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Agra Bypass Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Agra Bypass Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of Agra Bypass as contemplated by the Agra Bypass Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of three years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Agra Bypass Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or joint venture with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Agra Bypass Concession Agreement.

Termination of the Agra Bypass Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Agra Bypass Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Agra Bypass Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Agra Bypass Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Agra Bypass Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Agra Bypass Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Agra Bypass Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Agra Bypass without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Agra Bypass Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements, as the case may be;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Agra Bypass Concession Agreement;
- vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Agra Bypass Concession Agreement;
- x. the Concessionaire repudiates the Agra Bypass Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Agra Bypass Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Agra Bypass Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Agra Bypass;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Agra Bypass Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Agra Bypass Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Agra Bypass Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Agra Bypass Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Agra Bypass Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Agra Bypass Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Agra Bypass Concession Agreement, NHAI shall be deemed to be in default of the Agra Bypass Concession Agreement, unless the default has occurred as a result of any breach of the Agra Bypass Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Agra Bypass Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Agra Bypass Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Agra Bypass Concession Agreement; or
- iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 (ninety) days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

The termination payment pursuant to the Agra Bypass Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC, with the necessary particulars, issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Agra Bypass receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid, provided that such delay shall not exceed 90 days.

Upon termination of the Agra Bypass Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default and in addition to NHAI forfeiting the performance security, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Agra Bypass Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default as provided for in the Agra Bypass Concession Agreement, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

7. Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Borkhedi Kelapur Project

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Borkhedi Kelpaur Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the “**Borkhedi Kelapur Concession Agreement**”), for a period of 20 years from the the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Borkhedi Kelapur Concession Agreement is terminated by a termination notice (“**Borkhedi Kelapur Concession Period**”).

Certain Definitions

“**Borkhedi Kelapur Project**” means the operation and maintenance of the Borkhedi Kelapur Project Highway in accordance with the provisions of the Borkhedi Kelapur Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Borkhedi Kelapur Project as set forth in the Borkhedi Kelapur Concession Agreement;

“**Borkhedi Kelapur Project Assets**” means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Borkhedi Kelapur Project Highway, but does not include Additional Facilities; and

“**Borkhedi Kelapur Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|----------------------------------|-------------|------------|----------|---------|
| Borkhedi-Wadner-Deodhari-Kelapur | Maharashtra | 36.600 | 175.000 | 138.150 |

and all Borkhedi Kelapur Project Assets.”

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Borkhedi Kelapur Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Borkhedi Kelapur Agreement to operate, manage and maintain the Borkhedi Kelapur Project Highway. Notwithstanding anything to the contrary in the Borkhedi Kelapur Concession Agreement, the parties have expressly agreed that the Concession Period shall not be reduced by more than five years, or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Borkhedi Kelapur Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Borkhedi Kelapur Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Borkhedi Kelapur Concession Agreement;
- ii. manage, operate and maintain the Borkhedi Kelapur Project Highway and regulate the use thereof by third parties in accordance with the terms of Borkhedi Kelapur Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Borkhedi Kelapur Project Highway or any part thereof and refuse entry of any vehicle to the Borkhedi Kelapur Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Borkhedi Kelapur Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Borkhedi Kelapur Concession Agreement, or the concession granted thereby, or on the whole or any part of the Borkhedi Kelapur Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Borkhedi Kelapur Concession Agreement.

Fees

The Concessionaire is entitled to, during the Borkhedi Kelapur Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Borkhedi Kelapur Project Highway pursuant to and in accordance with the provisions in the Borkhedi Kelapur Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Borkhedi Kelapur Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Borkhedi Kelapur Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government

as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 13,540.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date as a Condition Precedent. The Concessionaire agrees that payment of the concession fee constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled “*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into to the Project SPV*” on page 63.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Borkhedi Kelapur Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Borkhedi Kelapur Concession Agreement are only applicable if the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Borkhedi Kelapur Project shall be credited to such escrow account. During the Borkhedi Kelapur Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Borkhedi Kelapur Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Borkhedi Kelapur Concession Agreement, including, if any, in relation to the change of scope in the Borkhedi Kelapur Project shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Borkhedi Kelapur Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Borkhedi Kelapur Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Borkhedi Kelapur Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Borkhedi Kelapur Project Highway, subject to and in accordance with the

- conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
 - v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Borkhedi Kelapur Concession Agreement, and certified by NHAI as due and payable to it;
 - vi. monthly proportionate provision of debt service payment due in an accounting year;
 - vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
 - viii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Borkhedi Kelapur Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

- i. all taxes due and payable by the Concessionaire for and in respect of the Borkhedi Kelapur Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Borkhedi Kelapur Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Borkhedi Kelapur Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Borkhedi Kelapur Project as contemplated by the Borkhedi Kelapur Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Borkhedi Kelapur Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or JV with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Borkhedi Kelapur Concession Agreement.

Termination of the Borkhedi Kelapur Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Borkhedi Kelapur Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Borkhedi Kelapur Concession Agreement, then NHAI shall be entitled

to issue a notice of its intention to terminate the Borkhedi Kelapur Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a “**Concessionaire Default**”) unless they have occurred as a result of any breach of the Borkhedi Kelapur Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Borkhedi Kelapur Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Borkhedi Kelapur Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Borkhedi Kelapur Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Borkhedi Kelapur Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements, as the case may be;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Borkhedi Kelapur Concession Agreement;
- vii. upon occurrence of a financial default, the lenders’ representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Borkhedi Kelapur Concession Agreement;
- x. the Concessionaire repudiates the Borkhedi Kelapur Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Borkhedi Kelapur Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Borkhedi Kelapur Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Borkhedi Kelapur Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Borkhedi Kelapur Concession Agreement and the project agreements;
 - b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Borkhedi Kelapur Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

- c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Borkhedi Kelapur Concession Agreement, found to be materially false, incorrect or misleading;
- xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
- xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Borkhedi Kelapur Concession Agreement;
- xx. the Concessionaire commits a default in complying with any other provision of the Borkhedi Kelapur Concession Agreement if such default causes a material adverse effect on NHAI;
- xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Borkhedi Kelapur Concession Agreement, NHAI shall be deemed to be in default of the Borkhedi Kelapur Concession Agreement, unless the default has occurred as a result of any breach of the Borkhedi Kelapur Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Borkhedi Kelapur Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Borkhedi Kelapur Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Borkhedi Kelapur Concession Agreement; or
- iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 (ninety) days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

The termination payment pursuant to the Borkhedi Kelapur Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Borkhedi Kelapur Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Borkhedi Kelapur Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Borkhedi Kelapur Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

8. *Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Shivpuri Jhansi Project*

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Shivpuri Jhansi Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Shivpuri Jhansi Concession Agreement**"), for a period of 20 years from the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Shivpuri Jhansi Concession Agreement is terminated by a termination notice ("**Shivpuri Jhansi Concession Period**").

Certain Definitions

"**Shivpuri Jhansi Project**" means the operation and maintenance of the Shivpuri Jhansi Project Highway in accordance with the provisions of the Shivpuri Jhansi Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Shivpuri Jhansi Project as set forth in the Shivpuri Jhansi Concession Agreement;

"**Shivpuri Jhansi Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage

works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Shivpuri Jhansi Project Highway, but does not include Additional Facilities; and

“**Shivpuri Jhansi Project Highway**” means the Site comprising the existing road comprising:

| Project Highway | State | Start (Km) | End (Km) | Length |
|-----------------|----------------|------------|----------|--------|
| Shivpuri Jhansi | Madhya Pradesh | 1305.087 | 1380.387 | 75.300 |

and all Shivpuri Jhansi Project Assets.”

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Shivpuri Jhansi Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Shivpuri Jhansi Concession Agreement to operate, manage and maintain the Shivpuri Jhansi Project Highway. Notwithstanding anything to the contrary in the Shivpuri Jhansi Concession Agreement, the Parties expressly agree that the Concession Period shall not be reduced by more than five years or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Shivpuri Jhansi Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Shivpuri Jhansi Concession Agreement, applicable laws and applicable permits:

- i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Shivpuri Jhansi Concession Agreement;
- ii. manage, operate and maintain the Shivpuri Jhansi Project Highway and regulate the use thereof by third parties in accordance with the terms of Shivpuri Jhansi Concession Agreement;
- iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Shivpuri Jhansi Project Highway or any part thereof and refuse entry of any vehicle to the Shivpuri Jhansi Project Highway if the fee due is not paid;
- iv. perform and fulfill all of the Concessionaire’s obligations under and in accordance with the Shivpuri Jhansi Concession Agreement;
- v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement; and
- vi. neither assign, transfer or sublet or create any lien or encumbrance on the Shivpuri Jhansi Concession Agreement, or the concession granted thereby, or on the whole or any part of the Shivpuri Jhansi Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Shivpuri Jhansi Concession Agreement.

Fees

The Concessionaire is entitled to, during the Shivpuri Jhansi Concession Period, levy, collect and appropriate fees from users (“**User Fee**”) of the Shivpuri Jhansi Project Highway pursuant to and in accordance with the provisions in the Shivpuri Jhansi Concession Agreement and Fee Rules and to appropriate the same. In accordance with the terms of the Shivpuri Jhansi Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Shivpuri Jhansi Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

“(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.

(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable

would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules.”

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 4,500.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date as a Condition Precedent. The Concessionaire agrees that payment of the concession fee constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled “*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into the Project SPV*” on page 63.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

- (i) As on the date of Shivpuri Jhansi Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
- (ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Shivpuri Jhansi Concession Agreement are only applicable if the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Shivpuri Jhansi Project shall be credited to such escrow account. During the Shivpuri Jhansi Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Shivpuri Jhansi Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Shivpuri Jhansi Concession Agreement, including, if any, in relation to the change of scope in the Shivpuri Jhansi Project shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Shivpuri Jhansi Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Shivpuri Jhansi Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

- i. all taxes due and payable by the Concessionaire for and in respect of the Shivpuri Jhansi Project Highway;
- ii. concession fee;
- iii. all payments relating to construction of the Shivpuri Jhansi Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;
- iv. operation and maintenance expenses;
- v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Shivpuri Jhansi Concession Agreement, and certified by NHAI as due and payable to it;
- vi. monthly proportionate provision of debt service payment due in an accounting year;
- vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and
- viii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Shivpuri Jhansi Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

- i. all taxes due and payable by the Concessionaire for and in respect of the Shivpuri Jhansi Project Highway;
- ii. payment due to the lenders;
- iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;
- iv. retention and payments relating to the liability for defects and deficiencies;
- v. incurred or accrued operation and maintenance expenses;
- vi. any other payments required to be made under the Shivpuri Jhansi Concession Agreement; and
- vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Shivpuri Jhansi Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Shivpuri Jhansi Project as contemplated by the Shivpuri Jhansi Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of three years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Shivpuri Jhansi Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or joint venture with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Shivpuri Jhansi Concession Agreement.

Termination of the Shivpuri Jhansi Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Shivpuri Jhansi Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Shivpuri Jhansi Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Shivpuri Jhansi Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a “**Concessionaire Default**”) unless they have occurred as a result of any breach of the Shivpuri Jhansi Concession Agreement by NHAI or due to force majeure:

- i. the performance security has been encashed and appropriated in accordance with the Shivpuri Jhansi Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;
- ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Shivpuri Jhansi Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;
- iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Shivpuri Jhansi Project Highway without the prior written consent of NHAI;
- iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Shivpuri Jhansi Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;
- v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;
- vi. the Concessionaire has failed to make any payment to NHAI within the period specified in the Shivpuri Jhansi Concession Agreement;
- vii. upon occurrence of a financial default, the lenders’ representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;
- viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;
- ix. the Concessionaire creates any encumbrance in breach of the Shivpuri Jhansi Concession Agreement;
- x. the Concessionaire repudiates the Shivpuri Jhansi Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Shivpuri Jhansi Concession Agreement;
- xi. a change in ownership occurs in breach of the provisions of the Shivpuri Jhansi Concession Agreement;
- xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;
- xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;
- xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Shivpuri Jhansi Project;
- xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;
- xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement and the project agreements; and provided that:
 - a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Shivpuri Jhansi Concession Agreement and the project agreements;

- b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Shivpuri Jhansi Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and
 - c. each of the project agreements remains in full force and effect;
- xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Shivpuri Jhansi Concession Agreement, found to be materially false, incorrect or misleading;
 - xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;
 - xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Shivpuri Jhansi Concession Agreement;
 - xx. the Concessionaire commits a default in complying with any other provision of the Shivpuri Jhansi Concession Agreement if such default causes a material adverse effect on NHAI;
 - xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Shivpuri Jhansi Concession Agreement, NHAI shall be deemed to be in default of the Shivpuri Jhansi Concession Agreement, unless the default has occurred as a result of any breach of the Shivpuri Jhansi Concession Agreement by the Concessionaire or due to force majeure:

- i. NHAI commits a material default in complying with any of the provisions of the Shivpuri Jhansi Concession Agreement and such default has a material adverse effect on the Concessionaire; or
- ii. NHAI repudiates the Shivpuri Jhansi Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Shivpuri Jhansi Concession Agreement; or
- iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

Upon termination of the Shivpuri Jhansi Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

The termination payment pursuant to the Shivpuri Jhansi Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC with the necessary particulars issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Shivpuri Jhansi Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid, provided that such delay shall not exceed 90 days.

Upon termination of the Shivpuri Jhansi Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default and in addition to the Authority forfeiting the Performance Security, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Technical Clarifications on the Concession Agreements

The Concession Agreements shall be read with technical clarifications received from NHAI in relation to the respective concession agreements.

Differences between the Initial Concession Agreements and Additional Concession Agreements

The significant differences between the Initial Concession Agreements and Additional Concession Agreements are provided below:

| Category | Initial Concession Agreements | Additional Concession Agreements |
|-----------------------|--|---|
| Concession Period | 30 years | 20 years |
| Capacity Augmentation | The Sponsor shall not compensate the relevant Concessionaire on a quarterly basis for any reduction in toll rates due to capacity augmentation. | The Sponsor shall compensate the relevant Concessionaire on a quarterly basis for any reduction in toll rates due to capacity augmentation. |
| | The EPC contractor, undertaking capacity augmentation, shall be liable for all the defects and deficiencies for the Defect Liability Period (as defined in the relevant Concession Agreements). | The EPC contractor, undertaking capacity augmentation, shall additionally be liable for maintenance and other operational responsibilities such as incident management, traffic management, routine maintenance etc. for the Defect Liability Period. |
| | The Detailed Project Report (as defined in the relevant Concession Agreements) may be commenced once the average daily traffic exceeds the target traffic and continues to exceed the designed capacity for three consecutive accounting years following thereafter. | The Detailed Project Report (as defined in the relevant Concession Agreements) may be commenced immediately once the average daily traffic has met the target traffic. |

PARTIES TO THE TRUST

A. The Sponsor – National Highways Authority of India

History and Certain Corporate Matters

NHAI is an autonomous body under Ministry of Road, Transport and Highway (“**MoRTH**”) and was established on June 15, 1989, by the NHAI Act, as a body corporate, having a perpetual succession and common seal. It was made operational in February, 1995, with the appointment of the Chairman and other Members. NHAI is responsible for the development, maintenance and management of the national highways in India entrusted to it by the Central Government. The Permanent Account Number of the Sponsor is AADTN1963H.

NHAI has an all India presence through its different offices (regional offices/project implementation units/corridor management units) in different cities. The functioning of NHAI is governed by NHAI Act, and the rules and regulations framed thereunder.

Background of the Sponsor

NHAI is an autonomous body under MoRTH. It is established and governed by the NHAI Act. NHAI is not a company in terms of the Companies Act, 2013 (or in terms of the Companies Act, 1956), and accordingly, does not have a share capital.

Pursuant to Section 17 of the NHAI Act, NHAI may receive additional capital and grants from the Central Government to discharge its functions. Additionally, NHAI has not issued any shares against such capital or grants invested by the Central Government.

As per Section 3(3) of the NHAI Act, NHAI shall consist of: (i) a chairman; (ii) not more than six full-time members; and (iii) not more than six part-time members, and each of the above shall be appointed by the Central Government by notification in the official gazette.

In accordance with the eligibility criteria specified under the InvIT Regulations, NHAI had a shareholders’ fund of not less than ₹ 1,000 million as on June 30, 2022.

Further, neither the Sponsor nor any of the members of the Sponsor are: (i) restrained, prohibited or debarred from accessing or operating in the securities market or dealing in securities by SEBI; (ii) promoters or directors of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; (iii) identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and our name does not appear in the list of wilful defaulters published by the Reserve Bank of India; and/or (iv) fugitive economic offender declared under section 12 of the Fugitive Economic Offenders Act, 2018; (v) promoters or whole-time directors of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is a wilful defaulter.

Unitholding of the Sponsor

For more information on the unitholding of the Sponsor in the Trust, please see the section entitled “*Information Concerning the Units*” on page 58.

B. The Trustee – IDBI Trusteeship Services Limited

History and Certain Corporate Matters

IDBI Trusteeship Services Limited is the Trustee of the Trust. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debt Securities Trustees) Regulations, 1993, as a debt securities trustee. The Trustee has obtained a certificate of registration dated February 14, 2017 (having registration code IND000000460), which is valid until suspended or cancelled by SEBI. The Trustee was incorporated in India under the Companies Act, 1956 with corporate identity number U65991MH2001GOI131154. The Trustee was originally incorporated on March 8, 2001 at Mumbai, Maharashtra. The Trustee’s registered office and principal place of business is situated at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra. The Trustee is jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services.

Background of the Trustee

The Trustee is permitted to engage in the following activities: (a) to act as (i) a debt securities or bond trustee; (ii) a security

trustee or facility agent; (iii) a securitization trustee; (iv) a share pledge trustee or share monitoring agent; (v) an escrow agent; (vi) a venture capital fund trustees, trustee of an infrastructure investment trust or a trustee to an AIF; and (b) providing services including (i) safe keeping or locker services; (ii) management of private trusts or execution of wills; and (iii) special corporate services.

The Trustee confirms that it has maintained, and undertakes to ensure that it will at all times maintain, adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance with the Trust Deed, the InvIT Regulations and other applicable law.

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

Board of Directors of the Trustee

The board of directors of the Trustee is entrusted with the responsibility for the overall management of the Trustee. Please see below the details in relation of the board of directors of the Trustee:

| Sr. No. | Name | DIN |
|----------------|-------------------------|------------|
| 1. | Samuel Joseph Jebaraj | 02262530 |
| 2. | Pradeep Kumar Jain | 07829987 |
| 3. | Madhuri Jayant Kulkarni | 07787126 |
| 4. | Jayashree Vijay Ranade | 09320683 |
| 5. | Padma Vinod Betai | 00937921 |

Key Terms of the Trust Deed

The Trustee has entered into the Trust Deed, in terms of the InvIT Regulations, the key terms of which, are provided below:

1. Powers of the Trustee

The Trustee has been provided with various powers under the Trust Deed in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations, including but not limited to:

- (i) The Trustee shall, in relation to the Trust, have every and all powers that a person competent to contract and acting as a legal and beneficial owner of such property has.
- (ii) The Trustee shall have the power to determine, in accordance with the Investment Management Agreement and the investment objectives of the Trust, distributions to Unitholders and other rights attached to the Units in compliance with the InvIT Regulations and applicable law.
- (iii) The Trustee shall oversee voting of the Unitholders in accordance with the InvIT Regulations.
- (iv) The Trustee shall have the power to do the following, which may be delegated to the Investment Manager:
 - (a) cause offering of the Units through any placement documents;
 - (b) cause any placement documents to be provided to the Bidders;
 - (c) issue and allot Units;
 - (d) summon and conduct meetings of the Unitholders; and
 - (e) approve transfer of the Units.
- (v) The Trustee shall be empowered to make investment decisions with respect to the underlying assets or projects of the Trust including any further investments or divestment, subject to InvIT Regulations. Further, the Trustee is also empowered to:
 - (a) acquire, hold, manage, trade and dispose of shares, stocks, convertibles, debentures, bonds and other equity or equity-related securities and other debt or mezzanine securities of all kinds issued by any SPVs, infrastructure projects in India, falling within the investment

- objectives, whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind to be used as collateral security for any borrowings by the Trust;
- (b) avail commercial loans, including the power to hypothecate, pledge or create encumbrances of any kind on the InvIT Assets as collateral security for any such loans availed by the InvIT;
 - (c) keep the capital and monies of the Trust on deposit with banks or other institutions whatsoever;
 - (d) accept contributions;
 - (e) collect and receive the profit, interest, repayment of principal of debt or debt like or equity or equity like, mezzanine securities, dividend, return of capital as and when the same may become due and receivable;
 - (f) invest in securities or in units of mutual funds in accordance with the InvIT Regulations and applicable law;
 - (g) invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial paper in accordance with applicable law;
 - (h) to give, provide and agree to provide to any SPV financial assistance in the form of investment in the Trust's debt securities or share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and
 - (i) to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer land and building and immovable property of any kind including any rights and interest therein.
- (vi) The Trustee shall have the power to make such reserves out of the income or capital as the Trustee may deem proper and any decisions of the Trustee whether made in writing or implied from its acts, so far as the applicable law may permit, shall be conclusive and binding on the Unitholders. Any distribution made by the Trust from such reserves shall be in terms of the Trust Deed;
 - (vii) The Trustee shall have the power to employ and pay at the expense of the Trust, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust companies or other agents whether associated or connected in any way with the Trustee or not, without being responsible for the default of any agent if employed in good faith to transact any business, including without limitation, the power to appoint agents to raise funds, or do any act required to be transacted or done in the execution of the trusts hereof including the receipt and payment of moneys and the execution of documents.
 - (viii) The Trustee shall, on behalf of the Trust, appoint an Investment Manager to manage the Trust.
 - (ix) The Trustee shall oversee the activities of the Investment Manager and shall obtain a compliance certificate from the investment manager on a quarterly basis or such other time period as prescribed by applicable law.
 - (x) The Trustee shall, on behalf of the Trust, appoint a Project Manager for the operation and management of the InvIT Assets.
 - (xi) The Trustee shall oversee the activities of the Project Manager and shall obtain a compliance certificate from the project manager on a quarterly basis or such other time period as prescribed by applicable law.
 - (xii) The Trustee may appoint any custodian in order to provide custodian services.
 - (xiii) The Trustee shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability out of the Trust or the income thereof, as may be permitted under applicable law.
 - (xiv) The Trustee shall, subject to the advice of the Investment Manager, have the power to pay Trust expenses out of the funds held by the Trust in accordance with the Trust documents.

- (xv) The Trustee shall have the power to take the opinion of legal or tax counsel in any jurisdiction concerning any disputes or differences arising under the Trust Deed or any matter relating to the Trust and the fees of such counsel shall be paid out of the funds held in the Trust.
- (xvi) The Trustee may sell, rent or buy any property, or borrow property from or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate provided that such power is delegated to, and exclusively exercised by the Investment Manager pursuant to the Investment Management Agreement.
- (xvii) The Trustee, in consultation with the Investment Manager, shall have the power to accept any property before the time at which it is transferable or payable, pay or allow any claim on any evidence, accept any security payable or immovable in lieu of any amounts payable to it, alter the dates for payment of any amounts payable to it and compromise, compound, abandon or otherwise settle any claim or thing whatsoever relating to the Trust of the Trust Deed.
- (xviii) The Trustee shall, subject to the advice of the Investment Manager, have the power to cause the Trust to borrow funds, including any subordinated equity, bonds or other fund from any person or authority on such terms and conditions and for such periods and for the purpose of the Trust and the InvIT Assets, subject to any approval of the Unitholders, and the power to provide such security for funds borrowed including by way of hypothecation, pledge or creation of encumbrances of any kind on the InvIT Assets as collateral security for any such borrowings.
- (xix) The Trustee may, subject to any advice of the Investment Manager, retain the proceeds received by the Trust from any InvIT Assets.
- (xx) The Trustee, in consultation with the Investment Manager, may make rules to give effect to and carry out the investment objectives. The Trustee may provide, not inconsistent with the provisions of the Trust Deed and the InvIT Regulations, for all or any of the following matters:
 - (a) manner of maintaining of the records and particulars of the Unitholders;
 - (b) norms of investment by the Trust in accordance with the investment objectives of the Trust and in accordance with the powers and authorities of the Trustee;
 - (c) matters relating to entrustment / deposit or handing over of any securities or SPVs of the Trust to any one or more custodians and the procedure relating to the holding thereof by the custodian;
 - (d) such other administrative, procedural or other matters relating to the administration or management of the affairs of the Trust and which matters are not by the very nature required to be included or provided for in the Trust Deed or by the management thereof;
 - (e) procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and
 - (f) procedure for summoning and conducting meetings of Unitholders.
- (xxi) The Trustee, whether by itself or through the Investment Manager, shall cause the depository to maintain the depository register in accordance with applicable law.
- (xxii) The Trustee shall advise the Investment Manager in relation to the appointment of valuer, auditors, registrar and transfer agent, merchant bankers, custodian, credit rating agency and any other intermediary or service provider or agent with respect to the activities pertaining to the Trust.
- (xxiii) The Trustee shall review the reports required in terms of the InvIT Regulations and applicable law, as submitted by the Investment Manager, follow-up with the Investment Manager and intimate to SEBI, as the case may be.
- (xxiv) The Trustee shall have the power to open one or more bank accounts for the purposes of the Trust, to deposit and withdraw money and fully operate the same.
- (xxv) The Trustee shall have the power to take up with SEBI or with the stock exchange(s) as applicable, any matter which has been approved in any meeting of Unitholders, if the matter requires such action, including any reorganisation or restructuring or rearrangement of the assets of the InvIT.
- (xxvi) The Trustee shall also have the following powers and authorities:

- (a) to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the Trust or the Trustee, and to defend, compound or otherwise deal with any such proceedings against the Trustee or Trustee or its officers or concerning the affairs of the Trust, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the Trust and observe and perform in relation to any decisions thereof;
 - (b) to make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
 - (c) to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of the Trust as the Trustee may consider expedient;
 - (d) to sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances;
 - (e) to negotiate, sign, seal, execute and deliver the Trust documents, including but not limited to, any issue agreement, share purchase agreement, services agreement, deed of right of first offer, debenture subscription agreement, escrow agreement, underwriting agreement, loan documentation, placement documents or any other deed, agreement or document;
 - (f) take into their custody and/or control all the capital, assets, property of the Trust and hold the same in trust for the Unitholders in accordance with this Deed, the InvIT Regulations and applicable law; and
 - (g) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law for the time being in force and do all such matters and things as may promote the Trust or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Trust Deed.
- (xxvii) The Trustee may at any time, buy-back the Units from the Unitholders, subject to applicable law.
- (xxviii) The Trustee may, delegate to any committee or any other person, any powers set out above and the duties set out below, provided, however, that the Trustee shall remain responsible and liable for any such persons' acts of commission or omission as determined by a court of competent jurisdiction whose decision is final, binding and non-appealable, except the roles and responsibilities delegated by the Trustee to Investment Manager, Project Manager or any third party expert, or any sub-delegation by the Investment Manager or the Project Manager.

2. *Duties of the Trustee*

The Trustee shall perform its duties as required under the Trust Deed in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations, including but not limited to:

- (i) The Trustee shall carry on and conduct its business in a proper and efficient manner in the best interest of the Unitholders.
- (ii) The Trustee shall appoint an investment manager and project manager in accordance with the InvIT Regulations and applicable law.
- (iii) The Trustee shall, on behalf of the Trust, enter into the Investment Management Agreement with the Investment Manager.
- (iv) The Trustee shall ensure that the Investment Manager performs its obligations as specified below:
 - (a) The Trustee shall ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with InvIT Regulations and in case of any delay or discrepancy, require the Investment Manager to rectify such delay or discrepancy on an urgent basis;
 - (b) The Trustee shall review the transactions carried out between the Investment Manager and its associates and where the Investment Manager has advised that there may be a conflict of interest, it shall obtain a certificate from a practising chartered accountant or valuer, as applicable, that such transaction is on arm's length basis;

- (c) The Trustee shall review the valuation report submitted by the Investment Manager;
- (d) The Trustee shall require the Investment Manager to set up such systems and procedures and submit such reports to the Trustee, as may be necessary for effective monitoring of the functioning of the Trust; and
- (e) The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations and oversee the voting by Unitholders. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than one every year and the period between such meetings shall not exceed 15 months.
- (v) The Trustee shall provide SEBI and the stock exchange(s), where applicable, such information as may be sought by SEBI or by the stock exchange(s) pertaining to the activity of the Trust. The Trustee shall comply with intimation requirements under the InvIT Regulations and applicable law, including in relation to intimating SEBI in case of any discrepancy in the operation of the InvIT with the InvIT Regulations and any placement documents. The Trustee shall also immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted.
- (vi) The Trustee shall at all times exercise due diligence in carrying out its duties and protecting the interests of the Unitholders.
- (vii) The Trustee shall delegate all such powers to the Investment Manager and the Project Manager as may be required to carry out obligations under the Investment Management Agreement, Project Implementation and Management Agreement and applicable law.
- (viii) The Trustee shall delegate all such powers to the Project Manager as may be required by the Project Manager to carry out its obligations under the Project Implementation and Management Agreement and under Applicable Law.
- (ix) The Trustee shall appoint a new investment manager in accordance with the InvIT Regulations and Applicable Law, in case of change in Investment Manager due to removal or otherwise, within the time period prescribed under the InvIT Regulations. The Trustee shall ensure that the new investment manager shall stand substituted as a party in all the documents to which the earlier investment manager was a party. The Trustee shall also ensure that the earlier investment manager continues to be liable for all its acts of omissions and commissions for the period during which it served as investment manager, notwithstanding its termination.
- (x) The Trustee shall appoint a new project manager in accordance with the InvIT Regulations and applicable law in case of change in Project Manager due to removal or otherwise. The Trustee shall appoint a new project manager within the time period prescribed under the InvIT Regulations. The Trustee may, either *suo moto* or based on the advice of the concessioning authority(ies) appoint an administrator in connection with an infrastructure project for such terms and on such conditions as it deems fit. The Trustee shall ensure that the new project manager shall stand substituted as a party in all the documents to which the earlier project manager was a party. The Trustee shall also ensure that the earlier project manager continues to be liable for all its acts of omissions and commissions for the period during which it served as project manager, notwithstanding its termination.
- (xi) The Trustee shall obtain the prior approval from the Unitholders in accordance with the InvIT Regulations and from SEBI in case of change in control of the Investment Manager.
- (xii) The Trustee shall ensure that in case of change in control of the Project Manager, written consent is obtained from the concessioning authority(ies) in terms of the concession agreement(s), prior to such change, if applicable.
- (xiii) The Trustee shall ensure that subscription amount is kept in a separate bank account in name of the Trust and is only utilised for adjustment against allotment of Units or refund of money to the applicant till the time such Units are listed and the same will be utilised for objectives of the offering as will be mentioned in the relevant placement documents.
- (xiv) The Trustee shall cause the books of accounts of the InvIT to be in accordance with the Trust Deed.
- (xv) The Trustee shall ensure that all acts, deeds and things are done for the attainment of the investment objective of the Trust and in compliance with the InvIT Regulations and applicable law and to secure the best interests of the Unitholders.
- (xvi) The Trustee shall file such reports as may be required by SEBI or any other regulatory authority or

as required under the InvIT Regulations and applicable law with regard to the activities carried on by the Trust.

- (xvii) The Trustee shall periodically review the status of the Unitholders' complaints and their redressal undertaken by the Investment Manager, in accordance with the InvIT Regulations.
- (xviii) The Trustee and its directors, officers, employees and agents shall at all times maintain the greatest amount of confidentiality as regards the activities and assets of the Trust and such other matters connected with them and the Trust generally and shall not disclose any confidential information to any other person, other than the Investment Manager, or the Project Manager, unless such information is required to be disclosed to some regulatory authority, court or any other person under any order of court or any law in force in India.
- (xix) The assets and liabilities of the Trust shall at all times be segregated from the assets and liabilities of the Trustee and the assets and liabilities of other trusts managed by the Trustee.
- (xx) The Trustee shall ensure that the Investment Manager shall ensure that a detailed valuation is undertaken of the InvIT assets by a valuer at such intervals and in the manner as may be prescribed under the InvIT Regulations and applicable law. The Trustee shall ensure that the remuneration of the valuer is not linked to or based on the value of the asset being valued.
- (xxi) The Trustee of the InvIT shall not invest in Units of the Trust.
- (xxii) The Trustee shall fulfil its obligations in terms of the InvIT Regulations.
- (xxiii) The Trustee shall ensure that the activity of the Trust is being operated in accordance with the provisions of the Trust Deed, the InvIT Regulations, applicable law and the Trust documents and in case of any discrepancy, it shall inform SEBI immediately in writing.
- (xxiv) The Trustee shall immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted.
- (xxv) The Trustee shall maintain records in accordance with the InvIT Regulations and applicable law.
- (xxvi) The Trustee shall wind up the Trust in accordance with the InvIT Regulations and applicable law. Upon winding up of the Trust, the Trustee shall surrender the certificate of registration to SEBI.

3. *Rights of the Trustee*

The Trustee shall have the following rights:

- (i). The Trustee may, in the discharge of its duties, act upon any advice obtained in writing from any bankers, accountants, brokers, lawyers, professionals, consultants, or other experts acting as advisers to the Trustee.
- (ii). Subject to applicable law, no Unitholder shall be entitled to inspect or examine the Trust's premises or properties (including any holding company and SPVs) without the permission of the Trustee, who shall give such permission, if necessary, in consultation with the Investment Manager. Further, no Unitholder shall be entitled to require discovery of any information respecting any detail of the Trust's activities or any matter which may relate to the conduct of the business of the Trust and which information may, in the opinion of the Trustee and the Investment Manager adversely affect the interest of the Unitholder.
- (iii). The Trustee shall be entitled to reimburse itself and shall be entitled to charge the Trust, and shall be entitled to be indemnified and be kept indemnified from the Trust and from any distributions made by the Trust to the Unitholders, with the expenses, outgoings, taxes, levies, and liabilities (including indemnity obligations of the Trust, if any).
- (iv). The Trustee may accept as sufficient evidence for the value of any investment or for the cost price or sale price thereof or for any other fact within its competence, a certificate by a valuer or any other professional person appointed by the Investment Manager for the purpose.

4. *Liabilities of the Trustee*

The liabilities of the Trustee in terms of the Trust Deed are as follows:

- (i). The Trustee shall only be chargeable for such monies, stocks, funds and securities as the Trustee

shall have actually received and shall not be liable or responsible for any banker, broker, custodian or other person in whose hands the same may be deposited or placed, nor for the deficiency or insufficiency in the value of any investments of the Trust nor otherwise for any involuntary loss. Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities, investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Trust Deed or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the person or persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof provided that the Trustee and such persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.

- (ii). The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered by the Trustee in good faith if the Trustee is able to establish that it performed its rights and duties and exercised its powers, as a reasonable person in such a position would have, in compliance with the provisions of the Trust Deed and applicable law.
- (iii). The Trustee shall not be under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the InvIT assets or any part thereof or any corporate action which in its opinion would or might involve it in expense or liability unless the Investment Manager shall so request in writing and the Trustee is satisfied that the value of the investment is sufficient to provide adequate indemnity against costs, claims, damages, expenses or demands to which it may be put as Trustee as a result thereof. The costs in relation to such action, suit, proceedings or claims (whether undertaken upon request of Investment Manager or otherwise) incurred by the Trustee in connection with or arising out of the Trust, shall be borne by the Trust.
- (iv). The Trustee shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.
- (v). The Trustee shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (which legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of these presents the Trustee shall not be under any liability therefore or thereby.
- (vi). The Trustee shall not be responsible to any Unitholder for the authenticity of any signature affixed to any document or be, in any way, liable for any forged or unauthorized signature on or for acting upon or giving effect to any such forged or unauthorized signature. The Trustee shall be entitled but not bound to require that the signature of any Unitholder to any document required to be signed by him under or in connection with these presents shall be verified to the Trustee's reasonable satisfaction.
- (vii). If the Trustee is required by the InvIT Regulations or any applicable law to provide information regarding the Trust or the Sponsor or the Unitholders, the investments made by the Trust and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Trustee shall not be liable to the Unitholders or to any other party as a result of such compliance or in connection with such compliance.
- (viii). The Trustee shall not incur any liability for any act or omission or (as the case may be) failing to do any act or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the InvIT assets or otherwise), except in the event that such loss is a direct result of fraud, gross negligence or wilful default on the part of the Trustee or results from a breach by the Trustee of this Deed, as determined by a court of competent jurisdiction.
- (ix). If the Trustee engages any external advisors or experts to discharge its obligations or undertakes any work (in consultation with the Investment Manager, in the interest of the Unitholders) which is not covered within the scope of work of the Trustee and such additional work is beyond the obligations of the Trustee under applicable law, the Trustee shall be entitled to recover such costs, charges and expenses which the Trustee may incur in this regard, from the funds of the Trust.

- (x). The liability of the Trustee shall be limited to the extent of the fees received by it, in all circumstances whatsoever except (a) in case of any negligence or misconduct or fraud on the part of the Trustee as may be determined by a court of competent jurisdiction, or (b) any failure on the part of the Trustee to protect the interests of the Unitholders.
- (xi). The exercise of all power and discretion by the Trustee shall be valid only if the same are carried out upon the approval of a majority of the directors on the board of the Trustee to any officer of the Trustee, if the exercise of such powers is within the parameters of such delegated authority.

5. *Provisions relating to Unitholders*

- (i). The aggregate liability of each Unitholder shall be limited to making the capital contribution payable by it in respect of the Units subscribed by it.
- (ii). Each Unit allotted to the Unitholders shall have one vote for any decisions requiring a vote of Unitholders and shall carry such rights as provided in the InvIT Regulations.
- (iii). No Unitholder shall enjoy preferential voting or any other rights over another Unitholder except as permitted under applicable law.
- (iv). In no event shall the Trustee or the Investment Manager be bound to make payment to any Unitholder, except out of the funds held by it for that purpose under the provisions of the Trust Deed.
- (v). A Unitholder whose name and account details are entered in the depository register shall be the only person entitled to be recognised by the Trustee as having a right, title, interest in or to the Units registered in his name and the Trustee shall recognise such holder as an absolute owner and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express or implied, save as expressly provided or as required by any court of competent jurisdiction to recognise any trust or equity or interest affecting the title of the Units.
- (vi). The Unitholders shall not give any directions to the Trustee or the Investment Manager (whether in a meeting of Unitholders or otherwise) if it would require the Trustee or the Investment Manager to do or omit doing anything which may result in:
 - (a) the Trust or the Trustee, in its capacity as the trustee of the Trust or the Investment Manager, in its capacity as the investment manager of the Trust ceasing to comply with applicable law;
 - (b) interference with the exercise of any discretion expressly conferred on the Trustee by the Trust Deed or the Investment Manager by the Investment Management Agreement, or the determination of any matter which requires the agreement of the Trustee or the Investment Manager, provided that nothing shall limit the right of the Unitholder to require the due administration of the Trust in accordance with the Trust Deed.
- (vii). The depository register shall (save in case of manifest error) be conclusive evidence of the number of Units held by each depositor and in the event of any discrepancy between the entries of the depository register and any statement issued by the depository, the entries in the depository register shall prevail unless the depositor proves to the satisfaction of the Trustee and the depository that the depository register is incorrect.
- (viii). The Unitholders shall have the right to call for certain matters to be subject to their consent, in accordance with the InvIT Regulations and applicable law.
- (ix). The Unitholders may, in accordance with the provisions of the Trust documents and applicable law, transfer any of the Units to an investor where such investor accepts all the rights and obligations of the transferor and the Trustee or the Investment Manager shall give effect to such transfer in accordance with applicable law.
- (x). The Trustee shall and shall ensure that the Investment Manager obtains the consent of the Unitholders for the matters prescribed under the InvIT Regulations in accordance with the provisions of the InvIT Regulations, including Regulation 22 of the InvIT Regulations.
- (xi). The Unitholders shall have the right to receive income or distributions in respect of the Units, as provided in the placement documents.

6. *Indemnity*

In addition to the fees, distributions and expense reimbursements herein described, the InvIT Assets shall be utilized to indemnify and hold harmless the Trustee, the Sponsor and any of their respective officers, directors, shareholders, sponsors, partners, members, employees, advisors and agents (“**Indemnified Parties**”) from and against any claims, losses, costs, damages, liabilities and expenses, including legal fees (“**Losses**”) suffered or incurred by them by reason of their activities on behalf of the Trust, unless such Losses resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligations or duties under applicable law by the relevant Indemnified Party, as determined by a court of competent jurisdiction.

7. *Termination*

The InvIT is subject to dissolution and termination in accordance with and subject to the InvIT Regulations and applicable law:

- (i). if the Trust fails to make any offer of Units by way of private placement, within the time period stipulated in the InvIT Regulations or any other time period as specified by SEBI, the Trust shall surrender its certificate to SEBI and cease to operate as an investment infrastructure trust, unless the period is extended by SEBI;
- (ii). upon the liquidation of InvIT Assets;
- (iii). if there are no projects remaining under the Trust and the Trust does not invest in any project for six months thereafter;
- (iv). delisting of the Units in accordance with the InvIT Regulations; or
- (v). illegality of the InvIT under applicable law.

C. The Investment Manager – National Highways Infra Investment Managers Private Limited

History and Certain Corporate Matters

National Highways Infra Investment Managers Private Limited was incorporated as a private limited company on July 25, 2020, under the Companies Act, 2013. The Investment Manager was initially incorporated as a wholly owned subsidiary of NHAI. Subsequently, NHAI transferred its entire shareholding in the Investment Manager to the President of India, acting through the Ministry of Road Transport and Highways, Government of India. Accordingly, at present, the Investment Manager is a government company as defined under the Companies Act, 2013, as amended. The CIN of the Investment Manager is U65929DL2020GOI366835.

The principal business of the Investment Manager in terms of its memorandum of association is, *inter alia*:

- (a) to carry on the business of acting as investment manager investment adviser, trustee, settler, sponsor, promoter, portfolio manager, manager, administrator, attorney, agent, consultant, representative or nominee of or for any collective investment schemes, trusts, special purpose vehicles, infrastructure investment trusts, real estate investment trusts, properties and/or assets of any kind, including any fund set up, formed or established in India or in any other country by the Company or by any other person including bodies corporate, limited liability partnerships, partnerships, trusts, societies, associations of persons or by government, state or local authority (whether incorporated or not) of any other agency or organisation with respect to any class of assets, and to thereby settle, administer, manage, deploy funds, acquire, take up, manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever, acting in such capacity;
- (b) to negotiate and obtain concessions from the appropriate Government/ s for the rights to build, operate and own or transfer highways, interchangers, viaducts and bridges and any other structures, buildings and services that are ancillary thereto in India and upon such terms for such benefits as may be set forth in the concessions or negotiated from time to time and generally to carry on the business of owners, operators or toll collectors or concessionaires of highways, bridges, tunnels, railways, ports, airports, public utilities, telecommunication facilities and any other rights, properties, utilities and services wherever situated; and
- (c) to carry on the business of builders and contractors for the construction, upgradation, maintenance and repairs of roads, highways, bridges, viaducts, buildings, interchangers, tunnels, railways, ports, airports, public utilities, telecommunication and other related works and generally to carry on the business of engineers, contractors, consultants, advisors, managers and administrators in all its branches, mechanical, electrical and telecommunication, engineering and incidental thereto, to provide financing or act as guarantors for project financing to owner where to required.

Background of the Investment Manager

The Trustee, *vide* their letter dated July 31, 2020, appointed NHIIMPL as the investment manager of the proposed Trust, based on the recommendation of the Sponsor.

The Investment Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Trust, in accordance with the InvIT Regulations, the Investment Management Agreement and applicable law.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Investment Manager had a consolidated net worth of not less than ₹ 100 million as on the date of this Prospectus.

Neither the Investment Manager nor the promoter or directors of the Investment Manager (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

The IM Board

The IM Board is entrusted with the responsibility for the overall management of the Investment Manager. The Sponsor, acting together with MoRTH, have the right to nominate up to two directors on the Board of the IM. Please see below the details in relation of the IM Board:

| Name, designation and DIN | Age | Address | Date of appointment | Details of other directorship | Whether wilful defaulter (Yes / No) |
|---|------------|---|----------------------------|---|--|
| Name: Balasubramanyam Sriram Designation: Independent Director DIN: 02993708 | 64 | Flat No B-1904, Bridgewood House of Hiranandani, 5/63 Rajiv Gandhi Salai Egattur, Kanchipuram, Tamilnadu 600 130 | October 20, 2020 | 1. UPSIDC Power Company Limited; 2. National Highways Infra Investment Managers Private Limited; and 3. DME Development Limited. | No |
| Name: Suresh Goyal Designation: Managing Director DIN: 02721580 | 54 | F 602, 6 th Floor Block F Caitronia Resident Apartment Complex, Ambience Island, Nh 8, Gurgaon 122 010 | October 20, 2020 | 1. Viom Infra Networks (Maharashtra) Limited; 2. National Highways Infra Projects Private Limited; and 3. National Highways Infra Investment Managers Private Limited. | No |
| Name: N.R.V.V.M.K. Rajendra Kumar Designation: Nominee Director ¹ DIN: 09494456 | 52 | A3, Dhanastara RBI Officers Quarters 122 N.P. Marg, Near Colaba Post Office, Mumbai 400 005 | March 23, 2022 | 1. National Highways Infra Projects Private Limited; 2. National Highways Infra Investment Managers Private Limited; and 3. DME Development Limited. | No |
| Name: Mahavir Parsad Sharma Designation: Independent Director DIN: 03158413 | 64 | H.No. 149 BE Block Janakpuri Delhi 110 058 | October 20, 2020 | 1. National Highways Infra Projects Private limited; and 2. National Highways Infra Investment Managers Private Limited. | No |
| Name: Shailendra Narain Roy Designation: Independent Director DIN: 02144836 | 70 | F – 10, Kailash Colony, Near Kailesh Colony Metro Station, New Delhi 110 048 | October 10, 2020 | 1. L&T Employees Welfare Foundation Private Limited; 2. Landt Welfare Company Limited; 3. CG Power and Industrial Solutions Limited; 4. National Highways Infra Projects Private Limited; and 5. National Highways Infra Investment Managers Private Limited. | No |
| Name: Amit Kumar Ghosh Designation: Nominee Director ² DIN: 01092172 | 55 | House No. A-4, Tower 6 Floor 4, Type 6, Kidwai Nagar (East), New Delhi 110 023 | August 6, 2021 | 1. UPSIDC Power Company Limited; 2. National Highways Infra Investment Managers Private Limited; and | No |

| Name, designation and DIN | Age | Address | Date of appointment | Details of other directorship | Whether wilful defaulter (Yes / No) |
|--|-----|---|---------------------|--|-------------------------------------|
| | | | | 3. DME Development Limited. | |
| Name: Kavita Saha Designation: Non-Sponsor Director DIN: 03313543 | 51 | B-006, Oberoi Springs CHS Limited, Off New Link Road, Near Monginis Cake Factory, Azad Nagar, Andheri West, Mumbai, Maharashtra, India 400053 | November 20, 2021 | National Highways Infra Investment Managers Private Limited | No |
| Name: Bruce Ross Crane Designation: Non-Sponsor Director DIN: 08403603 | 49 | 20 Ridley PK, Singapore 248492 | November 30, 2021 | 1. National Investment and Infrastructure Fund Limited; and 2. National Highways Infra Investment Managers Private Limited. | No |
| Name: Pradeep Singh Kharola Designation: Independent Director DIN: 05347746 | 61 | VI-12-C, 1 st B Main, MCHS Colony, 6 th Sector HSR Layout Bangalore, HSR Layout, Bangalore, Karnataka, India, 560102 | December 14, 2021 | National Highways Infra Investment Managers Private Limited | No |

Brief Biography of the Directors of the Investment Manager

Please see below a brief biography of the directors of the Investment Manager:

Balasubramanyam Sriram is the chairman and an independent director of the Investment Manager. He has a bachelor's and a master's degree in science from University of Delhi, and is a certificated associate of the Indian Institute of Banking and Finance (formerly known as the Indian Institute of Bankers). He holds a diploma in management from All India Management Association, New Delhi, and a diploma in international law and diplomacy from the Indian Academy of International Law and Diplomacy. He has over 37 years of experience in the field of banking and finance, and is an independent director on the boards of ICICI Bank Limited, TVS Credit Services Limited, Nippon Life India Asset Management Limited and Indiaideas.com Limited. He is a part time member on the governing board of the Insolvency and Bankruptcy Board of India. He was also a former managing director and chief executive officer of IDBI Bank Limited, and a former managing director of State Bank of India.

Suresh Goyal is managing director and chief executive officer of the Investment Manager. He has a bachelor's degree in electrical engineering from Shri Govindram Seksaria Institute of Technology and Science, Indore, and a post-graduate diploma in management from the Indian Institute of Management, Lucknow. He has over several years of experience in the corporate and asset management sector. He was employed with the Macquarie group for over ten years wherein he was involved in various infrastructure investment management projects. At Macquarie, he spent over five years in managing investments in the toll road sector. He was previously associated with Macquarie Infrastructure & Real Assets, Singapore, and has served as Executive Director within Macquarie Asset Management.

N.R.V.V.M.K. Rajendra Kumar is a nominee director of the Investment Manager. He holds a doctorate degree in Economics from Hyderabad Central University. He also has a master's in public management from Harvard Kennedy School and Lee Kuan Yew School of Public Policy. He has been the Chief General Manager of the Internal Debt Management Department, Mumbai at the Reserve Bank of India since 2021. He is also the member (finance) of NHAI since 2022.

Mahavir Parsad Sharma is an independent director of the Investment Manager. He has a bachelor's degree in law from the University of Delhi, and has passed the institution examinations of the Institution of Engineers, India. He also worked as Chief Engineer and Additional Director General in the Ministry of Road transport and Highways. He has previously served as a technical advisor in the Ministry of Road Transport and Highways, Government of India.

Shailendra Roy is an independent director of the Investment Manager. He has a bachelor's degree in engineering from the Indian Institute of Technology (BHU), and is a graduate of the Wharton Advanced Management Program. He has previously served as a whole-time director of Larsen & Toubro Limited for over eight years, and was on the board of several and associate companies of the L&T Group. He was also a former chief executive officer and managing director of L&T Power Limited. He was associated with the setting up India's first ultra-supercritical thermal power plant at Khargone for NTPC, the first supercritical power plant, Nabha Power Ltd. and five supercritical power

plants across the country.

Amit Kumar Ghosh is the MoRTH nominee director on the Board of the Investment Manager. He is an IAS officer of the Uttar Pradesh cadre. He has a bachelor's degree in electrical and electronics engineering from the Andhra University, and a master's degree in arts in defence studies from the Chaudhary Charan Singh University, Meerut. He is the additional secretary, MoRTH, and is responsible for highway division and land acquisitions.

Kavita Saha is a non-Sponsor director of the Investment Manager. She was also previously associated with JP Morgan's Asian Infrastructure and Related Resources Opportunity Fund. Kavita joined CPPIB India Advisors Private Limited's infrastructure team in April 2018 and leads the India team in managing investments across the transportation and energy sectors.

Bruce Ross Crane is a non-Sponsor director of the Investment Manager. He has a bachelor's degree civil engineering from Lehigh University and a master's degree in business administration from the Columbia Business School. He is currently a Senior Managing Director, Infrastructure and Natural Resources (Asia Pacific) at Ontario Teachers' Pension Plan.

Pradeep Singh Kharola is an additional director (non-executive and independent) of the Investment Manager. He has a bachelor's degree in mechanical engineering from Shri Govindram Seksaria Institute of Technology and Science, Indore and holds a master's degree in technology (industrial engineering) from Indian Institute of Technology, Delhi. He also holds a doctorate in "public transport systems" from Indian Institute of Technology, Delhi. He is an Indian Administrative Officer of the Karnataka cadre. He was also the joint secretary of the second administrative reforms commission of government of India. He has previously served as the Principal Secretary to the Chief Minister of Karnataka, Commissioner of Commercial Taxes, Karnataka, Deputy Commissioner of Belgaum, Deputy Commissioner of Uttar Kannada District, Commissioner of Mysore City Corporation. He has also served as Secretary, Civil Aviation, government of India and as the managing director of Air India. He has won the Prime Minister's Award for Excellence in Public Administration for transforming the tax regime in Karnataka. He also won the National Award for e-governance for introducing the e-checkposts in the state of Karnataka.

Unitholding in the Trust

None of the directors of the Investment Manager hold any Units of the Trust, as on the date of this Prospectus

Contribution by the directors of the Investment Manager

None of the directors of the Investment Manager have made any contributions as part of the Issue or separately in furtherance of the objects of the Issue.

Interest of the directors of the Investment Manager

The directors of the Investment Manager do not have any other interest in the business of the Trust, particularly:

- (i) in the promotion of the Trust; and
- (ii) in any immovable property acquired by the Trust in the two years preceding the date of this Prospectus or any immovable property proposed to be acquired by it.

The directors of the Investment Manager are not members of any firm or company, or interested in any firm or company, and have not received or expect to receive any sums themselves or by the firm or company in cash or shares or otherwise, either to induce them to become, or to help them qualify as a director, or otherwise for services rendered by them or by the firm or company, in connection with the promotion or formation of the Trust.

No contribution has been made by the directors of the Investment Manager as part of the Issue or separately in furtherance of the Objects of the Issue.

The directors of the Investment Manager may be interested to the extent of Units held by the person or entities nominating such directors to board directors of the Investment Manager.

No benefit/interest will accrue to the directors of the Investment Manager out of the Issue.

None of the directors of the Investment Manager have any financial or other material interest that is different from the interests of other persons in the Issue.

The directors of the Investment manager have no interest in the Trust by way appointment of any relatives to an office or place of profit of the Trust.

The directors of the Investment Manager are not or have not been paid remuneration by the subsidiary or associate of

the Trust since the date of its settlement.

The details of remuneration paid or payable to the directors of the Investment Manager since the date of its incorporation is as follows:

| Name of Director | Quarter ended June 30, 2022 (in ₹ million) | FY 2022 (in ₹ million) | FY 2021 (in ₹ million) |
|--------------------------------------|--|------------------------|------------------------|
| Suresh Goyal (Remuneration) | 3.71 | 12.46 | 4.10 |
| Balasubramanyam Sriram (Sitting Fee) | 0.44 | 2.78 | 1.00 |
| MP Sharma (Sitting Fee) | 0.36 | 2.30 | 0.76 |
| Shailendra Roy (Sitting Fee) | 0.36 | 2.86 | 1.00 |
| Pradeep Singh Kharola (Sitting Fee) | 0.36 | 0.38 | Nil |
| Vivek Rai (Sitting Fee) | 0.36 | 0.46 | Nil |

None of the other directors of the Investment Manager have been appointed, employed or given an office in the Trust.

The directors of the Investment Manager do not have any interest in any property (including any immovable property) acquired by the Trust or proposed to be acquired by it.

The directors of the Investment Manager have no interest in the Trust by way appointment of any relatives to an office or place of profit of the Trust.

The directors of the Investment Manager do not have any interest in any transaction by the Trust for acquisition of land, construction of building or supply of machinery.

None of the directors of the Investment Manager have any interests in the promotion or formation of the Trust.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the directors except the normal remuneration for services rendered as directors of the Investment Manager.

No loans have been availed by the directors of the Investment Manager from the Trust.

None of the directors of the Investment Manager are wilful defaulters.

Changes in the board of directors of the Investment Manager

Details of the changes in the board of directors of the Investment Manager in the current year and since the incorporation of the Investment Manager, are set forth below:

| Name, designation and DIN | Date of appointment | Date of cessation, if applicable | Date of resignation, if applicable | Remarks |
|---|---------------------|----------------------------------|------------------------------------|-----------|
| Name: Asheesh Sharma Designation: Director DIN: 02329278 | July 25, 2020 | October 14, 2020 | NA | Cessation |
| Name: Akhilesh Kumar Srivastava Designation: Director DIN: 08792874 | July 25, 2020 | March 22, 2021 | NA | Cessation |
| Name: Alok Designation: Nominee Director DIN: 02600247 | October 14, 2020 | March 23, 2022 | NA | Cessation |
| Name: Balasubramanyam Sriram Designation: Independent Director DIN: 02993708 | October 20, 2020 | NA | NA | Appointed |
| Name: Shailendra Narain Roy Designation: Independent Director DIN: 02144836 | October 20, 2020 | NA | NA | Appointed |

| Name, designation and DIN | Date of appointment | Date of cessation, if applicable | Date resignation, if applicable | Remarks |
|---|---------------------|----------------------------------|---------------------------------|-----------|
| Name: Mahavir Parsad Sharma Designation: Independent Director DIN: 03158413 | October 20, 2020 | NA | NA | Appointed |
| Name: Suresh Krishan Goyal Designation: Managing Director DIN: 02721580 | October 20, 2020 | NA | NA | Appointed |
| Name: Amit Kumar Ghosh Designation: Nominee Director DIN: 01092172 | August 6, 2021 | NA | NA | Appointed |
| Name: Bruce Crane Designation: Non-Sponsor Director DIN: 08403603 | November 30, 2021 | NA | NA | Appointed |
| Name: Kavita Saha Designation: Non-Sponsor Director DIN: 03313543 | November 30, 2021 | NA | NA | Appointed |
| Name: Vivek Rae Designation: Independent Director DIN: 01866765 | December 14, 2021 | June 12, 2022 | NA | Cessation |
| Name: Pradeep Singh Kharola Designation: Independent Director DIN: 05347746 | December 14, 2021 | NA | NA | Appointed |
| Name: N R V V M K Rajendra Kumar Designation: Nominee Director DIN: 09494456 | March 23, 2022 | NA | NA | Appointed |

Brief profiles of the key personnel of the Investment Manager

Set out below are the details of the key personnel of the Investment Manager:

Shri. Mathew George is the Chief Financial Officer of the Investment Manager. He holds a bachelor's degree in engineering (electronics and communication) from the University of Mysore and an executive postgraduate diploma in general management from XLRI, Jamshedpur. He has also completed a global leadership development program from the Michigan Ross School of Business, and participated in a program on infrastructure development and financing at the Indian Institute of Management, Ahmedabad. In the past, he was associated with the L&T group for over 12 years. In his previous capacity, he held the post of chief financial officer of LTIDPL IndvIT Services Limited, the investment management company of the first privately placed infrastructure investment trust in India. He has approximately 25 years of experience in leading project finance, treasury and risk functions in the infrastructure sector as well as management in banking services. He has a wide and varied experience in the banking sector.

Smt. Gunjan Singh is the Company Secretary and Compliance Officer of the Investment Manager. She is a fellow member of the Institute of Company Secretaries of India. She holds a bachelor's degree in law from Chaudhary Charan Singh University, Meerut. She has over a decade of experience in secretarial, legal and compliance functions as well as strategies to drive business growth, protect rights, minimize risk and assure compliance to changing laws and regulations. She has previously been associated with RHC Holding Private Limited, Fortis Escorts Heart Institute, International Panacea Limited and Era Constructions (India) Limited.

Key Terms of the Investment Management Agreement

The Investment Manager has entered into the Investment Management Agreement, in terms of the InvIT Regulations, the key terms of which, are provided below.

1. *Powers of the Investment Manager*

The Investment Manager has been provided with various powers under the Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

- (i) The Investment Manager shall take all decisions in relation to the day-to-day management and administration of InvIT Assets and the investments of the Trust as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust in accordance with the InvIT Regulations and other applicable law. The Investment Manager shall ensure that all investments shall be registered in the name of the Trustee (acting on behalf of the InvIT) or the Trust.
- (ii) The Investment Manager shall, subject to such approval as may be required from the Unitholders, make the investment decisions with respect to the underlying assets or projects of the Trust, including any further investments or divestments, subject to InvIT Regulations and in accordance with the placement document, and in this regard is also empowered to do the following acts including:
 - (a) acquire, hold, manage, trade and dispose of shares, stocks, convertibles, debentures, bonds and other equity or equity-related securities and other debt or mezzanine securities of all kinds issued by any SPVs, infrastructure projects in India, whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by the Trust in such holding companies, and/or SPVs, or infrastructure projects to be used as collateral security for any borrowings by the Trust;
 - (b) keep the capital and monies of the Trust in deposit with banks or other institutions, whatsoever;
 - (c) accept contributions;
 - (d) collect and receive the profit, interest, repayment of principal of debt or debt like, or equity or equity like, mezzanine securities, dividend, return of capital of any type by the holding companies, or SPVs, or infrastructure projects and income of the Trust as and when the same may become due and receivable;
 - (e) invest in securities or in units of mutual funds in accordance with the InvIT Regulations and other applicable law;
 - (f) invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial paper in accordance with applicable law;
 - (g) to give, provide and agree to provide to any holding companies, or SPVs financial assistance in the form of investment in the Trust's debt securities or share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and
 - (h) to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer land and building and immovable property of any kind including any rights and interest therein.
- (iii) The Investment Manager along with the Trustee shall, within a reasonable time from the date of execution of the Investment Management Agreement, appoint a Project Manager for the Trust, by execution of the Project Implementation and Management Agreement.
- (iv) The Investment Manager shall oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation and Management Agreement and in terms of the InvIT Regulations and applicable law. The Investment Manager shall obtain a compliance certificate from the Project Manager in the form as may be specified by SEBI, on a quarterly basis or such other intervals as may be prescribed, under applicable law.
- (v) The Trustee authorizes the Investment Manager to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust, as set out in the placement document, in accordance with the InvIT Regulations and applicable law.

- (vi) The Investment Manager shall have the power to issue and allot Units in accordance with the InvIT Regulations. The Investment Manager shall have the power to accept subscriptions to Units of the InvIT and issue and allot Units to Unitholders or such other persons and undertake all related activities under applicable law. Further, if the Investment Manager fails to allot or list the Units or refund subscription money within the time specified in the InvIT Regulations, it shall pay necessary interest to the Unitholders thereon, in accordance with applicable law. Further, the Investment Manager shall, subject to and only in accordance with the terms of the Trust documents and applicable law, have the power to transfer the Units.
- (vii) The Investment Manager, acting on behalf of the Trustee, shall cause the depository to maintain a depository register.
- (viii) The Investment Manager shall make such reserves out of the income or capital as it may deem proper, and any directions of the Trustee in this behalf whether made in writing or implied from their acts shall, so far as the applicable law may permit, be conclusive and binding.
- (ix) The Investment Manager shall have the power to cause the Trust to borrow funds, including any subordinated equity, bonds or other fund from any person or authority (whether Government or otherwise, whether Indian or overseas) on such terms and conditions and for such periods and for the purpose of the Trust and the InvIT Assets, and shall have the power to hypothecate, pledge or create encumbrances, including any assignment of rights, of any kind on such securities held by the InvIT in such Holding Companies, and/or SPVs, or road infrastructure projects to be used as collateral security for any borrowings by the InvIT, subject to any approval of the Unitholders.
- (x) The Investment Manager shall have the power to exercise all rights of the Trust in the InvIT Assets, including voting rights, rights to appoint directors, whether pursuant to securities held by it, or otherwise, in such manner as it deems to be in the best interest of the InvIT, and in accordance with the InvIT Regulations and applicable law. Additionally, if the InvIT has invested in infrastructure projects through the holding company or SPVs, then the Investment Manager, in consultation with the Trustee, shall appoint the majority of the directors of the Holding Company(ies) and/or the SPV(s), in accordance with the applicable law, as well as ensure that in every general meeting including the annual general meeting of any SPV or holding company, the voting of the InvIT is exercised, in accordance with the InvIT Regulations and applicable law.
- (xi) The Investment Manager may use the services of external advisors and rely on the information provided in the due diligence process of assessing investment proposals as it deems necessary in its sole discretion.
- (xii) The Investment Manager shall have the power to employ and pay at the expense of the Trust, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust, companies or other agents, without being responsible for the default of any agent if employed in good faith to transact any business.
- (xiii) The Investment Manager may appoint any custodian in order to provide custodian services, and may permit any property comprised in the Trust to be and remain deposited with a custodian or with any person or persons in India or in any other jurisdiction subject to such deposit as authorised by the Trustee and permissible under the applicable law.
- (xiv) The Investment Manager, in consultation with the Trustee, shall appoint and have the power to appoint, determine the remuneration and enter into, execute, deliver and terminate all documents and agreements, any contracts, agreements, including share purchase agreement, deed of right of first offer and refusal, escrow agreements, debt documentation, underwriting agreements and other Trust documents, any investment pooling agreement, agreement relating to strategic investments, co-investment agreements and other any and all documents and instruments containing customary terms including any amendments or supplements thereto as may be applicable with respect to the activities pertaining to the Trust in a timely manner and as per the provisions of the InvIT Regulations and applicable law.
- (xv) The Investment Manager shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability (and any such interest or penalty) out of the Trust's income, in accordance with Applicable Law. The Investment Manager shall exercise due care and prudence in payment of duties and taxes of the Trust and shall endeavour to ensure that there are no material outstanding dues in that behalf, except for any claim or demand made by any tax department or authority subsequently, or any amounts disputed in good faith.

- (xvi) The Investment Manager shall have the power to pay Trust expenses out of the funds of the Trust, or all or any of the InvIT Assets, in such proportion as may be determined from time to time, and the Investment Manager shall be entitled to reimbursement of any such expenditure duly incurred.
- (xvii) The Investment Manager shall have the power to take the opinion of legal / tax counsel in any jurisdiction concerning any difference arising under the Investment Management Agreement or any matter in any way relating to the Investment Management Agreement or to its duties in connection with the Investment Management Agreement.
- (xviii) Subject to applicable law, the Investment Manager shall have the power to:
 - (a) accept any property before the time at which it is transferable or payable;
 - (b) pay or allow any equity or claim on any evidence that it thinks sufficient;
 - (c) accept any composition or any security, movable or immovable, for any equity or other property;
 - (d) allow any time for payment of any equity; and
 - (e) subject to such approval as may be required from the Unitholders, compromise, compound, abandon, submit to arbitration or otherwise settle any equity account, claim or thing whatsoever relating to the Trust or the Investment Management Agreement.
- (xix) Subject to the conditions laid down in any placement document and applicable law, the Investment Manager may retain or reinvest the invested capital portion of any proceeds received by the Trust from any holding company or SPV.
- (xx) The Investment Manager may make rules to give effect to, and carry out the investment objectives, subject to applicable law. In particular, and without prejudice to the generality of such power, the Investment Manager may provide for all or any of the following matters, namely:
 - (a) manner of maintaining of the records and particulars of Unitholders;
 - (b) norms of investment by the Trust in accordance with the investment objectives of the Trust and in accordance with the powers and authorities of the Trustee as set out in the Trust Deed;
 - (c) matters relating to entrustment, deposit or handing over of any securities or SPVs of the Trust to any one or more custodians and the procedure relating to the holding thereof by the custodian;
 - (d) such other administrative, procedural or other matters relating to the administration or management of the affairs of the Trust and which matters are not, by their very nature, required to be included or provided for in the Trust Deed or by the management thereof and which matters are not inconsistent with the investment objectives;
 - (e) procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and
 - (f) procedure for summoning and conducting of meetings of Unitholders.
- (xxi) Subject to applicable law, no Unitholder shall be entitled to inspect or examine the Trust's premises or properties without the prior permission of the Investment Manager. Further, no Unitholder shall be entitled to require discovery of any information with respect to any detail of the Trust's activities or any matter which may be related to the conduct of the business of the Trust and which information may, in the opinion of the Investment Manager, adversely affect the interest of other Unitholders.
- (xxii) Investment Manager, on behalf of the InvIT, may buyback the Units from the Unitholders at the end of the term of the Trust or any other time or in any other manner in accordance with applicable law.
- (xxiii) The Investment Manager shall provide the Trustee with advice and recommendations regarding the extension of loans from the Trust to the holding company and SPV and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the holding company and SPV from the Trust or extension of loans from the Trust in compliance with applicable law.
- (xxiv) The Investment Manager shall also have the following powers and authorities:

- (a) to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the Trust, and to defend, compound or otherwise deal with any such proceedings against the Trust or the Investment Manager or their officers or concerning the affairs of the Trust, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the Trust and to refer any differences to arbitration and observe and perform any awards thereof;
- (b) to make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
- (c) to enter into all such negotiations and contracts, and, execute or terminate and do all such acts, deeds and things for or on behalf of or in the name of the Trust as it may consider expedient for or in relation to any of the matters or otherwise for the purposes of the Trust;
- (d) to ascertain, appropriate, declare and distribute or reinvest the surplus generally or under the Trust, to determine and allocate income, profits and gains in respect of the Trust to and amongst the Unitholders, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums, as it may deem fit, to one or more reserve funds which may be established by it;
- (e) to open one or more bank accounts and demat accounts for the purposes of the Trust, to deposit and withdraw money, and fully operate and manage any such account fully;
- (f) to sign, seal, execute, deliver and register according to applicable law all deeds, documents, and assurances in respect of the Trust;
- (g) pay out of the income of the Trust, after deducting all expenses, the income and other distributions in accordance with the InvIT Regulations and applicable law;
- (h) take into their custody or control all the capital, assets, property of the Trust and hold the same in trust for the Unitholders in accordance with the Trust Deed, applicable law and the InvIT Regulations;
- (i) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law for the time being in force and do all such matters and things as may promote the investment objectives of the Trust or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Investment Management Agreement, Applicable Law and the InvIT Regulations;
- (j) in accordance with applicable law, individually or collectively, with the Trustee, initiate, prosecute or defend any action or other proceedings in any court of law or through arbitration or in any other manner for recovery of debts or sums of money, right, title or interest, property, claim, matter or thing whatsoever now or hereafter to become due or payable or in any way and belonging to the Trust by any means or on any account whatsoever in respect of and pertaining to the investments made by it and the same actions or proceedings or suits to discontinue or settle, as it shall in its best judgment or discretion deem fit;
- (k) to issue statement of accounts or Unit certificates (if requested) to the Unitholders on behalf of the Trustee in accordance with Applicable Law, to submit Units for dematerialisation and to make all applications and execute all documents with the depositories and depository participants as may be necessary in this regard;
- (l) to set up such systems and procedures, and submit such reports, as may be required by the Trustee as necessary for effective monitoring of the functioning of the Trust.

2. *Duties of the Investment Manager*

The Investment Manager shall perform its duties as required under the Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

- (i) The Investment Manager shall use best endeavours to carry on and conduct its business in a proper and efficient manner in the best interest of the Unitholders. Further, it shall at all times exercise due diligence in carrying out its duties and protecting the interest of the Unitholders.

- (ii) The Investment Manager shall coordinate with the Trustee, as may be necessary, with respect to the operations of the InvIT.
- (iii) The Investment Manager shall ensure that the valuation of the InvIT Assets is done by the valuer(s) and the valuer(s) acts in accordance with the InvIT Regulations. The Investment Manager shall further ensure that the valuer is not an associate of the Investment Manager and shall be eligible to act as a valuer in accordance with the InvIT Regulations or any clarifications, guidelines, notifications or exemptions issued by SEBI. The Investment Manager shall submit to the stock exchanges valuation reports as required under the InvIT Regulations within fifteen days of the receipt of the valuation report from the valuer. Further, in case of any material development that may have an impact on the valuation of the assets of the InvIT, the Investment Manager shall require the valuer to undertake full valuation of the infrastructure project under consideration within not more than two months from the date of such event and disclose the same to the Trustee and the designated stock exchanges within fifteen days of such valuation.
- (iv) The Investment Manager shall arrange for adequate insurance coverage for the InvIT Assets in accordance with the InvIT Regulations. The Investment Manager shall ensure that the InvIT Assets held by the holding companies or the SPVs are adequately insured.
- (v) The Investment Manager shall maintain proper books of accounts, documents and records with respect to the Trust, to give a true, fair and accurate account of the investments, expenses, earnings, profits etc. of the Trust. The Investment Manager shall ensure that audit of the accounts of the Trust by the auditors is undertaken in accordance with the InvIT Regulations and such report is submitted to the stock exchange(s) within the time stipulated by the stock exchange(s), if any, and in accordance with the InvIT Regulations.
- (vi) The Investment Manager shall declare distributions to Unitholders in accordance with the InvIT Regulations. Subject to applicable law, such percentage of the net distributable cash flows of the SPVs shall be distributed to the Trust in terms of the InvIT Regulations. Such declared distributions shall be made within the time period prescribed by the InvIT Regulations.
- (vii) The Investment Manager shall convene meetings of the Unitholders and maintain records pertaining to the meetings in accordance with the InvIT Regulations and other applicable law.
- (viii) The Investment Manager shall intimate the Trustee prior to any change in control of the Investment Manager to enable the Trustee to seek prior approval from the Unitholders and SEBI, if required under applicable law in this regard, and shall ensure that no such change is given effect to until the approval of the Unitholders and SEBI has been obtained, or the Investment Management Agreement is terminated and a new investment manager has been appointed.
- (ix) The Investment Manager will monitor the Trust, including monitoring current and projected financial position of the Trust and the InvIT Assets, including the SPVs. The Investment Manager shall place before its board of directors, a report on the activity and performance of the Trust, in accordance with the InvIT Regulations. The Investment Manager shall designate an employee or a director as the compliance officer for monitoring of compliance with the InvIT Regulations and any circulars or guidelines issued thereunder and intimating SEBI in case of non-compliance.
- (x) The Investment Manager shall maintain records pertaining to the activity of the Trust in terms of the InvIT Regulations.
- (xi) The Investment Manager shall manage the Trust in accordance with the InvIT Regulations and the investment objectives of the Trust, and shall ensure that the investments made by the Trust are in accordance with the investment conditions enumerated in the InvIT Regulations, applicable Law and in accordance with the investment objectives and the investment strategy set out in the placement documents. The Investment Manager may review, revise, amend, vary or alter the investment objectives or the investment strategy set out in the placement documents.
- (xii) The Investment Manager shall review the transactions carried out between the Project Manager and its associates and where the Project Manager has advised that there may be a conflict of interest, shall obtain confirmation from a practising chartered accountant or a valuer, as applicable, that such transaction is on an arm's length basis.
- (xiii) The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the InvIT in accordance with the InvIT Regulations.
- (xiv) The Investment Manager shall submit to the Trustee:

- (a) quarterly reports on the activities of the Trust including receipts for all funds received by it and for all payments made, status of compliance with the InvIT Regulations, performance report, status of development of under-construction projects, within the time period specified under the InvIT Regulations;
 - (b) valuation reports as required under the InvIT Regulations within the time period specified under the InvIT Regulations;
 - (c) proposal/decision to acquire, sell or develop, or bid for any asset or project or expand existing completed assets or projects along with rationale for the same;
 - (d) details of any action which requires approval from the Unitholders as may be stipulated under the InvIT Regulations;
 - (e) details of transactions it enters into with its associates;
 - (f) details of any other material fact including change in its directors, change in its shareholding, any legal proceedings that may have a significant bearing on the activity of the Trust, within such period as stipulated under applicable law;
 - (g) such information, document and records as pertaining to the activities of the Trust as may be reasonably necessary for, and sought by, the Trustee with respect to its responsibilities under the Trust Deed, the InvIT Regulations and Applicable Law; and
 - (h) such other information, document and records as pertaining to its activities, obligations, duties and responsibilities under the Investment Management Agreement, the InvIT Regulations and applicable law, as may be reasonably necessary for, and sought by, the Trustee.
- (xv) The Investment Manager shall be responsible for all activities pertaining to any issue and listing of the Units of the InvIT in accordance with applicable law, including:
- (a) filing the placement document with SEBI and/or the stock exchange(s) within the prescribed time period;
 - (b) dealing with all matters up to the allotment of Units to the Unitholders;
 - (c) obtaining in-principle approval and final listing and trading approvals from the designated stock exchange; and
 - (d) dealing with all matters relating to the issue and listing of the Units.
- (xvi) The Investment Manager shall also ensure that all relevant provisions of the InvIT Regulations and applicable law have been complied with and all statements and disclosures made in any placement document are material, true, correct, not misleading and are adequate disclosures in order to enable the investors to make an informed decision and are in accordance with the InvIT Regulations and applicable law, and such placement document should not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (xvii) In terms of the InvIT Regulations, the Investment Manager shall apply for delisting of units of the Trust to SEBI and the designated stock exchange in accordance with the InvIT Regulations and applicable law.
- (xviii) The Investment Manager shall within the time period prescribed under the InvIT Regulations, submit an annual report to all the Unitholders electronically or provide physical copies and to the designated stock exchange.
- (xix) The Investment Manager shall submit half-yearly reports within the time period prescribed under the InvIT Regulations to the stock exchange(s) and provide any information having bearing on the operation or performance of the Trust, as well as price sensitive information and other information that is required in terms of the InvIT Regulations and applicable law.
- (xx) Subject to applicable law, the Investment Manager shall ensure that it shall discharge its obligations under the agreement and the InvIT Regulations in accordance with the corporate governance policies adopted by the Investment Manager in relation to the InvIT.

- (xxi) The Investment Manager shall ensure that prior written consent of the trust lenders is obtained in accordance with the provisions of the trust financing documents.
- (xxii) The Investment Manager will also have the following duties and obligations:
- (a) ensure that computation and declaration of Net Asset Value of the Trust is based on the valuation done by the valuer in accordance with the InvIT Regulations and applicable law;
 - (b) maintain regular interaction with the Trustee regarding performance of the Trust and providing the Trustee with any information in relation to the operations of the Trust as maybe required under applicable law;
 - (c) conducting its affairs and the affairs of the Trust in such a manner that no Unitholder will have any personal liability (except to the extent of their Unitholding, where such Unit is partly paid) with respect to any liability or obligation of the Trust;
 - (d) keeping the Unitholders of the Trust informed and updated on investment activities of the Trust in accordance with the terms of the InvIT Documents;
 - (e) collecting all dividends, fees, property and other payments due and receivable by the Trust declaring distribution to the Unitholders in the manner set out in the Deed and in terms of the InvIT Regulations and applicable law;
 - (f) to ensure that no commission or rebate or any other remuneration, by whatever name called, arising out of transactions pertaining to the Trust is collected by it or its associates for the purpose of the issue of the Units;
 - (g) to ensure that the InvIT Assets including the holding companies and the SPVs, have proper legal titles, to the extent applicable, and that all the material contracts entered into on behalf of the Trust or the InvIT Assets are legal, valid, binding and enforceable by and on behalf of the Trust or the InvIT assets, as applicable;
 - (h) to ensure that all the activities of the intermediaries or agents or service providers appointed by it are in accordance with the InvIT Regulations or any guidelines or circulars issued thereunder;
 - (i) to ensure that any possible conflict of interest involving its role as Investment Manager is reported to the Trustee;
 - (j) to ensure that disclosures or reporting to Unitholders, SEBI, the Trustee and the designated stock exchange(s) are in accordance with the InvIT Regulations and applicable law;
 - (k) provide SEBI, the designated stock exchange(s) and Trustee, where applicable, such information as may be sought by SEBI or by the designated stock exchange(s) or Trustee pertaining to the activity of the Trust;
 - (l) submit a compliance certificate to the Trustee, in the form and at such intervals as may be specified under the InvIT Regulations and applicable law;
 - (m) to inform the Trustee in writing about any change in the representations and warranties provided under the Investment Management Agreement; and
 - (n) take any other actions reasonably incidental to any of the foregoing, or necessary or convenient in order to fully effect or evidence any action or transaction contemplated under the Investment Management Agreement.
- (xxiii) Related Party Transactions: The Investment Manager shall provide such assistance to ensure that all related party transactions shall be on an arms-length basis in accordance with relevant accounting standards, in the best interest of the Unitholders, consistent with the strategy and investment objectives of the InvIT and in accordance with the InvIT Regulations.
- (xxiv) The Investment Manager shall provide to the Trustee such assistance as may be required by the Trustee in fulfilling its obligation towards the Trust under applicable law or as may be required by any regulatory authority with respect to the Trust.
- (xxv) The Investment Manager shall rectify any delay or discrepancy or non-compliance of reporting or

disclosures requirements under the InvIT Regulations and applicable law on an urgent basis.

- (xxvi) Disclose to the Trustee any pending business transactions, contracts under negotiation and other arrangements with the valuer and any other factors that may interfere with the valuer's ability to give an independent and professional valuation of the assets.

3. *Liabilities of the Investment Manager*

The liabilities of the Investment Manager in terms of the Investment Management Agreement are as follows:

- (i) The Investment Manager shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or, without being limited in any way by the foregoing, other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.
- (ii) The Investment Manager shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action, whether of binding legal effect or not, which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Investment Management Agreement, the Investment Manager shall not be under any liability.
- (iii) The Investment Manager shall not be liable to the Unitholder or any of them or to any other party as a result of such compliance or in connection with such compliance if the Investment Manager is required by the InvIT Regulations or applicable law to provide information regarding the Trust or the Unitholders, the Trust investments and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable. If permitted under Applicable Law and if reasonably practicable, the Investment Manager shall provide prior written notice to the Trustee and the relevant Unitholders of such disclosure requirement.
- (iv) The Investment Manager shall not incur any liability for any act or omission which may result in a loss to a Unitholder by reason of any depletion in the value of the InvIT Assets or otherwise, except in the event that such loss is a result of fraud or gross negligence or wilful default on the part of the Investment Manager.
- (v) The Investment Manager shall be liable to pay interest to the Unitholders at the rate as may be prescribed in the InvIT Regulations until the distribution is made, and such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the Trust.
- (vi) The Investment Manager shall continue to be liable for all of its acts of omission and commission with respect to the activities of the InvIT, notwithstanding surrender of registration of the InvIT to SEBI.
- (vii) The Investment Manager shall be liable to any Unitholder for the authenticity of any signature or of any seal affixed to any endorsement or other document affecting the title to or the transmission of Units or interests in the Trust or of any investments of the Trusts or be in any way liable for any forged or unauthorized signature or seal affixed to such endorsement, transfer or other document, or for acting upon or giving effect to any such forged or unauthorized signature or seal. The Investment Manager shall be bound to require that the signature of any Unitholder to any document required to be signed by such Unitholder, under or in connection with these presents shall be verified to its reasonable satisfaction.

4. *Indemnity*

In addition to the fees, distributions and expense reimbursements herein described, the Trustee shall, from the Trust assets, indemnify and hold harmless the Investment Manager and its respective officers, directors, shareholders, partners, members, employees, advisors and agents ("**Indemnified Parties**") from and against any claims, losses, costs, damages, liabilities, suits, proceedings and expenses, including legal fees ("**Losses**") suffered or incurred by them by reason of their activities on behalf of the Trust, unless such Losses resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligations or duties under applicable law by the relevant Indemnified Party, as determined by a court of competent jurisdiction.

The Trustee, its directors, employees and officers ("**Trustee Party**") shall be indemnified by the Investment

Manager against any and all direct and actual losses, actions, claims, suits, proceedings, damages, liabilities, costs and expenses including legal fees, incurred or suffered by the Trustee Party in connection with the breach of any of the terms of the Investment Management Agreement by the Investment Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to the Trust, or furnishing incorrect information by the Investment Manager under the InvIT Regulations or related to Trust including in any placement document, or arising out of gross negligence, wilful default or misconduct or fraud on part of the Investment Manager, in carrying out its obligations under the Investment Management Agreement, Trust Deed, the other Trust documents, any information memorandum, placement document and applicable law. The Trustee acknowledges and agrees that the aggregate maximum liability of the Investment Manager in each financial year, shall be limited to the aggregate fees paid to the Investment Manager for the immediately preceding one financial year, in accordance with the terms of the Investment Management Agreement, provided that such aggregate maximum liability shall not be applicable in the event such liability of the Investment Manager to indemnify the Trustee Party for losses or damages suffered arises out of any gross negligence, wilful default or misconduct or fraud of the Investment Manager, as determined by a court of competent jurisdiction.

5. *Termination*

The Investment Management Agreement shall be effective from the date of execution of the Investment Management Agreement and shall terminate in accordance with the terms of the Investment Management Agreement. The appointment of the Investment Manager may be terminated by the Trustee or the Unitholders in accordance with the procedure specified under the InvIT Regulations.

- (i) The Unitholders, other than any party related to the transactions and its associates holding not less than such percentage by value as specified under the InvIT Regulations, may apply in writing to the Trustee for removal of the Investment Manager.
- (ii) Subject to the approval of Unitholders (if required) and compliance with other requirements under Applicable Law, the Investment Management Agreement may be terminated:
 - (a) by the Investment Manager by delivery of a prior written notice of 30 (thirty) business days to the Trustee, subject to appointment of new Investment Manager in accordance with the Investment Management Agreement and the InvIT Regulations;
 - (b) by the Trustee by delivery of a written notice to the Investment Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Investment Management Agreement by the Investment Manager and a failure of the Investment Manager to cure the said breach within a period that is earlier of: (a) the period stipulated under applicable law, or (b) 90 business days; or such other period as may be mutually agreed to cure such breach;
 - (c) by the InvIT (acting through the Trustee) pursuant to a resolution of Unitholders; or
 - (d) by any Party by delivery of a written notice to the other Party upon the bankruptcy of such other Party, or if winding up or liquidation proceedings are commenced against such other Party, and such proceedings persist for a period of more than three months.
- (iii) After approval from the Unitholders in accordance with the InvIT Regulations, the Trustee shall appoint a new investment manager and execute a new investment management agreement within three months from the termination of the previous investment management agreement in accordance with applicable law. The Trustee shall also ensure that the new investment manager stands substituted as a party in all documents to which the Investment Manager was a party, in relation to the Trust in its capacity as the Investment Manager. The Investment Manager shall remain in office until the appointment of a new investment manager. The Investment Manager shall continue to be liable for all of its acts, omissions and commissions during its tenure as Investment Manager, notwithstanding the termination of the Investment Management Agreement.
- (iv) Upon removal or replacement of the Investment Manager, the Investment Manager shall, within a period of 90 (ninety) business days, transfer custody of the Trust to the Trustee and give the Trustee all books of accounts, correspondence, documents and records relating to the InvIT which the Investment Manager has in its possession. In the event of removal or resignation of the Investment Manager, the Investment Manager shall be entitled to receive Management Fees only up to the date of such removal or resignation.
- (v) Notwithstanding anything contained hereinabove, (i) in the event that the offer of Units does not

occur within the time period stipulated in the InvIT Regulations or such other date as may be mutually agreed to between the Investment Manager and the Trustee, or (ii) in the event of cancellation of registration of the Trust by SEBI, or (iii) winding up of the Trust, then the Investment Management Agreement shall automatically terminate without any liability on any party.

D. The Project Manager – National Highways InvIT Project Managers Private Limited

History and Certain Corporate Matters

National Highways InvIT Project Managers Private Limited was incorporated as a private limited company on March 9, 2021, under the Companies Act, 2013. The CIN of the Project Manager is U45201DL2021GOI378178.

Background of the Project Manager

The Project Manager is a wholly-owned subsidiary of NHAI.

The Project Manager shall (directly through the appointment of appropriate agents) undertake operations and management of the Trust, including making arrangements for the maintenance of assets held under the Trust. The Project Manager has been appointed as per the terms of the Project Implementation and Management Agreement.

Neither the Project Manager nor any of the promoters or directors of the Project Manager (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of wilful defaulters published by the RBI.

Key terms of the Project Implementation and Management Agreement

The Project Manager has entered into the Project Implementation and Management Agreement, in terms of the InvIT Regulations, the key terms of which, are provided below.

1. *Scope of Services*

The scope of services of the Project Manager are as follows:

- i. Whilst the primary obligation under the Concession Agreements remains with the SPV in the manner contemplated therein, the Project Manager shall ensure that the InvIT Assets are operated, maintained and managed as per the terms and conditions of the Concession Agreements, respective O&M Agreements and the InvIT Regulations, either directly or through the appointment and supervision of appropriate agents or contractors or consultants by the SPV or by the Project Manager, and perform obligations as stipulated therein. The Project Manager shall provide and/cause to procure and ensure procurement of all such services as are required to enable the SPV to perform its operation and maintenance related obligations under and in compliance with the Concession Agreements. The responsibilities and the scope of services of the Project Manager include, but not limited to, those specifically provided under the Project Implementation and Management Agreement, which may be modified from time to time.
- ii. Costs and expenses to be paid to any third party (engaged by the SPV or Project Manager, on behalf of the Project SPV, with the consent of the Investment Manager) shall be borne by the SPV in accordance with the terms and conditions of the contract entered into between the SPV and such third party.

2. *Duties of the Project Manager*

The duties of the Project Manager in terms of the Project Implementation and Management Agreement and the InvIT Regulations are as follows:

- i. The Project Manager shall undertake implementation, development, maintenance, operation and management of the InvIT Assets including making arrangements for the appropriate maintenance, either directly or through the appointment and supervision of agents or consultants, if any, as may be necessary for discharge of its duties under the terms of the Project Implementation and Management Agreement, the O&M Agreements and under the InvIT Regulations.
- ii. The Project Manager shall facilitate and ensure, either directly or through appropriate agents or consultants engaged either by them or through the SPV, the progress of development, approval status and other aspects of the InvIT Assets that may be under development or, of any new projects, until

its completion in accordance with any agreement that may be entered into in this regard, including the supervision of agents or consultants appointed for such purpose.

- iii. The Project Manager shall discharge all obligations in respect of achieving timely completion of the infrastructure projects, wherever applicable, implementation, development, operation, maintenance and management of the infrastructure projects in terms of the O&M Agreements, the Project Implementation and Management Agreement and the InvIT Regulations.
- iv. The Project Manager acknowledges that the Trustee and the Investment Manager will be overseeing the activities of the Project Manager in accordance with the InvIT Regulations and accordingly, the Project Manager shall extend complete coordination to enable the Trustee and the Investment Manager to perform such obligations in accordance with the InvIT Regulations. Further, the Project Manager shall provide relevant documents in connection with the Projects, including reports and compliance certificate(s), as may be specified, to the Investment Manager and the Trustee in accordance with the InvIT Regulations, in the form prescribed by SEBI or the Investment Manager, if any.
- v. The Project Manager shall provide the Investment Manager with details of transactions carried out between itself and its associates in relation to the Trust, and disclose any conflict of interest in such cases to the Investment Manager, in accordance with the InvIT Regulations.
- vi. The Project Manager shall intimate the Trustee prior to any Change in Control of the Project Manager to enable the Trustee to seek approval from the relevant authority in accordance with the Concession Agreements or other project documents pertaining to the InvIT Assets, if applicable.
- vii. The Project Manager shall provide to the Trustee and Investment Manager, or to such other person as the Trustee and/or the Investment Manager may authorise and direct, all information that may be necessary for each of them to maintain the records of the InvIT and as may be required for making submissions to SEBI or any other Governmental Authority, including with respect to relevant approvals, consents and other documents required in relation to the Projects and the reporting requirements under the InvIT Regulations, in a proper and timely manner, and in the format prescribed (if any), as required by the Trustee and /or Investment Manager.
- viii. The Project Manager shall appoint one of its qualified employees acceptable to the Investment Manager and the SPV with adequate and appropriate experience as a principal contact for the board of directors of the SPV, the Trustee and the Investment Manager in relation to the Projects and the Services. The Project Manager shall receive directions and instructions from the Investment Manager, which directions or instructions shall have been issued by the Investment Manager on its own or on behalf of the Project SPV, and to take actions in relation to and ensure compliance with such directions and instructions and report back to the Trustee and the Investment Manager.
- ix. The Project Manager shall at all times ensure that the transactions or arrangements entered into by the Project Manager with a related party are on an arm's length basis.
- x. The Project Manager shall promptly inform the Parties in writing of any act, occurrence or event, which the Project Manager believes is reasonably likely to increase the cost of or the time for implementation taken in relation to any InvIT Asset, or materially to change the financial viability, quality or function of any InvIT Asset.
- xi. If any defects are found in the maintenance, materials and workmanship of the Services provided under the Project Implementation and Management Agreement by the Project Manager and/or by the PM Agents, the Project Manager shall promptly, in consultation and agreement with the other Parties, regarding appropriate remedying of the defects, and at its own cost, repair, replace or otherwise make good (as any SPV shall, at its discretion, determine) such defects as well as any damage caused by such defect.
- xii. The Project Manager shall be liable to the other Parties for any direct loss or damage attributable to the non-performance or breach of the obligations of the Project Manager including those of the PM Agents, under the Project Implementation and Management Agreement. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager shall be limited to the fees payable to the Project Manager in accordance with the terms of the Project Implementation and Management Agreement.
- xiii. The duties of Project Manager shall also include the following:
 - a. providing the necessary certification as may be required under applicable laws and the

InvIT Regulations;

- b. facilitate and ensure execution and completion of activities in relation to any InvIT Assets under development in accordance with and in the manner contemplated in any agreement entered into by any or all the InvIT Assets;
 - c. exercising diligence and vigilance in carrying out its duties directly or through its agents/contractors of the SPV and protecting the InvIT Assets;
 - d. keeping the Investment Manager informed on all matters which have a material bearing on the operations of the InvIT Assets, and attending meetings with the Investment Manager and/or the SPV, as may be required;
 - e. liaising with Governmental Authorities in respect of its obligations under the Project Implementation and Management Agreement and the O&M Agreements;
 - f. taking appropriate measures to mitigate the risks which may be encountered by the InvIT in respect of the InvIT Assets, including creation of risk registers and periodic risk audits either directly or through its agents;
 - g. keeping proper records for actions taken in respect of the InvIT Assets; and
 - h. complying with the instructions of the Investment Manager and the Trustee and the provisions of the InvIT Regulations.
- xiv. The Parties may, from time to time, agree to the provision of certain additional services to be rendered by the Project Manager. If, in the assessment of the Project Manager, such additional services are required for the purposes of carrying out its duties and obligations under the Project Implementation and Management Agreement, the O&M Agreements, and Applicable Law, the Project Manager shall notify the Parties in writing of such requirement, including the fee payable and the terms and conditions for such additional services, and obtain prior written approval of the Parties in this regard.
- xv. In case of any inconsistency or discrepancy between the Project Implementation and Management Agreement and the O&M Agreements, the Project Manager shall bring the same into the notice of the Investment Manager. The Investment Manager shall issue instructions (in writing) for resolving the inconsistency, to the Project Manager. The Project Manager shall be bound to comply with the instructions of the Investment Manager.
- xvi. Notwithstanding anything to the contrary contained in the Project Implementation and Management Agreement, nothing contained in the Project Implementation and Management Agreement shall be construed to limit or restrict the performance of any duties or obligations of the Project Manager, Investment Manager or the Trustee contained in the InvIT Regulations and other Applicable Law.
- xvii. During the term of the Project Implementation and Management Agreement, in the event the representations provided by the Project Manager under the Project Implementation and Management Agreement, become untrue or incorrect or incomplete in any respect, the Project Manager shall, within a reasonable time, inform the Trustee and Investment Manager of such event.
- xviii. The Project Manager shall promptly and periodically notify the Investment Manager regarding any deficiency in the services of the SPV Team or any third party contractor or service provider engaged either directly by the Project Manager or through the SPV, along with an assessment report covering, amongst others, the details of deficiency in service, remedial measures and financial impact on the Project SPV. Any such deficiency shall be remedied in the manner provided in the Project Implementation and Management Agreement.
- xix. Other than on account of any non-compliance or deficiency, the Project Manager shall promptly notify the Investment Manager regarding any proposed change in the SPV Team along with an assessment report covering, amongst other things, rationale for the change and its assessment of the same and professional competence of the persons proposed to be appointed to the SPV Team. The Project Manager shall not grant consent for any change in the SPV Team without prior consultation with, and approval of, the Investment Manager, in accordance with the Project Implementation and Management Agreement.

3. *Indemnity*

The Trustee, the Investment Manager, the Project SPV and their respective directors, employees, officers and the InvIT (“**Indemnified Parties**”) shall be indemnified by the Project Manager against any claims, suits, proceedings, losses, costs, damages, liabilities and expenses, including legal fee from and incurred or suffered by the Indemnified Parties in connection with the breach of any of the terms of the Project Implementation and Management Agreement by the Project Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to the InvIT, or furnishing wrong information by the Project Manager under the InvIT Regulations or related to InvIT including in any offer documents, or arising out of gross negligence, wilful default, wilful misconduct or fraud on part of the Project Manager, in carrying out its obligations under the Project Implementation and Management Agreement, the other InvIT Documents and Applicable Law. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager in each financial year shall be limited to the fees payable to the Project Manager in such financial year in accordance with the terms of the Project Implementation and Management Agreement, provided that such maximum aggregate liability shall not be applicable in the event such liability of the Project Manager arises out of any gross negligence, wilful default, wilful misconduct or fraud on the part of the Project Manager, as determined by a court of competent jurisdiction.

4. *Termination*

- (i) The Project Implementation and Management Agreement shall remain effective, unless terminated by the parties in accordance with the provisions hereto or extended by mutual consent expressed in writing by the parties, for the period that the concession agreement is in force or such other period as may be mutually agreed between the Parties (“**Validity Period**”).
- (ii) Prior to the expiry of its Validity Period, the Project Implementation and Management Agreement, may be terminated:
 - (a) by the Investment Manager after consultation with the Trustee by delivery of a written notice of 30 (thirty) business days, specifying the reasons for such termination, to the Project Manager at any time, subject to appointment of new project manager in accordance with the Project Implementation and Management Agreement and the InvIT Regulations;
or
 - (b) by the Investment Manager after consultation with the Trustee by delivery of a written notice to the Project Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Project Implementation and Management Agreement by the Project Manager and a failure of the Project Manager to remedy the said breach within a period of 60 Business Days or such other period as may be mutually agreed by the parties;
or
 - (c) by any party by delivery of a written notice to the other party upon the bankruptcy of such other party or if insolvency resolution process, winding up or liquidation proceedings, whether voluntary or involuntary, are commenced against such other party (and such proceedings persist for a period of more than three months).
- (iii) Notwithstanding anything contained hereinabove, the Trustee in consultation with the Investment Manager shall appoint a new project manager and execute a new project implementation and management agreement within three months from the termination of the earlier project implementation and management agreement in accordance with applicable law. The Trustee and Investment Manager shall also ensure that the new project manager stands substituted as a party in all documents to which the Project Manager was a party. The Project Manager shall remain in office until the appointment of a new project manager. The Project Manager shall continue to be liable for all its acts and omissions and commissions notwithstanding its termination until the appointment of a new project manager.
- (iv) The termination of the Project Implementation and Management Agreement shall not affect the rights and obligations of the parties accrued prior to such termination.
- (v) In case of early termination prior to the expiry of the Validity Period, the Project Manager shall be entitled to and the Trustee shall be liable to pay (from the funds of the InvIT) to the Project Manager the reimbursement of all out of pocket expenses incurred by the Project Manager while performing services in terms of the Project Implementation and Management Agreement up to that date. The fees shall be paid to the Project Manager within a period of 60 business days from the date of receipt of demand in this regard from the Project Manager failing which the fees, or any part thereof, which remains outstanding shall attract interest at the rate of 10% per annum on the outstanding amount.

- (vi) Notwithstanding anything contained hereinabove, the termination of any of the O&M Agreements, as the case may be, will not result in the termination of Project Implementation and Management Agreement, and the Project Implementation and Management Agreement shall continue to be in force in respect of the other O&M Agreements that are not terminated and the InvIT Assets.
- (vii) Notwithstanding anything herein contained, in the event of:
 - (a) any amendment or supplement or restatement of any of the O&M agreements or execution of a new O&M agreement;the same shall be deemed to have been incorporated in the Project Implementation and Management Agreement and the Agreement shall stand modified to such extent.
- (viii) Notwithstanding anything contained hereinabove, the Project Implementation and Management Agreement shall automatically terminate: (i) in the event the offer of the Units does not occur within the time period stipulated in the InvIT Regulations, or such other date as may be mutually agreed to between the parties; (ii) in the event of cancellation of the registration of the Trust by SEBI; or (iii) upon winding up of the Trust, in accordance with the InvIT Regulations.
- (ix) In case of any inconsistency between the Project Implementation and Management Agreement or any InvIT Documents, and the InvIT Regulations or any applicable law, the InvIT Regulations or applicable law shall prevail.

OTHER PARTIES INVOLVED IN THE TRUST

The Auditor

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed A.R. & Co., Chartered Accountants (Firm Registration No. 002744C) with effect from November 6, 2020, as the statutory auditors of the Trust.

Details of Current Statutory Auditor of the Trust

| Name of Auditor | Address | Auditor since |
|-----------------|--|------------------|
| A.R. & Co. | A-403, Gayatri Apartment, Airlines Group Housing Society Plot No 27, Sector -10, Dwarka New Delhi 110 075 | November 6, 2020 |

For further details, please see the section titled “*General Information – Auditors*” on page 41.

The Auditor was appointed by the Investment Manager, in consultation with the Trustee, as the statutory auditor of the Trust for a period of five financial years commencing from the financial year 2022-23. There have been no changes in the statutory auditors to the Trust since its settlement.

The Auditors have audited the standalone and consolidated financial statements of the Trust for the Financial Year ended 2022. Further, the Auditors have undertaken a limited review of the standalone and consolidated financial statements of the Trust for the three month period ended June 30, 2022.

Functions, Duties and Responsibilities of the Auditor

The functions, duties and responsibilities of the Auditor will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Auditor is required to comply with the following conditions at all times:

1. the Auditor shall conduct audit of the accounts of the Trust and draft the audit report based on the accounts examined and after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;
2. the Auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Trust, including profit or loss and cash flow for the period and such other matters as may be specified;
3. the Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and
4. the Auditor shall have a right to require such information and explanation pertaining to activities of the Trust as he may consider necessary for the performance of his duties as auditor from the employees of the Trust or holding company or Parties to the Trust or holding company or the special purpose vehicles or any other person in possession of such information.

The Valuer

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed RBSA Valuation Advisors LLP with effect from December 29, 2020, as the valuers of the Trust for a period up to the first Financial Year after the date of listing of the Units pursuant to the initial offer, i.e. until Financial Year 2022-23. In accordance with the InvIT Regulations, the Valuers have undertaken a valuation of the assets proposed to form part of the portfolio of the Trust, and their report in relation to such valuation as on August 30, 2022, has been included in this Prospectus.

Functions of the Valuer

The functions, duties and responsibilities of the Valuer will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Valuer is required to comply with the following conditions at all times:

1. the Valuer shall ensure that the valuation of the Trust assets is impartial, true and fair and is in accordance with Regulation 21 of the InvIT Regulations;
2. the Valuer shall ensure that adequate and robust internal controls to ensure the integrity of its valuation reports;

3. the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;
4. the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;
5. the Valuer and any of its employees involved in valuing of the assets of the Trust, shall not, (i) invest in units of the Trust or in the assets being valued; and (ii) sell the assets or units of the Trust held prior to being appointed as the Valuer, until the time such person is designated as valuer of the Trust and not less than six months after ceasing to be valuer of the Trust;
6. the valuer shall conduct valuation of the Trust's assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
7. the valuer shall act with independence, objectivity and impartiality in performing the valuation;
8. the valuer shall discharge its duties towards the Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;
9. the valuer shall not accept remuneration, in any form, for performing a valuation of the Trust's assets from any person other than the Trust or its authorized representative;
10. the valuer shall before accepting any assignment, from any related party of the InvIT, disclose to the Trust any direct or indirect consideration which the valuer may have in respect of such assignment;
11. the valuer shall disclose to the Trust any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom the Trust is contracting with and any other factors that may interfere with the valuer's ability to give an independent and professional valuation of the assets;
12. the valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
13. the valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
14. the valuer shall not accept an assignment which interferes with its ability to do fair valuation; and
15. the valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

Further, in accordance with the InvIT Regulations, a full valuation shall be conducted by the valuer not less than once every financial year. However, the Investment Manager shall conduct a valuation through a SEBI registered valuer for any quarter, based on the specific request of any unitholder.

Policy on Appointment of Auditor and Valuer

The Investment Manager has adopted a policy on the appointment of auditor and valuer of the Trust, which will stand amended, to the extent of any amendment to the InvIT Regulations or applicable law, details of which are provided below:

Appointment and Role of Auditor of the Trust

- (i) The Investment Manager, in consultation with the trustee to the Trust (the "**Trustee**"), shall appoint the auditor of the Trust (the "**Auditor**"), in a timely manner and in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (the "**InvIT Regulations**").
- (ii) The Investment Manager shall ensure that the appointment of the Auditor and the fees payable to the Auditor is approved by the unitholders of the Trust ("**Unitholders**") in accordance with the InvIT Regulations.
- (iii) The Investment Manager shall appoint an Auditor for a period of not more than five consecutive years; provided that the Auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of Unitholders in the annual meeting in accordance with the InvIT Regulations.
- (iv) The Auditor shall conduct the audit of the accounts of the Trust and draft the audit report based on the accounts examined by it after taking into account the relevant accounting and auditing standards under applicable law, including the InvIT Regulations and any guidelines, circulars, notifications and clarifications framed or issued by the Securities and Exchange Board of India ("**SEBI**"), as may be specified from time to time.

The Auditor shall comply with the conditions prescribed under the InvIT Regulations at all times, including the

following:

- (a) The accounts of the Trust shall be subjected to audit by the Auditors and shall be accompanied by a report of the Auditors in such manner and at such intervals as may be prescribed under applicable law, including InvIT Regulations;
 - (b) the Auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Trust, including profit or loss and cash flow for the period and such other matters as may be specified by SEBI;
 - (c) the Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and
 - (d) the Auditor shall have a right to obtain such information and explanation pertaining to activities of the Trust as he may consider necessary for the performance of his duties as auditor from the employees of Trust or any holding company or parties to the Trust or any holding company or the special purpose vehicle(s) or any other person in possession of such information.
 - (e) The auditor should have subjected himself to the Peer review process of ICAI and holds such a valid certificate.
- (v) The Investment Manager, in consultation with the Trustee, shall have the right to take all necessary steps to remove the Auditor who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law. In case of removal of the auditor and appointment of another auditor to the Trust, approval from the Unitholders shall be required in accordance with Regulation 22(5)(f) of the InvIT Regulations. Additionally, any change in the auditor of the Project SPV shall be made in accordance with the Companies Act, 2013, as amended.

Appointment and Role of Valuer of the Trust

- (i) The Investment Manager, in consultation with Trustee, shall appoint the valuer of the Trust (“**Valuer**”), in a timely manner and shall determine the remuneration of such Valuer, in accordance with the InvIT Regulations. A ‘Valuer’ shall have the meaning provided under the InvIT Regulations.
- (ii) The remuneration of the Valuer shall not be linked to or based on the value of the assets being valued.
- (iii) The Valuer shall not be an associate of any of the Sponsor or the Investment Manager or Trustee.
- (iv) The Valuer shall be eligible to act as a valuer in accordance with the InvIT Regulations or any clarifications, guidelines, notifications or exemptions issued by SEBI.
- (v) A Valuer shall not undertake valuation of the same project for more than four years consecutively, provided that the Valuer may be reappointed after a period of not less than two years from the date it ceases to be the Valuer of the Trust.
- (vi) The Valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the Valuer was engaged by the Trust for such acquisition or disposal.
- (vii) The Valuer shall comply with the following conditions at all times:
 - (a) the Valuer shall ensure that the valuation of the Trust assets is impartial, true and fair and is in accordance with the InvIT Regulations;
 - (b) the Valuer shall ensure adequate and robust internal controls to ensure the integrity of its valuation reports;
 - (c) the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;
 - (d) the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;
 - (e) the Valuer and any of its employees involved in valuing of the assets of the Trust, shall not:
 - invest in units of the Trust or in the assets being valued; and
 - sell the assets or units of the Trust held prior to being appointed as the Valuer, until the time such person is designated as Valuer of the Trust and not less than six months after ceasing to be Valuer

of the Trust;

- (f) the Valuer shall conduct valuation of the Trust assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
 - (g) the Valuer shall act with independence, objectivity and impartiality in performing the valuation;
 - (h) the Valuer shall discharge its duties towards the Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;
 - (i) the Valuer shall not accept remuneration, in any form, for performing a valuation of the Trust assets from any person other than the Trust or its authorized representative;
 - (j) the Valuer shall before accepting any assignment, from any related party of the Trust, disclose to the Trust, by disclosing to the Investment Manager or the Trustee, any direct or indirect consideration which the Valuer may have in respect of such assignment;
 - (k) the Valuer shall disclose to the Trust, through the Investment Manager, any pending business transactions, contracts under negotiation and other arrangements with the Investment Manager or any other party whom the Trust is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets, and other necessary disclosures required under the InvIT Regulations;
 - (l) the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
 - (m) the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
 - (n) the Valuer shall not accept an assignment which interferes with its ability to do fair valuation; and
 - (o) the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.
- (viii) The Investment Manager in consultation with the Trustee shall have the right to take all necessary steps to remove the Valuer who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law. If the removal of the Valuer and appointment of another valuer to the Trust is taken up at a meeting of the Unitholders at the request of the Unitholders, such removal of the Valuer shall be approved by the Unitholders in accordance with the InvIT Regulations.

CORPORATE GOVERNANCE

The section below is a summary of the corporate governance framework in relation to the Trust, adopted by the Investment Manager.

1. Investment Manager

1.1 Board of Directors

Composition of the Board of Directors of the Investment Manager

In addition to applicable provisions of the Companies Act, 2013, the board of directors should adhere to the following:

- (a) Not less than 50% of the board of directors shall comprise independent directors and not directors or members of the governing board of the Investment Manager of another infrastructure investment trust registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended;
- (b) the chairman of the board of directors should be a non-executive independent director; and
- (c) collective experience of directors should cover a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), investment management or advisory and financial matters.

The Investment Manager will be governed, amongst other things, by its articles of association. Please note that the procedure by which the Sponsor and unitholders may appoint nominee directors on the board of the IM is set out in the articles of association of the Investment Manager. The articles of association of the Investment Manager have been uploaded on <https://nhaiinvit.in/>, and the same has also been made part of the “*Material Contracts and Documents for Inspection*”, as disclosed in page 329 of this Prospectus.

Quorum

The quorum shall be at least 50% of the number of directors on the board. At least 50% of the directors present shall be independent directors.

Frequency of meetings

The board of directors should meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the board of directors should meet prior to any meeting of the unitholders and approve the agenda for unitholders’ meetings.

1.2 Remuneration of directors

Remuneration including sitting fees of the directors will be decided by the board of directors, from time to time.

1.3 Committees of the board of directors

Summary of Committees of board of directors

| Name of committee | Composition | Present Members | Quorum | Frequency of meetings |
|---|--|-----------------|---|---|
| Audit Committee | The audit committee should comprise at least 50% of independent directors and will comprise at least three members. The chairperson of the audit committee should be an independent director. All members of the audit committee should be financially literate and at least one member should have accounting or related financial management expertise. The company secretary shall act as the secretary to the audit committee. | 6 | The quorum shall be at least 50% of the members of the Audit Committee, of which at least 50% of the members present, shall be independent directors. | The audit committee should meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the audit committee should meet prior to any declaration of distributions and provide recommendations to the board of directors regarding any proposed distributions. |
| Stakeholders’ Relationship Committee | The stakeholders’ relationship committee should comprise at least three members. At least one member of the committee shall be an independent director. The chairperson of this committee shall be a non-executive director. | 5 | The quorum shall be at least 50% of the members of the committee. | The stakeholders’ relationship committee should meet at least four times every year, or as frequently as determined by the board of directors or as directed by the trustee of the Trust, with a maximum gap of 120 days |

| Name of committee | Composition | Present Members | Quorum | Frequency of meetings |
|--|--|-----------------|--|---|
| | | | | between any two successive meetings. |
| Nomination and Remuneration Committee | The nomination and remuneration committee should comprise at least three members. At least one member of the committee shall be an independent director. The chairperson of this committee shall be a non-executive director | 5 | The quorum shall be at least 50% of the members of the committee, of which at least 50% of the members present, shall be independent directors | The nomination and remuneration committee should meet as frequently as determined by the board of directors or as directed by the trustee of the Trust, with a maximum gap of 120 days between any two successive meetings. |
| Investment and Finance Committee | The investment and finance committee will comprise at least three members, out of which one member shall be the chief executive officer of the Investment Manager, and at least one member shall be an independent director. | 6 | The quorum shall be at least 50% of the members of the Investment and Finance Committee. | The Investment and Finance Committee shall meet as and when expedient |

(a) Audit Committee

Scope of the Audit Committee

The terms of reference of the audit committee should include the following:

- (i) recommending to the board of directors the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Trust and the audit fee, subject to the approval of the unitholders;
- (ii) reviewing and monitoring with the management, the independence and performance of statutory auditors of the Trust, and adequacy and effectiveness of the audit process and internal control systems, as necessary;
- (iii) reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and the findings of any internal investigations in relation to the Trust, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, discussing such findings with internal and statutory auditors and reporting the matter to the board of directors;
- (iv) reviewing the annual financial statements and auditor's report thereon of the Trust and the Investment Manager, before submission to the board of directors for approval, with particular reference to:
 - changes, if any, in accounting policies and practices and reasons for such change;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions; and
 - qualifications in the draft audit report;
- (v) reviewing, with the management, the Trust's financial disclosure and reporting process and all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Trust, whether standalone or consolidated or in any other form as may be required under applicable law, before submission to the board of directors for approval;
- (vi) reviewing the management's discussion and analysis of financial condition and results of operations;
- (vii) reviewing and evaluating the adequacy of financial controls, risk management systems and internal audit function if any of the Trust, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- (viii) reviewing, with the management, the statement of uses/application of funds raised through an issue of units by the Trust (including but not limited to public issue, rights issue, preferential issue, private placements, etc.) and any issue of debt securities, and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;
- (ix) (a) reviewing the procedures put in place by the Investment Manager for reviewing related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fees or charges payable out of the Trust's assets, (b) reviewing the statement of significant related party transactions, submitted by the management; and (c) approving or any subsequently modifying transactions of the Trust with related parties, and recommending such transactions to the board of directors or the unitholders, as may be required, in terms of the InvIT Regulations;
- (x) overseeing loans and investments of the Trust, including (a) reviewing the investment decisions with respect to the underlying assets or projects of the Trust from the Sponsor including any further investments or divestments and (b) approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets; and undertaking other functions to ensure protection of the interest of unitholders;
- (xi) giving recommendations to the board of directors regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of the Trust; as well as reviewing and monitoring the independence and performance of the valuer of the Trust;
- (xii) providing recommendations to the board of directors regarding any proposed distributions, and evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the Project SPV to the Trust and payments to any creditors of the Trust or the Project SPV, and recommending remedial measures; and
- (xiii) formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.

The terms of reference of the Audit Committee shall include, *inter alia*, the following acts:

- (i) deciding on the timing, pricing and all the terms and conditions in relation to a proposed issue of securities or units by the Company or the Trust, including the determination of the minimum subscription for such issue, pricing, allotment, any rounding off in the event of over subscription as permitted under applicable law in consultation with the lead managers, etc. and accepting any amendments, modifications, variations or alterations thereto;
- (ii) accepting and appropriating the proceeds of a proposed issue of securities or units by the Company or the Trust;
- (iii) finalizing the allotment of units or securities of Company or the Trust on the basis of the applications received, including the basis of the allotment;
- (iv) reviewing the investment decisions with respect to the underlying assets or projects of the Trust from the Sponsor including any further investments or divestments to ensure protection of the interest of unitholders;
- (v) entering into debt financing documentation, debenture subscription agreements and the share purchase agreements in connection with a proposed issue of securities or units by the Company or the Trust;
- (vi) authorizing and approving, the incurring of expenditure and payment of fees, commission, remuneration and expenses in connection with a proposed issue of securities or units by the Company or the Trust;
- (vii) settling all questions, difficulties or doubts that may arise in regard to a proposed issue of securities or units by the Company or the Trust, including in respect of the offer or allotment of units or securities, and the utilization of the issue proceeds (including in accordance with the investment strategy of the Trust, or in any other manner as the Committee may deem fit subject to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as may be applicable) and matters incidental thereto as it may, deem fit and delegating such of its powers as may be deemed necessary to the officials of the Company;

- (viii) authorising any director or directors of the Investment Manager or other officer or officers of the Investment Manager, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment of securities or units by the Company or the Trust; and
- (ix) to do all such acts, deeds, matters and things and execute all such other documents, etc., deemed necessary or desirable for such purpose of in relation to a proposed issue of securities or units by the Company or the Trust.

(b) Stakeholders' Relationship Committee

Scope of the Stakeholders' Relationship Committee

The terms of reference of the stakeholders' relationship committee should include the following:

- (i) consider and resolve grievances of the unitholders, including complaints related to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;
- (ii) review of any litigation related to unitholders' grievances;
- (iii) update unitholders on acquisition / sale of assets by the Trust and any change in the capital structure of the Project SPV;
- (iv) reporting specific material litigation related to unitholders' grievances to the board of directors;
- (v) approve report on investor grievances to be submitted to the Trustee;
- (vi) undertaking all functions in relation to resolution of any conflicts of interest;
- (vii) coordination with the unitholders on matters in connection with voting (including in respect of actions which require approval of the unitholders in accordance with applicable law); and
- (viii) provide the unitholders with regular updates and information on the operation or performance of the Trust.

(c) Nomination and Remuneration Committee

Scope of the Nomination and Remuneration Committee

The terms of reference of the nomination and remuneration committee should include the following:

- (i) ensuring compliance with the requirements of the Companies Act, 2013;
- (ii) making all decisions in relation to appointment or replacement or removal of (a) independent directors; (b) any key managerial personnel; and (c) directors on the board of directors of the Project SPV; and
- (iii) formulating the following policies:
 - (a) the policy for appointment of independent directors (including the qualification and experience requirements, compensation model, performance parameters, process for appointment and removal);
 - (b) the policy for nomination of directors on the board of directors of the Project SPV (including qualification and experience requirements, compensation model, performance parameters, process for appointment and removal); and
 - (c) the human resources policy (in relation to employment terms including remuneration for the key managerial personnel).

1.4 Operating Committee(s) of the Investment Manager

(a) Investment and Finance Committee

Scope of the Investment and Finance Committee

The terms of reference of the Investment and Finance Committee should include the following:

- (i) Completing all legal, statutory and procedural formalities, including opening bank accounts, escrow accounts, approving and filing, where applicable, draft offer documents, offer documents and final offer documents to be filed with SEBI and the stock exchanges and such other authorities, as may be applicable, and making necessary amendments or alterations, therein in relation to a proposed issue of securities or units by the Company or the Trust, or any other forms or applications required to be filed with any other statutory agencies or relevant authorities in accordance with applicable law and do all acts in relation thereto;
- (ii) to negotiate, finalise and settle and to execute where applicable and deliver or arrange the delivery of the draft placement memorandum, placement memorandum, final placement memorandum, the preliminary and final international wraps, the agreements and all other documents, deeds, agreements and instruments and any notices, supplements and corrigenda thereto, as may be required or desirable in relation to a proposed issue of securities or units by the Company or the Trust;
- (iii) to appoint and enter into arrangements with the trustee, sponsors, lead managers and any other agencies or persons or intermediaries in relation to a proposed issue of securities or units by the Company or the Trust, and to negotiate and finalise the terms of their appointment;
- (iv) to appoint the registrar and other intermediaries to a proposed issue of securities or units by the Company or the Trust, in accordance with the InvIT Regulations and other statutory and/or regulatory requirements;
- (v) to submit undertakings/certificates, make applications, seek or provide clarifications, obtain approvals and seek exemption, where necessary, to or from the Securities and Exchange Board of India, stock exchanges, Registrar of Companies and such other statutory and governmental authorities in connection with a proposed issue of securities or units by the Company or the Trust, where necessary and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions and sanctions as may be required in relation to a proposed issue of securities or units by the Company or the Trust;
- (vi) to give or authorise the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (vii) to seek, if required, the consent of the lenders, parties with whom the Project SPV has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with a proposed issue of securities or units by the Company or the Trust;
- (viii) to issue all documents and authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (ix) to seek the listing of the units or other securities on any Indian stock exchange, submitting the listing application to such stock exchanges and taking all actions as may be necessary in connection with obtaining such listing and trading approval;
- (x) to authorise the maintenance of a register of unitholders/shareholders;
- (xi) authorizing and empowering authorized officers for and on behalf of the Investment Manager, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the authorized officer considers necessary, desirable or advisable, in connection with a proposed issue of securities or units by the Company or the Trust, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreements, the registrar's agreement, the depositories agreements, the placement agreement with the lead managers (and other entities as appropriate), the escrow agreement, confirmation of allocation notes and any agreement or document in connection thereto, with, and to make payments to or remunerate by way of fees, commission, brokerage or the like, the lead managers, registrar, escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies and all such persons or agencies as may be involved in or concerned with any proposed issue of securities or units by the Company or the Trust, if any; and any such agreements or documents so executed and delivered and acts and things done by any such authorized officer shall be conclusive evidence of the authority of the authorized officer and the Company in so doing; and
- (xii) to do all such acts and deeds as may be required to issue units of the Trust in dematerialised form

and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited the Central Depository Services (India) Limited and such other agencies, as may be required in this connection.

1.5 Articles of Association of the Investment Manager

The articles of association should not include any affirmative rights for the Sponsor.

1.6 Policies adopted by the Board of Directors of the Investment Manager

The Investment Manager has adopted the following policies in relation to management of the Trust:

(i) Code of conduct

The Trust and the Parties to the Trust shall comply with the Code at all time, in accordance with the InvIT Regulations, for all matters for which they are dealing / acting on behalf of the Trust, including that:

1. the Trust and the Parties to the Trust shall conduct all affairs of the Trust in the interest of all the unitholders of the Trust (“**Unitholders**”);
2. the Trust and the Parties to the Trust shall make adequate, accurate, explicit and timely disclosure of relevant material information to all Unitholders, the stock exchanges and the Securities and Exchange Board of India (“**SEBI**”) in accordance with the InvIT Regulations and as may be specified by the stock exchanges from time to time;
3. the Trust and the Parties to the Trust shall try to avoid conflicts of interest, as far as possible, in managing the affairs of the Trust and keep the interest of all Unitholders paramount in all matters. In case such events cannot be avoided, it shall be ensured that appropriate disclosures are made to the Unitholders and they are fairly treated;
4. the Trust and Parties to the Trust shall ensure that fees charged by them with respect to activity of InvIT shall be fair and reasonable;
5. the Investment Manager shall carry out the business of the Trust and invest in accordance with the investment objectives (as disclosed in the Draft Prospectus and the Prospectus, as applicable) and take investment decisions solely in the interest of Unitholders;
6. the Trust, the Parties to the Trust and any third party appointed by the Investment Manager shall not use any unethical means to sell, market or induce any person to buy units of the Trust and where a third party appointed by the Investment Manager fails to comply with this condition, the Investment Manager shall be held liable for the same;
7. the Trust and the Parties to the Trust shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business;
8. the Trust and the Parties to the Trust shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment; and
9. the Trust and the Parties to the Trust shall not make any exaggerated statement, whether oral or written, either about their qualifications or capabilities or experience.

In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of the code. Notwithstanding the above, the aforesaid code will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Trust.

(ii) Anti-Bribery And Corruption Policy

- a. The Trust maintains and promotes the highest ethical and legal standards in its business, especially in relation to bribery and corruption, and expect employees of the Trust and those with whom the Trust does business to do the same.
- b. The policy on bribery and corruption applies to the Trust’s dealings in both the public and the private sectors, and any violation of this policy is a matter of serious concern.

Management oversight and leadership:

- a. The Trust’s audit committee, together with its chief executive officer, chief financial officer and Compliance Officer, are responsible for providing leadership, resources and active support for the implementation of the policy.
- b. The compliance officer appointed to ensure compliance of the policy (“**Compliance Officer**”), who may be a person other than the compliance officer of the Trust appointed as per the requirements of Companies Act, 2013, as amended, will communicate the policy to all levels of the Trust, project SPVs of the Trust (“**Project SPV**”) and relevant external parties at least annually, and at such other times as he considers appropriate, such as when the policy is amended or updated.

Definitions of bribery and corruption:

- a. “ABC” means anti-bribery and corruption.
- b. “Anti-Bribery Laws” means the ABC laws and regulations, which shall include, the Prevention of Corruption Act, 1988, relevant portions of the Indian Penal Code, 1860, the Central Vigilance Commission Act, 2003, applicable to, the Trust and its employees.
- c. “Bribe / Bribery” means the giving, acceptance, solicitation or facilitation of a financial advantage to or by any person which (i) does or might induce, influence or reward the improper performance or non performance of any activity or function in either the public or private sector, (ii) which in itself constitutes the improper performance of a relevant function or activity, or (iii) is intended to obtain or retain business or a business advantage.
- d. A promise or offer to give, accept, solicit or facilitate a financial advantage will also constitute Bribery. Equally, a violation may occur if you do anything which is prohibited through another person, as much as if you did it yourself.
- e. A financial advantage may be anything of value. It can be a payment, payoff, influence payment or a ‘kickback’. Equally, it may also take the form of a gift, hospitality or entertainment, or be something intangible, like an offer of employment.
- f. “Corruption” means dishonest or fraudulent conduct by those in power, typically involving Bribery.
- g. The term “Official” includes any person who holds a legislative, judicial or administrative position of any kind; any official, employee or representative of, or any other person acting in an official capacity or performing a public function on behalf of: a government (including any entity it owns or controls) or any government authority or agency; the legislature; the judiciary; a political party or political candidate; or a public international organization.

Prohibition on bribery:

- a. The Trust prohibits:
 - (i) Giving Bribes including:
 - Bribing someone to get a contract or other business advantage such as a license, consent or permit (including from that person or by using that person’s influence);
 - Bribing any Official in order to influence any official decision, or to induce them to use their influence to affect any act or decision of a governmental authority; or
 - Bribing any officer, employee or agent of a company or body corporate with which the Trust interacts in the conduct of Trust’s activities and operations for the purpose of influencing any act or decision of that company or body corporate.
 - (ii) Receiving Bribes including:
 - Asking, agreeing to or receiving a Bribe from anyone in exchange for giving or continuing to give a person any business, or any business advantage, or for otherwise improperly performing any activity or function.
- b. Circumstances which may suggest an increased risk of Bribery or Corruption and which should therefore be discussed with the Compliance Officer include:
 - (i) Intermediaries (as defined below) engaged by the Trust which is accused of improper

practices;

- (ii) A party with whom the Trust does business requests payment in cash or to offshore accounts;
 - (iii) Requests for payment, entertainment or hospitality at a time when the recipient is making an important decision that affects or could be perceived to affect the operations of the Trust;
 - (iv) Refusal by any Intermediary to use written agreements;
 - (v) Requests or directions to record (or issue receipts) for payments or fees in a manner which does not reflect their true nature;
 - (vi) Previous relationships between Trust's employees or Intermediaries and a government office or Official;
 - (vii) Requests for special payments, such as a 'special acceleration fee' or any other payment to reduce delay or remove the need to comply with applicable procedures.
- c. The above examples are not exhaustive and any matters which give you cause for concern should be promptly raised with the Compliance Officer.
 - d. Practices that may appear typical or customary may still be unlawful and in breach of the policy.
 - e. The Trust should always consider whether any conduct may give an appearance that it creates an obligation on, or may influence, the recipient (or a third party) to act in a way that may be improper, or which may be perceived as being capable of influencing an Official exercise of discretionary authority, even where this is not the intention. Such conduct should be discussed with the Compliance Officer.

Dealing with intermediaries:

- a. The term intermediaries ("**Intermediaries**") refers to an associate's representatives, vendors, contractors, sub-contractors, consultants and any other persons engaged by an associate, or who are engaged to act for the associate in its business dealings with any government or official, or in obtaining governmental approvals.
- b. The Trust engages Intermediaries only for ordinary and legitimate business purposes and only on arms-length, commercially reasonable terms.
- c. Any contracts between associates and Intermediaries must be in writing and must be signed by the parties.
- d. Different types of Intermediaries are subject to different ABC risk assessment and risk mitigation measures. It is clarified that such provisions and procedures would be prepared by the Trust in consultation with the Compliance Officer which are to be followed when engaging an Intermediary and for the Trust's standard anti-bribery related contractual provisions which are to be included in the Trust's contracts with Intermediaries.

In general:

- a. The Trust expects that Intermediaries and vendors with which it does business to either formally acknowledge and abide by relevant aspects of the policy by way of an undertaking, or to have adequate anti-bribery and corruption policies and procedures of its own in place.
- b. When engaging an Intermediary, an associate should:
 - (i) perform proportionate and risk-based due diligence checks on the Intermediary based on an understanding of the potential relationship (e.g. the sector in which the Intermediary operates, the type of services it will be providing and the level of interaction it will have with Officials or private sector parties); and
 - (ii) consider and respond appropriately to the findings of that due diligence, particularly where areas of high concern are identified.

Charitable donations:

- a. The Trust supports the work of registered and reputable charities.
- b. However, unless appropriate procedures are adopted, there is a risk that charitable donations given by the Trust or its employees may be perceived as seeking to improperly influence decisions which affect the Trust, or to induce those who have authority to make such decisions to give an improper business advantage to the Trust.
- c. The key principles regarding donations are as follows:
 - (i) donations must not be made using Trust's funds, under the Trust's name, or in connection with the Trust, without first obtaining specific approval from the Compliance Officer;
 - (ii) where making a donation as a private citizen, Trust's employee should ensure it is made clear to the recipient and in any publicly available material that the donation is not being made for or on behalf of the Trust, or in connection with the activities of the Trust; and
 - (iii) A donation should not be made either privately or by the Trust if the intent or possible effect of the donation is or may be to influence the decisions of any Official or other person on matters affecting the Trust.
- d. All donations must be properly recorded and accounted for in the central register of political and charitable donations maintained by the Compliance Officer.

Gifts, Hospitality and Entertainment ("GH&E"):

- a. The Trust recognizes that constructive business relationships may include occasional, incidental provision of gifts, hospitality and entertainment.
- b. However, gifts, hospitality and entertainment which are or may be seen as exceptional, lavish or disproportionate, or given to certain individuals who have the ability to make decisions affecting the Trust, may be regarded as improper or unlawful.
- c. As a general rule, gifts, hospitality and entertainment must:
 - (i) be reasonable and proportionate in terms of frequency, value and the status/seniority of the recipient;
 - (ii) be provided in an open and transparent manner; and
 - (iii) always be provided for legitimate business purposes and in kind only.
- d. The Trust and its employees must not:
 - (i) offer gifts, hospitality and entertainment, or anything else of value, which might influence the decisions of counterparties or Officials in connection with the business of the Trust; or
 - (ii) accept any gifts, hospitality and entertainment, or anything else of value, which might influence their own decisions.
- e. The Trust shall comply with GH&E at all time, in accordance with the InvIT Regulations, including that:
 - GH&E which is or may be regarded as, exceptional, lavish or disproportionate and/or intended to induce or reward improper conduct is prohibited.
 - Trust and its employees must not offer, provide, accept or solicit gifts in the form of cash, cash equivalents, commissions, loans, securities or goods/services at below-market value.
 - The Trust must pay all costs associated with GH&E (e.g. transport, accommodation and meals) directly to suppliers and not to the recipients of the GH&E.
 - GH&E must not be offered or provided to family members or friends of the recipient.
 - Approval of GH&E, including GH&E relating to Officials, is required in accordance with the policy and must be obtained in advance of any offer or acceptance of GH&E. If circumstances clearly prevent obtaining advance approval, the GH&E must be reported to the Compliance Officer at the earliest available opportunity.

- Failure to comply with the policy may result in disciplinary action, including possible termination of employment.
 - All GH&E must be properly recorded and accounted for in the books and records and must be supported by original receipts.
 - All GH&E approval forms (whether approved or declined) must be held on file by the Compliance Officer for a period of five years.
 - GH&E with a value in excess of Rs. 5,000 must be approved by the Compliance Officer and in excess of Rs. 10,000 must be approved by the managing director of the Trust, and all such GH&E shall be recorded by the Compliance in the annual GH&E central register.
 - The annual GH&E central register must be submitted to, and reviewed annually by, the Audit Committee.
- f. Trust's employees should consider the above guidelines in respect of all gifts, hospitality and entertainment which they propose to offer or accept.

Facilitation Payments:

- a. The Trust is committed to complying with the laws applicable to its business. The trust acknowledges that facilitation payments, which usually are small payments made to obtain or expedite routine actions for specific performance, are not permitted under the laws of many jurisdictions and that authorities in many parts of the world are seeking to eliminate such practices.
- b. If an employee of the Trust becomes aware that a facilitation payment may be made, this must be referred to the Compliance Officer, who will consider, consult as necessary and recommend action.
- c. The Compliance Officer will report to the Audit Committee on any matters relating to facilitation payments.

Conflict of Interest:

- a. Employees of the Trust must seek to avoid any real or perceived conflict between their private interests and the performance of their duties to the Trust.
- b. A conflict of interest arises when an individual's private interests influence, or may appear to influence, the objective exercise of his or her duties to the Trust. Conflicts of interest can arise where, for example, an employee and/or the Trust is considering business arrangements involving the Trust which may provide the employee with a private benefit, or where an employee position within the Trust gives them an opportunity to provide special advantages or benefits to a partner, child or friend.
- c. If a situation arises which may give rise to a conflict of interest involving an employee, another employee or an external party in connection with matters affecting the Trust, the employee must promptly raise this with the Compliance Officer.

Books and Records:

- a. The books and records of the Trust must reflect, accurately and fairly, the transactions of the Trust and dispositions of its assets, including ensuring that a transaction is accurately described in its books and records and the amount of each transaction is accurately recorded.
- b. No payment on behalf of the Trust is to be approved or made with the express or implied agreement or the intention that any part of it is to be used for a purpose other than that described by the documents supporting the payment.
- c. Employees should never agree to requests for false invoices or for payments of expenses that are unusual, excessive, inadequately or improperly described, or otherwise raise questions under the policy.
- d. No undisclosed or unrecorded funds or assets are to be established or used for any purpose.

Training:

- a. Employees of the Trust will receive regular (at least annual) training relevant to their role to ensure

that they:

- (i) understand the Anti-Bribery Laws applicable to them;
 - (ii) are aware of and understand the policy;
 - (iii) are equipped to respond to the specific risks which relate to their particular role; and
 - (iv) know what the Trust expects of them.
- b. Where appropriate Intermediaries will also receive training appropriate to their role. The nature of such training and those Intermediaries who are to be subject to it will be determined by the Compliance Officer.
 - c. Employees of the Trust should check with the Compliance Officer in connection with engaging Intermediaries and any training obligations which apply.

Whistle-blowing, investigations and non-retaliation:

- a. Employees and Intermediaries (anonymously or by name) who are aware of possible or suspected corrupt acts by colleagues, demands for Bribes or other violations of Anti-Bribery Laws or the policy must report these to the Compliance Officer or head of department. Any such reports will be promptly investigated by the Trust.
- b. An employee of the Trust or Intermediary will not suffer demotion or any other adverse consequences for refusing to pay Bribes or for reporting in good faith possible corrupt acts by colleagues, demands for Bribes or other suspected violations of Anti-Bribery Laws applicable where the Trust operates or the policy, even if it may result in the Trust losing business.
- c. Any Trust employee who retaliates, or attempts to retaliate, against a person who has made a report relating to a violation of Anti-Bribery Laws or the policy will be subject to disciplinary action, which may include termination of their employment with the Trust.

Compliance:

- a. Any employee of the Trust who violates any Anti-Bribery Law or any aspect of the policy will be subject to disciplinary action, which may include termination of their employment with the Trust.
- b. Employees of the Trust should understand that additionally, they could be subject to civil and criminal liability for violations of applicable law.
- c. Violations of any Anti-Bribery Laws or the policy should be reported.

Continuous monitoring and improvement:

- a. The Audit Committee and Compliance Officer are responsible for monitoring the implementation of, compliance with and periodic review and updating of the policy, including to comply with changes in Anti-Bribery Laws.
- b. In line with this, the Compliance Officer will report:
 - on a regular basis, on general compliance by the Trust with the policy and its effectiveness; and
 - to the Audit Committee annually on the above matters in connection with the annual ABC risk assessment and audit.
 - The Compliance Officer will also notify the Audit Committee should he/she become aware of any particular instance of non-compliance (or suspicion of non-compliance) with Anti-Bribery Laws or the policy.
 - The Trust carries out an annual ABC risk assessment and audit to assess the effectiveness of the policy. The terms of reference of such audits are set annually by the Audit Committee, which will also oversee the annual audit. Where issues are identified, the Audit Committee will prescribe appropriate remedial measures to be implemented by the Trust in order to address these.

- Any material deficiencies in the policy which are identified by employees of the Trust during the year should be reported to the Compliance Officer for an appropriate action to be taken.

The Compliance Officer:

The Trust employs a Compliance Officer who is responsible for day to day implementation and oversight of the policy. Their responsibilities also include:

- receiving and investigating reports of ABC-related incidents;
- escalating known ABC issues to the Audit Committee, as appropriate;
- reporting to the Audit Committee as set out above;
- ensuring employees of the Trust complete ABC questionnaires and certifications (as relevant) in a timely manner;
- maintenance of the central donations register and annual gifts, hospitality and entertainment register; conducting regular spot checks of compliance with the policy and the Trust's books and records;
- providing guidance to Trust's employees on the policy; and
- Record keeping in connection with the policy and associated training.

Advice and Assistance:

Employees should contact the Compliance Officer for advice and assistance on any matters relating to the policy.

Minimum Due Diligence Requirements:

In the event that the InvIT considers any new investment opportunity, independent and reputable consultants shall be engaged to conduct the respective due diligence for all key workstreams. The key workstreams include: (i) traffic, (ii) technical, (iii) financial and tax, (iv) legal and (v) anti-corruption and anti-bribery aspects, environmental health safety aspects and compliance as well as (vi) reputational risk assessment of a remaining existing minority unitholder in an asset, if any.

KYC Compliances:

Any person who is a unitholder in the Trust or any Project SPV holding the Trust assets would be required to comply with the stringent KYC norms that is in line with international market standards and customary policies of global financial institutions of repute, including sanctions enacted by OFAC or the European Union or other similar bodies. Any person who does not meet these requirements is not eligible to become a unitholder/shareholder of these entities or be appointed as Investment Manager or Project Manager.

Reporting of Litigation:

Relevant information (e.g. parties, forum, nature of dispute/claim, monetary amount involved and status) pertaining to all litigations/disputes (matters above a monetary threshold of ₹ 80 million) of all Project SPVs shall be prepared on a quarterly basis, and be made available to all the unitholders, if requested for by any unitholder.

Compliance with InvIT Documents and InvIT Regulations:

All current and future Project SPVs shall amend their respective Articles of Association to include a requirement that the Project SPVs shall, at all times, conduct their affairs in compliance with the provisions of the Trust documents and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended.

(iii) *Borrowing Policy*

The Investment Manager is required to ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. Accordingly, the Investment Manager, has adopted the Borrowing Policy pursuant to the resolution of the IM Board dated February 3, 2021. The Borrowing Policy was subsequently amended pursuant to resolution of the IM Board dated September 27, 2021. For details of the Borrowing Policy, please see the section titled “*Disclosure on Financial Indebtedness – Borrowing Policy*”

on page 239.

(iv) ***Policy on Related Party Transactions (“RPT Policy”)***

The Investment Manager has adopted the RPT Policy pursuant to a resolution of its board of directors dated February 3, 2021, in relation to Trust. The RPT Policy is adopted to regulate the transactions of the Trust with its related parties based on the laws and regulations applicable to the Trust and best practices with the objective of ensuring proper approval, supervision and reporting of the transactions between the Trust and its related parties. For details of the RPT Policy, please see “*Related Party Transactions – Procedure for dealing with Related Party Transactions*” on page 246.

(v) ***Distribution policy***

The Investment Manager has adopted the Distribution Policy pursuant to a resolution of its board of directors dated February 3, 2021, in relation to Trust. The Distribution Policy was subsequently amended pursuant to the resolution of the IM Board dated September 27, 2021. For details of the Distribution Policy, please see the section titled “*Distribution*” on page 243.

(vi) ***Policy on appointment of auditor and valuer of the Trust***

For details on the Policy on appointment of the auditor and the valuer of the Trust, adopted by the IM Board pursuant to its resolution dated February 3, 2021, see “*Other Parties Involved in the Trust – Policy on Appointment of Auditor and Valuer*” on page 203.

(vii) ***Policy on unpublished price-sensitive information and dealing in units by the parties to the Trust***

The Investment Manager has adopted the UPSI Policy pursuant to a resolution of the IM Board on February 3, 2021. The UPSI Policy was subsequently amended pursuant to resolutions of the IM Board dated September 27, 2021 and March 30, 2022. The purpose of the policy is, inter alia, to ensure that the Trust complies with applicable law, including the InvIT Regulations or such other Indian laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information (“UPSI”).

The key principles of the UPSI Policy are set out below:

- a) The Investment Manager shall promptly disclose to the relevant stock exchanges all UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
- b) The Investment Manager shall follow uniform and universal dissemination of UPSI to avoid selective disclosure;
- c) The Company Secretary and Compliance officer shall be designated as a Chief Investor Relations Officer who shall be responsible for dissemination of information and disclosure of UPSI. The Chief Investor Relations Officer shall oversee and co-ordinate disclosure and dissemination of UPSI in a timely, adequate, uniform and universal manner to avoid selective disclosure, and shall educate employees on disclosure policies and procedures.
- d) The Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, in accordance with the procedure specified in the Policy for Determining Materiality of Information for Periodic Disclosures;
- e) The Compliance Officer shall also make an appropriate and fair response to the queries, rumours or requests by the regulatory authorities, in accordance with the procedure specified in the Policy for Determining Materiality of Information for Periodic Disclosures. The Chief Investor Relations Officer should not comment on market rumours except when requested by regulatory authorities to verify such rumours;
- f) The Compliance Officer shall make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made; and
- g) The Investment Manager shall handle all UPSI on a “need to know basis”, provided that UPSI may be disclosed to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Trust.

Further, the UPSI Policy also provides the process and procedures for closure of the trading window for dealing in units/NCDs, pre-clearance of dealing in units/NCDs and approval requirements, disclosure by insiders, inquiry into leak of any UPSI and handling and investigation into complaints by whistleblowers.”

(viii) ***Investor Grievance Redressal Policy***

The key principles of the Policy are set out below:

Principles of the Policy:

- All Investors shall be treated equally.
- Complaints raised by Investors shall be dealt with promptly and with courtesy.
- Investors shall be fully informed of avenues to escalate their complaints / grievances outside as well as within the organization and their rights to alternative remedy, if they are not fully satisfied with the response to their complaints. Within the organization, investors shall write to the stakeholders’ relationship committee formulated by the Board in this regard (“**Stakeholders’ Relationship Committee**”), for further redressal.
- The Trust shall resolve all complaints efficiently and fairly within the regulatory framework.

Grievance redressal mechanism:

The Trust has an established mechanism for investor services and grievance handling, with the Stakeholders’ Relationship Committee appointed by the Trust for this purpose, being an important functional node.

Some of the key steps undertaken by the Trust for handling Investor Grievances are enumerated as follows:

- The Stakeholders’ Relationship Committee is entrusted with handling all unit related matters viz., transfer, transmission, transposition, nomination, dividend, change of name / address / signature, registration of mandate / Power of Attorney, replacement / DEMAT / REMAT of units.
- Investors can lodge a complaint for non-receipt of any right available to them or failure of the Trust to comply with any statutory obligation by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the Stakeholders’ Relationship Committee, including for matters relating to units/dividend transferred to Investor Education and Protection Fund (IEPF).
- Any information, other than those specified above or any supporting documentation required for redressal of the complaint shall be informed to the investors by the Stakeholders’ Relationship Committee. Investors are requested to furnish all the requisite information along with duly executed documents at the earliest to avoid any delay in redressal of their complaints.
- In case of non-satisfactory response from Stakeholders’ Relationship Committee, investor can also lodge their complaints with the compliance officer of the Trust through the Trust’s designated e-mail ID for investor grievances as mentioned on the website of the Trust or the draft placement memorandum. The designated e-mail ID is also displayed on the Trust’s website. Alternatively, investors can send their complaints at the SEBI Complaints Redress Systems platform.
- Investor grievances received through any other channel (including Registrar and Unit Transfer Agents (RTA)) shall be reviewed regularly and replied/resolved appropriately. Investor grievances received and resolved directly by RTA shall be reviewed by compliance officer periodically.
- If the investor doesn’t receive a reply from the Stakeholders’ Relationship Committee / compliance officer within stipulated turnaround time of 30 working days, the investor may write to the Trust again, however, investors are urged to refrain from sending multiple reminders during the above mentioned turn around period for redressal of their complaints.
- Investors are requested to approach the Stakeholders’ Relationship Committee, or in case of any inaction by the Stakeholders’ Relationship Committee, the compliance officer of the Trust, for redressal of their concerns prior to raising their concerns with the regulatory authorities.
- The Trust shall periodically obtain status report of the Complaints from the compliance officer of the Trust. Further, internally secretarial staff checks the designated investor grievances e-mail ID on daily basis to check whether any new complaint has been lodged.

- The Trust shall make annual disclosures of the statement of investor complaints in its annual report.
- The compliance officer of the Trust is authorised to amend the Policy from time to time to give effect to any changes / amendments notified by any regulatory authority. The amended Policy shall be placed before the unitholders for noting and ratification.

(ix) ***Employment, Safety, Environment and Governance (“ESG”) Policy***

The key principles of the ESG Policy are set out below:

Employment, Health and Safety (“EHS”):

In connection with EHS, the Investment Manager shall:

- Promote a positive EHS culture.
- Comply with all statutory and other applicable legal and regulatory requirements with respect to EHS and seeks to ensure its Intermediaries do the same.
- Incorporate EHS considerations in business processes, including by ensuring appropriate health and safety measures are adopted, ensuring employees are provided with, and use, protective equipment when dealing with potential hazards, and by the provision of regular occupational health and safety training for employees.
- Identify, monitor and control EHS risks which arise in connection with its projects and operations, including in subcontracted works.
- Record and review all accidents, occupational health and safety related incidents and lost time days and investigate all serious occupational health and safety incidents, including in subcontracted works.
- Ensure that all of its workplaces which are exposed to high-risk hazards have appropriate emergency plans in place.
- Screen, evaluate and engage Intermediaries based on its EHS management systems and practice.
- Encourage communication, consultation and collaboration with all employees and stakeholders.

Workers’ Rights:

To achieve the Trust’s objective in connection with workers’ rights, the Investment Manager shall:

- Respect the rights of its employees, including by providing fair and timely wages, supporting their work-life balance, providing safe working conditions, fostering worker engagement, including by the provision to employees of information on workers’ rights and of mechanisms to raise employment related grievances, and permitting freedom of association.
- Prohibit the use of any child or young workers and the use of any form of forced or compulsory labour in connection with its business.
- Prohibit all forms of discrimination and abuse in its work place.
- Complies with all statutory and other applicable legal and regulatory requirements with respect to workers’ rights.
- Have in place policies governing the provision to its employees of overtime, vacation and public holidays and maternity, sickness and disability benefits.
- Protect the rights of migrant workers in accordance with applicable statutory and other legal requirements.
- Screen, evaluate and engage Intermediaries based on their respect for workers’ rights.
- Monitor compliance with and risks to workers’ rights in connection with Projects, including in subcontracted works.

- Encourage communication, consultation and collaboration with all employees and stakeholders.

The Environment:

To achieve the Trust’s objective in connection with the environment, the Investment Manager shall:

- Seek to adopt sustainable and resource-efficient processes and to conserve natural resources, reduce adverse environmental impacts (such as waste and environmental emissions) and enhance energy efficiency.
- Comply with all statutory and other applicable legal and regulatory requirements with respect to the environment (including by seeking all required environmental clearances, permits, and licenses, and maintaining a register of these) and seek to ensure Intermediaries do the same.
- Seek to identify, monitor and control environmental risks which arise in connection with its projects and operations, including in subcontracted works.

Dealing with Intermediaries:

The term intermediaries (“**Intermediaries**”) refers to an associate’s representatives, vendors, contractors, sub-contractors, consultants and any other persons engaged by an associate, or who are engaged to act for the associate in its business dealings with any government or official, or in obtaining governmental approvals.

In general:

- The Trust expects that Intermediaries and vendors with which it does business either formally acknowledge and abide by relevant aspects of this policy by way of an undertaking, as suitably incorporated in their appointment terms, or to have adequate ESG policies and procedures of their own in place.
- When engaging an Intermediary, the associate should:
 - perform proportionate and risk-based due diligence checks on the Intermediary; and
 - consider and respond appropriately to the findings of that due diligence, particularly where areas of high concern are identified.

Training:

The Trust’s employees will receive training to ensure they understand applicable ESG law, are aware of and understand this policy, are equipped to respond to specific risks which relate to their particular role and know what the Trust expects of them. Where appropriate, Intermediaries will also receive training appropriate to their role.

Process for reporting possible violations of applicable law or this policy:

The Trust will promptly investigate reports of possible or suspected violations of applicable ESG law or this policy in accordance with this policy. Employees or Intermediaries will not be demoted or suffer any other unfavourable treatment as a result of making a good faith report of a possible violation of applicable law or this policy, even if it may result in the Trust losing business. If any employee of the Trust violates this policy or retaliates against another employee who has reported a possible violation of applicable law or this policy then they will be subject to disciplinary action, which may include termination of employment.

Management leadership, oversight, implementation and review:

The Audit Committee, together with its chief executive officer, chief financial officer and compliance officer are responsible for providing leadership, resources and active support for the implementation of this policy. The compliance officer appointed to ensure compliance of the ESG Policy (“**Compliance Officer**”), who may be a person other than the compliance officer of the Trust appointed as per the requirements of Companies Act, 2013, as amended, will communicate this policy to the Trust and relevant external parties at least annually, and at other appropriate times, such as when this policy is amended or updated. The Audit Committee will oversee compliance with this policy. The Compliance Officer is responsible for its day to day implementation. The Trust shall have an annual ESG risk assessment and audit to assess the effectiveness of this policy. The terms of reference of such audits are set annually by the Audit Committee, which will also oversee the annual audit. Where issues are identified, the Audit Committee will prescribe solutions to be implemented by the Trust. The Compliance Officer will report on general compliance with this policy and its

effectiveness on a regular basis to the Audit Committee annually in connection with the annual ESG risk assessment and audit. The Compliance Officer will also notify the Audit Committee should they become aware of any non-compliance (or potential non-compliance) with applicable law or this policy. If an employee identifies a deficiency in this policy they should report it to the Compliance Officer who will initiate appropriate action.

Advice and assistance:

Employees should contact the Compliance Officer for advice and assistance on any matters relating to this policy.

(x) **Asset Acquisition and Unit Funding Policy (“A&F Policy”)**

The Investment Manager has adopted the A&F Policy pursuant to a resolution of the IM Board on September 30, 2021.

Objective of the A&F Policy: Under the InvIT Regulations, the Investment Manager shall make investment decisions with respect to any further investment in accordance with the investment strategy of the Trust. Additionally, as per the Investment Management Agreement, the Investment Manager is empowered to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust.

The objective of the A&F Policy is to lay the framework for the Investment Manager to pursue acquisition opportunities that may be offered by NHAI as part of its monetisation strategy.

The A&F Policy will be updated annually and any amendment, modification or change in the policy will require approval from the Audit Committee and the IM Board and subsequently approval of the Unitholders under the Regulation 22(5) of InvIT Regulations. Further, any acquisitions under the A&F Policy shall be subject to and in compliance with other relevant policies.

Decision making forum: The Audit Committee of the IM Board, *inter alia* has the responsibility, for “overseeing the loans and investments of the Trust, including (a) reviewing the investment decisions with respect to the underlying assets or projects of the Trust from the Sponsor including any further investments or divestments and (b) approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets; and undertaking other functions to ensure protection of the interest of unitholders.” In case the terms of reference of the Investment & Finance Committee are amended to include any of the above responsibilities, the A&F Policy will be suitably amended.

Working Committee: The management of the Investment Manager will form a working committee, comprising employees and / or consultants with skills such as finance, technical, legal, secretarial etc. to evaluate opportunities and undertake the detailed analysis. The working committee will screen the proposals and manage the entire process as encapsulated in this policy. The nodal officer for activities in the A&F Policy will be Vice President (Investment & Acquisitions). The working committee will share its reports and analysis and engage with Audit Committee through the Managing Director and Chief Executive Officer of the IM.

Process:

- a. **Three year Acquisition Plan:** The management of the Investment Manager will prepare a three (3) years’ rolling acquisition plan for the Trust (“**3 Year Acquisition Plan**”). The 3 Year Acquisition Plan would be based on inputs received from NHAI about its monetisation plans. The rolling plan will also include the potential sources of funding, including target leverage. This will be evaluated and approved by the Audit Committee and subsequently by the IM Board.
- b. **Target Assets:** The Trust will work with the Sponsor to develop a potential list of opportunities that will meet the following criteria, *inter alia*:
 - i. Operating toll roads with minimum 1 (one) year operations;
 - ii. Minimum 20 years of residual concession period for tolling; and
 - iii. Transitional support to be offered by NHAI.
- c. **Annual Acquisitions Plan:** With preparation of the annual budget of the Trust, based on inputs received from NHAI, the management will prepare an annual acquisition plan at the beginning of each financial year (“**Annual Acquisition Plan**”), The Annual Acquisition Plan will include likely

Target Assets, estimated valuation and potential sources of funding. The Annual Acquisition Plan will also include estimated expenses for due diligence and other transaction costs.

- d. **Valuation Parameters:** The Annual Acquisition Plan will also include the parameters that drive valuation of the roads, such as cost of equity, WPI, target leverage, interest rates etc. These parameters will be provided in a range, and will be based on inputs from the management, parameters/assumptions used by the independent valuer for valuation of existing roads, relevant market and transaction multiples etc. The parameters such as WPI, interest rates etc. shall be reviewed at a minimum of six (6) months interval, subject to any significant changes in the market conditions and/or macro-environment. The parameters for the first year shall be finalised and approved by the Audit Committee within 60 days of completion of the InvIT launch.

Valuation for future acquisitions should be derived using discounted cash flow methodology on a post-tax basis. The discounting rate shall be computed based on last 6 months' average of Government of India 10 years Bond Yield plus appropriate risk margin.

- e. **Due diligence agencies:** The Investment Manager will undertake an independent evaluation for all potential acquisition opportunities, including carrying out a detailed diligence exercise. The Investment Manager will empanel the key advisors with relevant experience and credentials for carrying out various work streams of due diligence, such as traffic analysis and forecasting, technical evaluation, legal and regulatory, finance, accounting and tax, human resources, environment, health and safety (EHS), secretarial, insurance advisors. This is only an indicative list and may be updated depending upon the nature and size of the Target Assets.
- f. **Financial Model:** A standalone financial model would be developed to assess the acquisition opportunities. The financial model will be audited by an external agency. If a transaction advisor/merchant banker is engaged, then such party could be entrusted the task of developing the financial model.
- g. **Capital Structure:** The overall capital structure of the Trust shall be optimized using appropriate leverage to improve the risk-adjusted returns for unitholders while maintaining a AAA credit rating and ensuring compliance with leverage limits prescribed under the InvIT Regulations. Any equity infusion into the Trust would be raised as per InvIT Regulations and the guidelines issued thereunder.
- h. **Decision making process:**
- i. The working committee will screen the proposals and manage the entire process as encapsulated in the A&F Policy.
 - ii. The working committee will present to the Audit Committee, details of the roads made available for monetisation by NHAI, for its initial screening. In the initial screening proposal, the management will also seek the Audit Committee's approval for tentative expenses that may be incurred for evaluation of the roads.
 - iii. Based on approval received from the Audit Committee, the working committee will initiate due diligence and other processes required for presenting a proposal to the Audit Committee for its decision.
 - iv. The working committee will keep the Audit Committee updated on the progress of the diligence, red flag issues, etc. on a regular basis.
 - v. The working committee will initiate discussions with investors by making the financial model and related data available to the directors, including investor directors, based on suitable undertakings and trading lock-ins, as may be required under the InvIT Regulations.
 - vi. Discussions would also be initiated to obtain term sheets from lenders for their interest in the funding that may be required for funding the acquisition of roads.
 - vii. A transition plan would be prepared in consultation with Project Manager, including any transition arrangement with NHAI.
 - viii. The final proposal presented to the Audit Committee will contain, *inter alia*, summary of findings of the due diligence reports, legal review of the concession and other agreements, financial model output, transition and acquisition plan, further due diligence to be conducted, expenses incurred till date and future expected expenses, potential sources of

funding including indicative term-sheets from bank(s), recommended valuation range etc.

- ix. The Audit Committee will evaluate the proposal and recommend to the IM Board for its decision regarding the offer to be made to NHAI.
- x. Any binding offer made by the Trust to NHAI in respect of acquisition of Target Asset(s) shall be made after approval by the IM Board and the unitholders under Regulation 22(5) of the InvIT Regulations. A detailed agenda for the meeting of the unitholders shall be provided, including the offer details as set out in the InvIT Regulations.

2. Project SPV

2.1 Board of Directors of Project SPV

The Investment Manager, in consultation with the Trustee, have appointed majority of the board of directors of the Project SPV.

DISCLOSURES ON FINANCIAL INDEBTEDNESS

The Trust or the Project SPV does not have any outstanding or sanctioned fund-based facilities except as mentioned below.

Status of lender consents

As on September 30, 2022, the outstanding consolidated borrowings of the Trust and the Project SPV aggregated to ₹ 14,625.19 million. We have obtained the necessary consents from the existing lenders in relation to this Issue.

Borrowings of the Trust

- The Trust has entered into a loan agreement dated September 29, 2021, with certain lenders for availing loans amounting to approximately ₹ 20,000 million. The principal terms of the loans availed by the Trust are as follows:

| Parameters | Description |
|--|---|
| Borrower | National Highways Infra Trust (“Trust”) |
| Sponsor | National Highways Authority of India |
| Project Manager | National Highways Invit Project Managers Private Limited |
| Investment Manager | National Highways Infra Investment Managers Private Limited |
| Project SPV | National Highways Infra Projects Private Limited |
| Lenders | State Bank of India, Axis Bank Limited and Bank of Maharashtra |
| Facility Agent | State Bank of India |
| Security Trustee | SBICAP Trustee Company Limited |
| Obligors | (a) the Trust; (b) the Project SPV; and (c) any other person who provides any Security, or guarantee or any other contractual comfort in terms of the Finance Documents. |
| Facilities | collectively, Facility A, Facility B and the Working Capital Facilities, for an aggregate principal amount not exceeding ₹ 2000,00,00,000 (Indian Rupees Two Thousand Crores only) |
| Facility A | Rupee facility for an aggregate principal amount not exceeding ₹ 1480,00,00,000 (Indian Rupees One Thousand Four Hundred and Eighty Crores only) to be availed by the Trust from the Lenders. |
| Facility B | Rupee facility for an aggregate principal amount not exceeding ₹ 520,00,00,000 (Indian Rupees Five Hundred and Twenty Crores only) to be availed by the Trust from Axis Bank Limited and Bank of Maharashtra with the Working Capital Facilities, as its sub-limits. |
| Working Capital Facilities | collectively, the BG Facility and the LC Facility. |
| LC/BG Facility | the letter of credit/ bank guarantee facility aggregating up to ₹ 20,00,00,000 (Indian Rupees Twenty Crores only) being extended as a sub-limit of Facility B. |
| Facility Agreement | The facility agreement dated September 29, 2021 executed between the Trust, the Facility Agent and the Lenders with respect to the Facilities. |
| Facility Agreement Date | September 29, 2021 |
| Availability Period of Facilities | (a) with respect to Facility A, unless extended by the respective Lenders, the period commencing from the Facility Agreement Date and terminating on the earlier of: (i) 30 September 2021, or such other extended date as may be extended in writing by the respective Lenders; or (ii) the date on which Facility A is fully drawn down/utilised; or (iii) the date on which Facility A is cancelled or terminated in accordance with the provisions of the Facility Agreement. (b) with respect to Facility B, unless extended by the respective Lender, the period commencing from the first drawdown date of Facility A and terminating on the earlier of: (i) 24 (twenty four) months from the date of first drawdown date of Facility A, or such other extended date as may be extended in writing by the respective Lenders; or (ii) the date on which Facility B is fully drawn down; or (iii) the date on which Facility B is cancelled or terminated in accordance with the provisions of the Facility Agreement. (c) with respect to the Working Capital Facilities, the dates or timelines as specified in the agreement(s) to be entered into between the Trust and the Working Capital Facility Lender, prior to availing any of the Working Capital Facilities (“WC Product Schedule”) renewed from time to time pursuant to the same being mutually agreed in writing between the Trust and the Working Capital Facility Lender. |
| Maturity Date | Earlier of (i) the date falling 19 years 6 months from the first drawdown date; and (ii) March 31, 2041. |
| Repayment | In 78 (seventy eight) structured quarterly instalments |
| Project(s) | Following projects housed by the Project SPV: a) Maharashtra - Karnataka Border to Belgaum section of the National Highway no. 48 (old National Highway no. 4) from 515.00 kms to 592.705 kms (total 77.705 kms) in the state of Karnataka; b) Palanpur - Abu Road section of the National Highway no. 27 from 601.000 kms to 646.000 kms (total 45.000 kms) in the states of Gujarat/Rajasthan; |

| Parameters | Description |
|--|---|
| | <p>c) Abu Road - Swaroopganj section of the National Highway no. 27 from 646.000 kms to 676.000 (total 31.000 kms) in the state of Rajasthan;</p> <p>d) Chittorgarh - Kota and Chittorgarh Bypass section of the National Highway no. 27 from 891.929 kms to 1052.429 kms (total 160.500 kms) in the state of Rajasthan; and</p> <p>e) Kothakota Bypass - Kurnool section of the National Highway no. 44 from 135.469 kms to 211.000 kms (total 74.622 kms) in the state of Telangana.</p> |
| Lenders' Consultants | The Lenders shall have the right to appoint Lenders' traffic consultant (if any), Lenders' independent engineer, the Lenders' insurance advisor, Lenders' environment consultant and the Lenders' legal counsel and any other consultant as may be required by the Lenders during the currency of the Facilities. Any costs and expenses, fees and other moneys that are payable in relation to such appointment will be required to be borne by the Trust. |
| Escrow Bank for the Project SPV | State Bank of India |
| Escrow Bank for the Trust | State Bank of India |
| Trust Escrow Account | Account(s) maintained with the Trust Escrow Bank where all amounts received from the Project SPV shall be deposited. |
| Purpose | <p>The Facilities shall be utilized by the Trust in the following manner:</p> <p>(a) Facility A shall be utilised by the Trust for on lending to the Project SPV.</p> <p>(b) Facility B shall be utilised by the Trust for the following purposes:</p> <p>(i) towards initial capital expenditure incurred by the Trust;</p> <p>(ii) towards providing loans and advances to the Project SPV;</p> <p>(iii) towards funding the major maintenance reserve and for on lending to the Project SPV which the Project SPV shall utilise towards any expenses that it may incur other expenses that may be incurred by the Project SPV;</p> <p>(iv) towards funding the DSRA required to be maintained by the Trust in terms of the Facility Agreement; and</p> <p>(v) towards meeting the transaction related expenses.</p> <p>(c) BG Facility being provided by the Working Capital Facility Lender shall be utilised by the Trust towards any performance bank guarantee.</p> <p>(d) LC Facility being provided by the Working Capital Facility Lender shall be utilised by the Trust towards any letter of credit requirements for purchase of equipment (such as toll equipment) for the purpose of the Projects and any other requirements as per the Concession Agreements.</p> |
| Interest | Effective rate of interest of 7.20% p.a. linked to the MCLR of respective Lenders plus spread, with monthly rests |
| Security | <p>The obligations of the Trust under the Facilities, all interest and other monies in respect thereof shall be secured on a <i>pari-passu</i> basis, amongst the Lenders participating in the Facilities, by a first ranking security interest including, but not limited to following:</p> <p>(a) a first ranking <i>pari passu</i> charge over the Trust's immovable assets (if any), both present and future;</p> <p>(b) a first ranking <i>pari passu</i> charge over: (i) all tangible movable assets of the Trust, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, all other movable assets, inventories, securities, equipment, book debts, operating cash flows, scheduled and unscheduled receivables and revenues, commissions, revenues of whatsoever nature and wherever arising both present and future; (ii) all receivables of the Trust, both present and future; (iii) the intellectual property rights of the Trust, both present and future; (iv) all rights, titles, interests, benefits, claims and demands, whatsoever of the Trust in any real estate and leasehold rights held by the Trust, both present and future; (v) all rights, title, interest, benefits, claims and demands whatsoever of the Trust under all insurance contracts and insurance proceeds, both present and future; (vi) all rights, titles, interests, benefits, claims and demands, whatsoever of the Trust in respect of the escrow account and all sub-accounts thereunder, and all other assets, and securities which represent amounts lying in or to be credited in such accounts / sub-accounts and any amounts lying therein; (vii) all rights, titles, interest, benefits, claims and demands, whatsoever of the Trust against the Project SPV and/or the Projects including in all facilities to be granted by the Trust to the Project SPV (including the interest and principal repayments thereof) and the rights of substitution and termination available to the Trust in relation to the Projects; and</p> <p>(c) a first ranking <i>pari passu</i> charge over the equity shares held by the Trust in the Project SPV, subject to compliance of Sections 19(2) and (3) of the Banking Regulations Act, 1949</p> |
| Undertakings from the Trust | <p>The Trust is required to undertake, <i>inter alia</i>, the following:</p> <p>(a) save and except for any sale or disposal of any assets of the Project SPV as permitted under the Finance Documents, the Trust shall neither sell, assign, mortgage or otherwise dispose of any of the assets of the Trust without the prior approval from the Lenders;</p> <p>(b) the Trust shall create and perfect (if required) the Security Interest over the Security in accordance with the timelines stipulated under the Facility Agreement;</p> <p>(c) the Trust shall not effect any change in the shareholding and exercise direct control over the Project SPV;</p> |

| Parameters | Description |
|------------|---|
| | <p>(d) the Trust shall not create any Security Interest (save and except for any permitted security interest) over its assets nor provide any guarantee without the prior written approval of the Lenders. Provided that the Trust may provide guarantees for securing any financial indebtedness availed by any new project SPV that it may acquire in compliance with the terms of the Finance Documents, without any recourse to the cash flows of the Trust and/or the Project SPV, the secured assets, the Project SPV secured assets and the Projects;</p> <p>(e) the Trust shall ensure that its cash flows (including all receivables) shall be exclusively deposited in the Trust escrow account in accordance with the terms of the Trust escrow agreement and the Trust shall ensure that the cash flows of Project SPV shall be deposited in the Project SPV escrow account(s) in accordance with the terms of the escrow agreements;</p> <p>(f) it shall ensure that the Project SPV shall not abandon the Projects during the subsistence of the Facilities;</p> <p>(g) upon any default by the Project SPV leading to a termination or substitution in relation to any or all of the Projects as per the provisions of the relevant Concession Agreement(s), the Trust in its capacity as the representative (<i>as defined in the respective Concession Agreement</i>) shall act on the instructions of the Lenders or any trustee or agent acting for and on behalf of the Lenders for exercising rights of termination or substitution as available to it as a lender of the Project SPV, in accordance with the Project SPV Financing Agreements, subject to the terms of the respective Concession Agreement;</p> <p>(h) for undertaking any withdrawals from the Trust Escrow Account, the Trust shall comply with the waterfall mechanism as set out in the Trust escrow agreement;</p> <p>(i) except as may be provided in the terms of the Finance Documents, no Person has any security interest over the assets and/or the cash flows of the Project SPV other than the Trust or its agent, trustee or nominee under the Project SPV Facility Agreements;</p> <p>(j) unless otherwise expressly permitted by the Facility Agent in writing, the Trust shall not make any restricted payments at any time, unless each of the restricted payment conditions (as set out in the Finance Documents) are complied with to the satisfaction of the Facility Agent and in the manner set out in the Finance Documents;</p> <p>(k) the debt cap shall not be more than 49% (forty nine percent);</p> <p>(l) the Trust shall comply with the provisions of the InvIT Regulations in accordance with the timelines stipulated thereunder;</p> <p>(m) the Trust shall not undertake a change of the Project Manager, the Investment Manager, the Trustee and/or the Sponsor without the prior written approval of the Lenders;</p> <p>(n) the Trust shall appoint the Lenders' Consultants as per the scope of services approved by the Lenders. All costs and expenses will be borne by the Trust;</p> <p>(o) the Trust shall and shall ensure that the Obligors comply with their obligations under the Finance Documents;</p> <p>(p) the Trust shall not exercise any right to call an event of default in relation to the Project SPV Facilities extended by it;</p> <p>(q) the Trust shall not file and/or initiate any recovery suit, insolvency proceeding, liquidation proceeding, resolution process or any other similar process under the IBC or any other Law, against itself, until the Final Settlement Date;</p> <p>(r) the Trust shall immediately (unless otherwise provided under the Facility Agreement) provide the Lenders such information, certification and data as may be required by the Lenders or any agency appointed by the Lenders;</p> <p>(s) the Trust shall not make any modifications/alterations to the Trust Documents which are inconsistent with the terms of the Finance Documents and may adversely affect the rights of the Lenders;</p> <p>(t) save and except as set out in the Base Case Business Plan, the Trust shall not and shall ensure that the Project SPV does not undertake any expansion of any of the Projects without the prior approval of the Lenders;</p> <p>(u) the Trust shall open and maintain the DSRA with the Trust Escrow Bank in accordance with the Finance Documents;</p> <p>(v) the Trust shall not undertake any acquisition of any new project and/or new project SPV, if such proposed acquisition is not in compliance with the acquisition conditions set out in the Finance Documents. Further, any permitted indebtedness required to be incurred for undertaking any such acquisition shall be in compliance with the conditions set out in the Finance Documents;</p> <p>(w) the Trust shall ensure that no person whose name appears in the list of wilful defaulters (in accordance with the extant guidelines issued by the RBI or any credit information companies) shall be inducted on the governing board of the Trust, and if such a person is found on the governing board, the Trust shall take expeditious and effective steps for removal of the person from its governing board. Notwithstanding anything contained herein, Clause 7.6(y) shall not apply to any nominee director appointed by the Lenders in accordance with the terms of the Finance Documents;</p> <p>(x) upon the occurrence of default under the Project SPV Facility Agreements, such that the said default results in an event of default, the Trust agrees that the Lenders shall have the right to instruct the Trust to enforce the Security Interest (if any) created pursuant to such Project SPV Facility Agreements and the Trust agrees to act in accordance with the instructions given by the Lenders in this regard;</p> <p>(y) the Trust shall ensure that any financial obligation of the Trust associated with the Project which</p> |

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| | <p>is payable in foreign currency in any form at present or in future shall at all times be fully hedged;</p> <p>(z) the Trust shall ensure that the Project SPV secured assets shall be held exclusively for the benefit of the Lenders and it shall not enforce the security interest created over the Project SPV secured assets, unless expressly requested by the Lenders and any enforcement proceeds received in relation thereto shall be held by the Trust in trust for the benefit of the Lenders; and</p> <p>(aa) the Trust shall ensure, among other things, that:</p> <p>(A) the Sponsor shall continue to act as the sponsor as per Regulation 2(zz) of the InvIT Regulations and that there shall be no change in the Sponsor, without the prior approval of the Lenders;</p> <p>(B) the Sponsor shall continue to hold at least 51% (fifty one percent) of the shareholding in the Investment Manager;</p> <p>(C) the Sponsor and the Project SPV do not abandon the Projects;</p> <p>(D) any liability (including in relation to any group contribution) of the Trust and/or the Project SPV towards the Sponsor or any other Unitholders shall be subordinated to the Facilities; and</p> <p>(E) the Project SPV shall enter into requisite EPC Contracts, operations and maintenance agreements and major maintenance agreements as required pursuant to the Concession Agreements.</p> |
| Undertakings from the Project SPV | <p>The Project SPV is required to undertake, <i>inter alia</i>, the following:</p> <p>(a) To open the Escrow Account with the Project SPV account bank prior to the first Drawdown Date;</p> <p>(b) To not incur any financial indebtedness (without the prior approval of the Lenders) except the indebtedness permitted under the Finance Documents and any bank guarantee facilities to be issued in favour of a telecom authority or as performance security in favour of the Sponsor, and any letter(s) of credit to be issued for the purchase of any toll equipment;</p> <p>(c) To ensure that the Project SPV Escrow Bank transfers the amounts from the Project SPV escrow account(s) to the Trust account on the terms set out in the Finance Documents.</p> <p>(d) To ensure that the prior approval of the Lenders is procured before undertaking any amendment to the Project Documents, which results in (A) a material amendment or material modification to the Project Documents; (B) non-compliance with the Base Case Business Plan; (C) affects the ability of the Obligors to perform their obligations and/or or enforce any right, benefit, privilege or remedy under the Finance Documents and / or Project Documents, to which they are a party; or (D) affects the ability of any Secured Party to exercise its rights or enforce any remedies available to it under any of the Finance Documents;</p> <p>(e) The Project SPV Facility Agreements entered into between the Trust and the Project SPVs shall have a definite repayment schedule.</p> <p>(f) Upon the occurrence of any default by the Project SPV leading to a termination or substitution in relation to any or all of the Projects as per the provisions of the relevant Concession Agreement(s), the Trust shall act on the instructions of the Lenders or any trustee or agent acting for and on behalf of the Lenders) for exercising rights of termination or substitution as available to it as a lender of the Project SPV, in accordance with the financing documents executed by, <i>inter alios</i>, the Project SPV;</p> <p>(g) The amount of Project SPV Facilities lent by the Trust to the Project SPV shall be higher than the Secured Obligations payable by the Trust in relation to the Facilities; and</p> <p>(h) The Project SPV escrow agreements to be executed by all parties (except NHAI) prior to the first Drawdown Date of Facility A. The Project SPV shall ensure that the Substitution Agreements are executed within 90 (ninety) days from the first Drawdown Date of Facility A. Further, the Project SPV shall ensure that NHAI shall execute the Escrow Agreements within 90 (ninety) days from the first drawdown date of Facility A.</p> |
| Base Case Business Plan | <p>The consolidated business plan of the Trust (including the cash flows from the Project SPV) setting out, <i>inter alia</i>, the Project SPV, updated from time to time in accordance with the Facility Agreement, which shall be in line with the requirements under the Project Documents and mutually agreed between the Trust and the Facility Agent.</p> |
| Project Documents | <p>collectively, the following documents:</p> <p>(a) the concession agreements of the Project SPV;</p> <p>(b) the substitution agreements executed between the Project SPV, the Sponsor and the Trust;</p> <p>(c) the escrow agreements executed between the Project SPV, the Sponsor and the Project SPV Escrow Bank;</p> <p>(d) all the insurance contracts of the Project SPV in relation to the respective Projects;</p> <p>(e) documents of title in relation to the Projects, if any;</p> <p>(f) engineering, procurement and construction contracts in relation to the Projects;</p> <p>(g) all authorisations in relation to the Projects;</p> <p>(h) operation and maintenance agreements and major maintenance agreements for routine as well as periodic maintenance, if any;</p> <p>(i) any bonds, guarantees, letters of credit or any other security issued in relation to any of the Project Documents set out in points (a)-(h) above;</p> <p>(j) any other agreements, documents or instruments entered into by the Project SPV or by any person in its favour in respect of the Projects and mutually designated as "Project Documents" by the Facility Agent and the Trust.</p> |

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| Trust Documents | <p>collectively, the following:</p> <ul style="list-style-type: none"> (a) the trust deed dated October 19, 2020 executed between the Sponsor and IDBI Trusteeship Services Limited (“Trustee”), as amended and modified from time to time (“Trust Deed”); (b) the investment management agreement dated October 21, 2020 executed between, <i>inter alios</i>, the Trustee and the Investment Manager, as amended and modified from time to time; (c) the project implementation agreement dated March 30, 2021 entered into by the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager, with the Project SPV, which sets out the obligations of the Project Manager with respect to operation, maintenance, implementation and management of the Project SPV, as may be amended, modified and/or supplemented from time to time; and (d) such other documents as may be required to be executed by the Trust from time to time and mutually designated as such by the Lenders and the Trust. |
| Finance Documents | <p>collectively, the following:</p> <ul style="list-style-type: none"> (a) the Facility Agreement; (b) the Security trustee agreement for appointment of the Security Trustee; (c) the Security documents in relation to the Security mentioned in the Security clause of this termsheet; (d) agreement for assignment; (e) the escrow agreement to be executed by the Trust; (f) the Trust’s confirmation to the inter-creditor agreement of the lenders, if any; (g) the undertaking from Investment Manager; (h) the undertaking from the Project SPV; (i) the negative lien undertaking from the Project SPV; (j) the corporate guarantee to be issued by the Project SPV; (k) any assignment / novation deed; (l) the WC Product Schedule; and (m) any other document, the Facility Agreement and/or mutually designated as such by the Facility Agent and the Trust. |
| Transaction Documents | Collectively, the Project Documents, the Trust Documents and the Finance Documents. |
| Voluntary Prepayment | <ul style="list-style-type: none"> (a) The Trust shall be entitled to prepay the outstandings with respect to the Facilities, in full or in part, at any time during the term of the Facilities, subject to prior written notice of at least 30 (Thirty) days being provided to the Lenders. Prepayment premium at the rate of 0.5% (zero point five percent) shall be payable on such voluntary prepayment. (b) If the increase in the spread in accordance with the terms of the Facility Agreement is not acceptable to the Trust, the Trust shall be entitled to prepay the outstanding Facilities without any prepayment premium provided the Trust has issued an irrevocable notice (within 30 (thirty) days from the date on which the Spread was increased) to prepay the loan within 180 (One Hundred and Eighty) days commencing from the date on which the spread was increased. (c) No prepayment premium will be payable if prepayment is made out of the cash accruals of the Project SPV, provided the Trust has issued an irrevocable notice (of at least 15 (fifteen) days prior to the date of such prepayment) to prepay the loans. (d) The Trust may prepay the outstandings in full or in part, without being required to pay any prepayment premium, if the same is being made at the instance of the Lenders. (e) The Trust may prepay the outstandings in full or in part, without being required to pay any prepayment premium, if the same is being made from any internal accruals of the Trust or from the funds of the Unitholders, provided the Trust has issued an irrevocable notice (of at least 30 (thirty) days from the date of such prepayment) to prepay the loans. (f) If any Lender does not consent to the sharing of the Security with the lenders of any Permitted Indebtedness (except for the Facilities) that may be availed by the Borrower in compliance with the terms of this Agreement and the Permitted Indebtedness Conditions, then the Borrower may prepay the Loans of such Lender in full, without being required to pay any Prepayment Premium provided the Borrower has issued an irrevocable notice (of at least 30 (thirty) days prior to the date of such prepayment) to prepay such Loans. <p>Any amounts prepaid in the manner above (other than pursuant to (b) and (c) above shall be paid to all the Lenders on a pro rata basis, except that if any particular Lender entitled to a prepayment specifically notifies the Trust waiving such right of prepayment (“Waiving Lender”), then the Trust shall not be required to make any prepayment to such Lender and the Trust will be required to prepay only such amounts to the other Lenders, which would have been payable to them had the Waiving Lender not waived its right of prepayment otherwise provided under the terms of this Agreement.</p> <p>Any amounts pursuant to above shall be paid to the relevant Lenders shall be applied in inverse order of maturity.</p> |
| Mandatory Prepayment | The Trust shall be required to mandatorily prepay the outstanding Facilities (in full or part, as the context may require), without being required to pay any prepayment premium, immediately upon receipt of the following amounts received by and on behalf of the Project SPV, and/or the Trust, and in any case no later than within 15 (fifteen) days from the occurrence of the events set out below, including |

| Parameters | Description |
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| | <p>in accordance with the Trust escrow agreement:</p> <ul style="list-style-type: none"> (a) any insurance proceeds received by the Project SPV pursuant to the insurance contracts, and if such insurance proceeds are of an amount which is in excess of ₹ 1,00,00,000 (Indian Rupees One Crore only) (and as certified by an independent practicing chartered accountant) and which are not utilized towards the repair, renovation, restoration or reinstatement of the affected Project assets; (b) any proceeds from the disposal of any assets of the Project SPV (such disposal being subject to the terms of the Finance Documents or upon the Trust obtaining the prior written consent from the Lenders), if such proceeds, whether in aggregate in the Financial Year or individually, are in an amount which is in excess of ₹ 1,00,00,000 (Indian Rupees One Crore only) and which are not utilized for replacement of such assets of the Project SPV pursuant to which they were received; (c) amounts in the nature of liquidated damages or penalties received by the Project SPV under any Project Documents after adjusting for the additional interest payable to the Lenders, liquidated damages required to be paid under any Project Documents to the extent that such amounts are not applied for meeting any performance rectification arising on account of non-performance by various contractors under the Project Documents; (d) the proceeds resulting from an arbitral award or judicial order in connection with any of the Project Documents and the Trust Documents; (e) any proceeds in connection with a breach of warranty or guarantee under any Project Document to the extent not applied to repair or defect that is the subject of such warranty; (f) any proceeds resulting from the expiration, termination or revocation of any authorisation under the Project Documents or from any termination payments received from the Sponsor under the Project Documents; (g) any proceeds from nationalisation, compulsory acquisition, expropriation, seizure or other similar events with respect to any part of the Projects or the Project assets, unless the Lenders approve that such proceeds shall be utilised towards the reinstatement of such part of the Projects. <p>Any amounts prepaid in the manner above (other than pursuant to (i) above shall be paid to all the Lenders on a pro rata basis, except that if any particular Lender entitled to a prepayment specifically notifies the Trust waiving such right of prepayment (“Waiving Lender”), then the Trust shall not be required to make any prepayment to such Lender and the Trust will be required to prepay only such amounts to the other Lenders, which would have been payable to them had the Waiving Lender not waived its right of prepayment otherwise provided under the terms of this Agreement.</p> <p>Any amounts pursuant to above shall be applied in the inverse order of maturity.</p> |
| Restricted Payment | <p>The following have been identified as restricted payments in the Facility Agreement:</p> <ul style="list-style-type: none"> (a) the authorisation, declaration or payment of any distributions including dividends, interest, pass through income to a Unitholder or any other form of cash flows on share capital, shareholder units, inter-corporate deposits, quasi equity availed from the Sponsor, Unitholders, associate companies and/or any strategic investors; and (b) capital reduction, <p>all of which may, in any event, be made on a quarterly basis on an RPC Compliance Date, in accordance with and subject to the provisions of the Facility Agreement and the Trust escrow agreement, as the case may be. Provided however that any payment in relation to the Project SPV Facilities, or payment of any fees payable to the Investment Manager and/or the Security Trustee shall be permitted and not fall within the definition of Restricted Payments.</p> <p>The above-mentioned restricted payments shall be permitted on a quarterly basis subject to compliance with certain restricted payment conditions which include the following:</p> <ul style="list-style-type: none"> (a) the Trust has paid the interest and/or repayment instalments and/or other charges due and payable under the Finance Documents; (b) the Trust has demonstrated the availability of liquidity equivalent for major maintenance funding requirements for all Projects being operated by the Project SPV, either in the form of earmarked cash or availability on credit facilities for the said amounts as mandated in cash flow waterfall mechanism set out in the Project SPV escrow agreement; (c) all reserves, including the DSRA Amount and the major maintenance reserve (in accordance with the Base Case Business Plan) as required on the immediately succeeding due date, are maintained and replenished in accordance with the Finance Documents and the Trust escrow agreement, to the satisfaction of the Lenders; (d) no Event of Default has occurred and is continuing or will be caused due to the making of the relevant Restricted Payment. (e) no Material Adverse Effect in respect of the Project SPV has occurred or continuing or will be cause due to making of the relevant Restricted Payment; (f) no breach of Financial Covenants has occurred or is continuing or will be caused due to making of the relevant Restricted Payment; (g) the relevant Restricted Payment is permitted by Law; and (h) the cash sweep pursuant to the occurrence of any Cash Sweep Trigger Event has been completed |

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| | <p>in accordance with the Finance Documents prior to the payment of the relevant Restricted Payment.</p> <p>Any payment in relation to the Project SPV Facilities, or payment of any fees payable to the Investment Manager and/or the Security Trustee shall be permitted and not fall within the definition of Restricted Payments.</p> |
| Events of Default | <p>The occurrence of, <i>inter alia</i>, any one of the following events shall constitute an event of default:</p> <ul style="list-style-type: none"> (a) Any default by the Trust in the payment of the principal amounts on any due date, subject to a cure period of 3 days in case such default is due to a technical issue. (b) Breach or default by the Obligors in the performance or observance of material terms and covenants of the Finance Documents, subject to a cure period of 30 days. (c) Occurrence of any material event or circumstance that is prejudicial to or materially imperils or materially depreciates or jeopardizes the Security created or to be created in favour of the Lenders, subject to a cure period of 30 days. (d) Any breach or default in the performance and/or observation of a financial covenant for 2 consecutive years. (e) Any downgrade in the Trust's credit rating to below AA- by any credit rating agency, where such downgrade if capable of being cured is not cured within a period of 180 (one hundred and eighty) days. (f) The Trust fails to obtain the final initial credit rating in relation to the Facilities and the proposed exposure within 6 months from the first drawdown date. (g) Any material misrepresentation, warranty or statement made by any Obligor in connection with any Finance Document to which it is party or in any other document delivered by or on behalf of or if under or in connection with any Finance Document, is or proves to have been substantially incorrect, untrue or misleading when made or deemed to be made, subject to a cure period of 30 days. (h) Any execution or distress being enforced or levied against whole or substantial part of the Trust's assets and any order obtained in relation thereto is not discharged, vacated or stayed within 30 days from the date of such enforcement or levy. (i) Abandonment of material activities being carried out by the Project SPV or abandonment of the Projects which materially impacts the obligation of the Trust under the Finance Documents. (j) Change in material activities being carried out by the Project SPV or a seizure of, or a change in, the Projects which materially impact the obligation of the Trust under the Finance Documents. (k) Occurrence of any event or circumstance which has or is likely to have a Material Adverse Effect, subject to a cure period of 30 days. |
| Consequences of Event of Default | <p>On and at any time after the occurrence of an Event of Default, the Lenders will be entitled to one or all of, including but not limited to, the following rights:</p> <ul style="list-style-type: none"> (a) declare all or any part of the outstandings to be immediately due and payable; (b) cancel the commitments (in part or in full) and accelerate all or a part of the payment obligations of the Trust under the Facility Agreement; (c) exercise their right to reset the spread, in addition to the right available to reset the spread on the relevant reset date under the terms of the Facility Agreement; (d) sue for creditor's process and/or exercise all or any rights (including the right to substitute/terminate assigned in their favour or the rights available to secured creditors or their agents and trustees under the Securitisation Act) in accordance with the Finance Documents, including any enforcement of any Security towards repayment of the outstandings; (e) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents, the inter-creditor agreement, Law or equity (including pursuant to any guidelines which may be stipulated by the RBI from time to time); (f) subject to laws (including the InvIT Regulations), convert the outstanding outstandings into Units of the Trust. The Trust shall facilitate the Lenders (including by way of obtaining the requisite consent of the unit holders); (g) take all such actions as may be provided in the RBI's restructuring circulars. (h) appoint 1 (one) Nominee Director on the board of directors of the Project SPV (subject to Laws and the terms of the Concession Agreements) or appoint a nominee on the board of directors of the Trust (subject to Laws) to protect the interests of the Lenders, till the event of default is cured, on the terms and conditions as more particularly set out under the Facility Agreement. (i) instruct the Trust to enforce the security interest created over the Project SPV secured assets in case of any default in the Project SPV Facilities. |
| Conditions Precedent to Execution of the Facility Agreement | <p>The following conditions, <i>inter alia</i>, are required to be fulfilled by the Trust prior to execution of the Facility Agreement:</p> <ul style="list-style-type: none"> (a) The Trust shall have provided certified true copies of the Trust Documents, certificate of registration as an InvIT. (b) The Trust shall have provided constitutional documents of the Investment Manager, certified true copy of the board resolution and specimen signatures of authorised signatories. (c) The Trust shall have provided constitutional documents of the Trustee, certified true copy of the board resolution and specimen signatures of authorised signatories. |

| Parameters | Description |
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| | <p>(d) The Trust shall have provided the credit rating letter issued by the credit rating agency along with a copy of the cover letter in relation thereto.</p> <p>(e) The Trust shall have provided evidence that of <u>tying up the envisaged loan requirements</u>.</p> |
| Conditions Precedent to first Drawdown of Facility A and Facility B | <p>The following conditions, <i>inter alia</i>, are required to be fulfilled by the Trust prior to drawdown of Facility A and Facility B:</p> <p>(a) The Obligors shall have submitted all documents required as per the ‘know your customer’ policy of the Lenders.</p> <p>(b) The Trust and the Project SPV shall have provided certificates from their respective authorised signatory, statutory auditor, independent chartered accountant, company secretary, key managerial personnel in the manner stipulated in the Facility Agreement.</p> <p>(c) The Finance Documents (other than the documents required to be executed subsequently) shall have been executed.</p> <p>(d) A legal opinion from the Lenders’ legal counsel addressed shall have been issued on the validity and enforceability of the Finance Documents.</p> <p>(e) Documents evidencing security creation and perfection (if any) shall have been submitted.</p> <p>(f) The Trust shall have provided a certified copy of the comments / deemed approval obtained from the Sponsor for creation of the Corporate Guarantee, Negative Lien Undertaking and Project SPV Undertaking.</p> <p>(g) The Trust shall have paid all necessary fees, costs and expenses payable pursuant to the Finance Documents.</p> <p>(h) The Trust shall have provided evidence that all Concession Agreements in relation to the Projects shall have been executed.</p> <p>(i) The Trust and Project SPV escrow accounts shall have been opened and the Unitholders shall have deposited funds for their total commitment (in full) for an amount not less than ₹ 58,70,00,00,000 (Indian Rupees Five Thousand Eight Hundred Seventy Crores only) into the Trust escrow account in accordance with the Trust escrow agreement.</p> <p>(j) The Lenders shall have carried out a pre-disbursement visit of the Trust’s premises.</p> <p>(k) Modifications required by the Lenders’ legal counsel to the Project SPV Facility Agreements shall have been carried out.</p> <p>(l) The Trust shall have submitted an acknowledged copy of the application letter for certificate under Section 281 of the Income Tax Act, 1961 for itself and the Project SPV.</p> <p>(m) Certified true copy of the resolution passed by the unit holders of the Trust pursuant to Regulation 20, Regulation 22 and the other applicable regulations of the InvIT Regulations with respect to the Facilities and the Finance Documents</p> |
| Additional Conditions Precedent to Drawdown of Facility B | <p>The following additional conditions, <i>inter alia</i>, are required to be fulfilled by the Trust prior to drawdown of Facility B:</p> <p>(a) Appointment of the Lenders’ consultants (other than the lenders’ legal counsel) in consultation with the Lenders for such scope of work as may be decided by the Lenders.</p> <p>(b) Due diligence reports from the Lenders’ independent engineer, Lenders’ insurance advisor, the Lenders’ environment consultant and the Lenders’ legal counsel shall have been submitted by the Trust and all issues/concerns raised in such reports shall have been addressed to the satisfaction of the Lenders.</p> <p>(c) Evidence that all actions as per the environmental and social management system (ESMS) guidelines have been completed.</p> <p>(d) Certificate obtained from the Lenders’ independent engineer validating the reasonableness of the operations and maintenance and the major maintenance assumptions made in relation to the Base Case Business Plan.</p> <p>(e) Evidence that the EPC Contracts and operations and maintenance contracts as required by the Lenders have been entered into between the Project SPV and the contractors.</p> |
| Conditions Subsequent | <p>The Trust shall fulfil certain conditions including but not limited to the following:</p> <p>(a) Execution of the share pledge agreement and the power of attorney in relation thereto within 90 (ninety) days from the first drawdown date.</p> <p>(b) Execution of the corporate guarantee and the substitution agreements, within 90 (ninety) days from the first drawdown date.</p> <p>(c) Execution of the escrow agreement by NHAI within 90 (ninety) days from the first drawdown date.</p> <p>(d) To obtain the final initial credit rating within 30 (ninety) days from the first drawdown date.</p> <p>(e) Provide a certified true copy of the no-objection certificate/permission of the assessing officer granted to the Trust under Section 281(1) of the Income Tax Act, 1961, immediately upon receipt thereof.</p> <p>(f) Evidence of the major maintenance reserve having been created as per the Base Case Business Plan and the Finance Documents.</p> |
| End Use Certificate | <p>The Trust shall furnish an end use certificate from the statutory auditor to the Facility Agent confirming that the proceeds have been utilised solely in accordance with the Purpose, no later than 30 (thirty) days from the respective drawdown.</p> |
| Unconditional Cancellability Clause | <p>The Lenders will have the absolute and the unconditional right to cancel the undrawn, unavailed and the unused commitments under the Facilities, in whole or in part, at any time during the Availability</p> |

| Parameters | Description |
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| | Period, without giving any prior notice to the Trust, for any reason whatsoever, including but not limited to, on the occurrence of: (a) in case of deterioration in the creditworthiness of the loan accounts of the Trust in any manner whatsoever; (b) in case the Facilities are not utilised by the Trust (in part or in full) within the Availability Period; and (c) in case of any non-compliance of any terms and conditions of the Finance Documents. |
| Governing Law and Jurisdiction | The Finance Documents shall be governed by the laws of India. Courts of Delhi shall have exclusive jurisdiction. |
| Increased Costs | The Trust is required to pay the Lenders, within 15 (fifteen) days of a demand made by the Lenders, unless required to be paid immediately by the Laws, any increased costs arising due to the implementation or imposition of any new reserve requirements or other measures by Government Agencies, including any change in capital adequacy norms, save and except for any change which is not otherwise factored in the applicable interest rate revised pursuant to the Facility Agreement. |
| Documentation | In addition to the terms and conditions contained in this termsheet, the final documentation will contain other customary/ additional stipulation/ clauses including but not limited to representations and warranties, affirmative covenants, negative covenants by the Obligors, indemnity, Security related clauses, assignability / transferability, illegality, taxations, costs and expenses, Consultants, etc. |
| Business Opportunity | State Bank of India, Axis Bank Limited and Bank of Maharashtra to be given preference (on a first right of offer basis) at least <i>pro rata</i> business relating, <i>inter alia</i> , to deposit, to undertake remittances, non-fund based transactions including any letters of credit/BGs, bills/cheque purchase, forex transactions and any interest rate or currency hedging business, merchant banking, any banking related business related to an IPO or an FPO, or other capital market transactions, services in relation cash management products, and availing of loans in relation to motor vehicles. |

2. The Trust has also received sanction dated September 19, 2022 from Bank of Maharashtra for sanction of Rupee Term Loans and Non Fund facilities in form of LC/BG amounting to approximately ₹ 8,770.00 million. The principal terms of the sanction are as follows:

| Parameter | Description |
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| Borrower | National Highways Infra Trust (Trust) |
| Sponsor | National Highways Authority of India |
| Project Manager | National Highways Invit Project Managers Private Limited |
| Investment Manager | National Highways Infra Investment Managers Private Limited |
| Project SPV | National Highways Infra Projects Private Limited |
| Lenders | Bank of Maharashtra |
| Obligors | (a) the Trust; (b) the Project SPV; and (c) any other person who provides any Security, or guarantee or any other contractual comfort in terms of the Finance Documents. |
| Facilities | collectively, Rupee Term Loan and the working capital facilities, for an aggregate principal amount not exceeding ₹ 877,00,00,000 (Indian Rupees Eight Hundred Seventy Seven Crores only) |
| Rupee Term Loan | Rupee Term facility for an aggregate principal amount not exceeding ₹ 8,57,00,00,000 (Indian Rupees Eight Hundred Fifty Seven Crores only) to be availed by the Trust from the Bank of Maharashtra. |
| Material Adverse Effect (MAE) | MAE shall mean, as on the date determination, a material and adverse effect on; 1. The financial condition, business or operations of the Borrower; 2. The ability of the Borrower and / or the SPVs to perform their obligations and / or enforce any right, benefit, privilege or remedy under the Transaction Documents and / or Project Documents, to which they are a party 3. The validity, enforceability or effectiveness of any Finance Documents (including the ability of any Secured Party to enforce any of its remedies thereunder and ranking of security created or to be created by the Security Document), which adverse effect, as on such date is continuing. |
| Working Capital Facilities | Collectively, the BG Facility and the LC Facility. |

| Parameter | Description |
|---|---|
| LC/BG Facility | the letter of credit/ bank guarantee facility aggregating up to ₹ 20,00,00,000 (Indian Rupees Twenty Crores only) |
| DSRA | DSRA held by way of TDR with Bank of Maharashtra (for RTL of ₹. 8,570.00 million), and existing DSRA already created and proposed to be created (if any) covering an amount equivalent to principal, interest, fees and all other obligations due and payable in respect of the facility during the subsequent quarter, to be created within 6 months from the date of disbursement. DSRA in the form of AAA rated debt mutual fund units with lien created in favor of Senior lenders may also be acceptable |
| Cash Flow Waterfall Mechanism for InvIT Escrow | All free Cash Flow of the SPV shall, on or before RTL repayment dates be transferred to the Trust Escrow Account. The monies in the InvIT Escrow Account shall be subject to the waterfall mechanism mentioned as per sanction letter. |
| Availability Period of Facilities | Availability period upto 31.03.2023. |
| Maturity Date | Door to Door period of around 20 years, Repayment starting from June 2023 and ending on March 31, 2042. |
| Repayment | In 76 (seventy Six) structured quarterly installments |
| Project(s) | Following projects housed by the Project SPV (National Highways Infra Projects Private Limited): <ul style="list-style-type: none"> • Borkhedhi Kelapur in Maharashtra • Agra Bypass in Uttar Pradesh • Shivpuri Jhansi in Madhya Pradesh |
| Escrow Bank for the Project SPV | State Bank of India |
| Escrow Bank for the Trust | State Bank of India |
| Purpose | On lending to its SPVs for initial improvement works of SPVs and towards performance Bank Guarantee for regulatory requirement and LC for equipment purchase like toll equipment etc. of SPV and NHIT. |
| Interest | 1 month BOM MCLR presently 7.25% p.a. Spread will be reset on annual intervals and 1 month MCLR will be reset at monthly intervals. |
| Security | Customary to the facility of this nature including but not limited to the obligations of the Borrower being secured, amongst the lenders by a first ranking pari passu security interest to following : <ol style="list-style-type: none"> 1) First pari-passu charge on all immovable assets (if any) & movable assets and the receivables of the InvIT including but not limited to - <ul style="list-style-type: none"> • the interest and principal repayments of the loans advanced by the InvIT to its SPVs • dividends to be paid by SPVs 2) First pari-passu security interest on InvIT Escrow Account and all sub-accounts thereunder, including DSRA, which will be opened with BoM for proposed Term Loan of ₹ 8,570.00 million, along-with DSRA opened and proposed to be opened and maintained with other Banks. 3) Assignment of loans advanced by InvIT to SPVs and securities created by InvIT, including the assignment of right of substitution & termination and invocation of provisions of Escrow Agreement in case of default. 4) Negative lien on the immovable and movable assets (including current assets and cash flows) of the Projects under SPVs, subject to sale of obsolete items or cars / ambulances, old toll equipment etc under normal business practice, subject to a maximum cumulative value of ₹ 50.00 million in any financial year 5) Pledge of 100% shares in dematerialized form of the SPVs held by the InvIT. 6) Corporate Guarantee of SPVs upto the extent cash available for distribution. |
| Project Documents | Including but not limited to; <ol style="list-style-type: none"> 1. Concession Agreement of the SPV, 2. Substitution Agreement executed among InvIT, SPV and NHAI/Authority 3. Escrow agreement executed by among InvIT, SPVs, NHAI/Authority and Escrow Bank; 4. Insurance policies and contract of the SPVs; 5. O&M agreement and major maintenance agreement Any other document as indicated by lenders legal counsel and / or Bank. |
| Trust Documents | 1. Trust Deed executed between Sponsor and Trustee, Investment Management Agreement executed between Trustee and Investment Manager |

| Parameter | Description |
|------------------------------------|--|
| | <p>2. Project Implementation Agreement if any, executed between Trustee (on behalf of Trust), the Investment Manager and the Project Manager each of SPVs</p> <p>3. Such other documents as may be required to be executed or issued by the Trust</p> <p>3. Such other documents as may be required to be executed or issued by the Trust</p> <p>Any other document as indicated by lenders legal counsel and/ or Bank.</p> |
| Other Conditions | <ol style="list-style-type: none"> 1. All the projects already acquired or to be acquired in future under the InvIT should be “Completed and revenue generating projects” as defined in SEBI (InvITs) regulations. 2. The Investment Manager to give an undertaking that it shall not apply for delisting of the units during the subsistence of the term loan without the prior written permission of the Lenders. 3. All other debt instrument issued by, or debt obligations owed by, the Borrower to the Sponsor or any other unit holder will be subordinate to the InvIT Lenders and subject to Restricted Payment Conditions. 4. All cash flow to be routed through the designated escrow accounts, debt servicing account, sub-debt servicing account, surplus/ dividend account of SPV. 5. Insurance to be in full force or effect for all the SPVs. 6. Will ensure that License/ other material Project Documents shall be maintained effective to ensure the same do not impede the ability of Borrower to service its debt obligations. 7. In the event any admission for corporate insolvency resolution or bankruptcy or discussion or liquidation or winding up against the Investment Manager under the Insolvency & Bankruptcy Code, 2016 or any other such prevailing applicable law and such application is admitted by the adjudicating authority, the Borrower shall duly appoint another investment manager to the satisfaction of the lenders within a period of 90 days. 8. Submission of End Use certificate from Statutory Auditor 9. All loans in the books of SPV, if any, from other Banks/ FIs/ Institutions except InvIT shall be liquidated. 10. Final rating to be obtained within 30 days from first disbursement, failing which an additional penal interest of 0.25% p.a. on entire outstanding from the date of first disbursement shall be charged till the final rating is obtained. 11. The Borrower has obtained all necessary statutory and other Government Approvals, as determined by LLC at the time of documentation. 12. Undertaking from all SPVs that they will not borrow except from InvIT and except for certain BG’s at NHIT/ SPV level for regulatory requirement, telecom authority, LCs for toll equipment, BGs for Performance Security to NHAI etc. 13. No change in Investment Manager/ Project Manager/ Trustee (including management control of Investment Manager) without consent of lenders. 14. Other than in case of termination, the Borrower shall adhere to the repayment schedule for Senior Debt as provided in the Financing Documents executed between the Borrower and the SPVs and has been incorporated under the terms of sanction herein. The arrears which have not been paid as per repayment schedule as provided in financing documents shall be permitted to be paid. 15. Independent Engineer appointed as per terms of Concession Agreement/ lender Independent Engineer (IE/LIE) shall have submitted the certificate/ report towards project progress for Capex requirements and / or MMR. 16. Reports of the LLC including legal due diligence certificate, on borrower’s cost, should have been received and compliance thereof has been completed. 17. The Borrower has resolved any issues raised by the ILE, LIA or any other consultant engaged by the Lender to the satisfaction of the Lenders. |
| Transaction Documents | <ol style="list-style-type: none"> 1. Common Loan Agreement 2. All documents as may be required for creation and perfection of Security 3. Security Trustee Agreement; 4. Deed of Hypothecation and the Power of Attorney creating charge over the Security 5. Escrow Agreement; 6. Inter Creditor Agreement; 7. Borrowers Confirmation to the Inter Creditor Agreement (if required); 8. Undertaking letters (if required); 9. Negative Lien Undertakings. <p>Any other document as indicated by lenders legal counsel.</p> |
| Pre Disbursement Conditions | <ol style="list-style-type: none"> 1. Provisional External Credit Rating of entire debt including the proposed exposure. 2. The Borrower agreements to route the Cash Flow through Escrow account should have been established. 3. Execution of common loan agreement, escrow agreement and other transaction documents including security documents and creation of security as advised by LLC which can be created pre-disbursement. |

| Parameter | Description |
|-------------------------------|--|
| | <p>4. The Borrower shall provide an undertaking that all representations and warranties are true and correct in all material respects.</p> <p>5. There is no continuing Event of Default with lender, if any.</p> <p>6. Receipt of unitholders contribution.</p> <p>7. Submission of transaction documents and acceptance of the same by LLC appointed by Bank on Borrower's cost.</p> <p>Condition Precedent for Disbursement of NFB:</p> <ul style="list-style-type: none"> ➤ Compliance and KYC check ➤ Execution of Bank Guarantee Agreement ➤ The security shall be created within 90 days of date of issuance of BG. |
| Permitted Indebtedness | <p>The Borrower and SPV shall not create or assume or incur or suffer to exist any indebtedness except Permitted Indebtedness and the Facility without Lenders' prior written consent during the currency of the Facility.</p> <p>For the purpose of this clause Permitted Indebtedness means following;</p> <ol style="list-style-type: none"> 1. Debt to be raised by the InvIT for new acquisition subject to the compliance of terms as stipulated by the lenders hereof; 2. Consolidated Borrowing (After considering the additional debt) to Enterprise value shall remain below 49%; to be calculated as per SEBI regulations. 3. No breach in Financial Covenants due to additional indebtedness to the satisfaction of the lenders. 4. Cancelled limits of the Facility, If any, except if such limit is cancelled on expiry of the Availability Period. 5. Any amount repaid to Lenders/ debenture holders prior to the last date of repayment 6. Loans that may be provided by the InvIT to the SPV for funding regular / Major maintenances in the project. 7. Any non-fund based facility required under CA/ authority for maintaining the project 8. Minimum stipulated rating AA+ to be maintained. <p>However, the below two conditions shall not be linked to rating criteria (i.e. AAA as per the Additional debt condition)</p> <ul style="list-style-type: none"> • Any other funds borrowed FB/NFB for utilizing towards statutory requirement • Permitted indebtedness for MMR and initial improvement cost in case rating falls below AA. • Any fund to be infused to SPV/ new SPV for meeting its expenses <p>Sharing of security with such additional indebtedness will be at the discretion of the senior lenders except permitted indebtedness and additional debt condition. Should any such request of sharing of security not be acceptable due to the Bank, the Borrower shall have an option to prepay such default without prepayment penalty.</p> |
| Cash Sweep | <p>Lenders shall reserve the right to sweep cash flows received towards payment of InvIT loans under the following scenarios:</p> <ol style="list-style-type: none"> 1. If rating falls below AA by any Rating Agency; or 2. If the Term Loan does not have a valid credit rating from any credit rating agencies; or 3. Admission into corporate insolvency resolution or bankruptcy or dissolution or liquidation or winding up against the SPV's under the Insolvency & Bankruptcy Code, 2016 or any other such prevailing applicable law 4. Termination of any Concession Agreement of the SPV 5. Breach of any financial covenant on happening of any such event onus of intimating the Bank shall be with the borrower. <p>On happening of any such events mentioned above, no amount shall be withdrawn by the borrower (except statutory payments) and no payments shall be made to the Unit holders unless the Lender's right to appropriate the Cash flows has been exercised in terms of what is specified herein above.</p> |
| Events of Default | <p>Each of the following events shall constitute an Event of Default:</p> <ol style="list-style-type: none"> 1. Any instalment of principal amount or interest on the Facility remaining unpaid when due except in case of any delay on account of technical issues in which case the default may be cured within 3 days of the due date. 2. The Borrower committing any breach or default in the performance or observance of the material covenants excluding financial covenants of the Facility Agreement and the same is not cured within thirty (30) days. 3. The borrower committing any breach or default in performance or observation of the financial covenants for 2 consecutive years. 4. A material representation, warranty or statement made in connection with any Financing Agreements or in any document delivered by or on behalf of the Borrower is found to be substantially incorrect, provided however any non- deliberate misrepresentation or |

| Parameter | Description |
|---|--|
| | <p>statement may not be an event of default if cured within 30 days of such misrepresentation/ statement being made</p> <ol style="list-style-type: none"> 5. Execution or distress being enforced or levied against whole or substantial part of the Borrowers assets and any order relating thereto is not discharged or stayed within a period of thirty (30) days from the date of enforcement or levy. 6. The occurrence of any material event or circumstance that is prejudicial to or materially imperils or materially depreciates the security created or to be created given to the Lenders and such event or circumstance continues to have an effect for a period in excess of thirty (30) days. 7. Seizing/Change of material activities/ projects of SPVs which materially impact the obligation of the borrower under financing documents. 8. Abandonment of the material activities/project by SPVs which materially impact the obligation of the borrower under financing documents. 9. The occurrence of any event or circumstance that may lead to a Material Adverse Effect and the same is not cured within a period of thirty (30) days from such determination. 10. If the final external credit rating of entire debt including the proposed debt is not obtained within a period of 6 months from the date of first disbursement. 11. Upon downgrade of rating below AA-, the same shall be construed as an acceleration event and the borrower shall be provided with 240 days as cure period. Post the same is not satisfied shall be construed as EOD. <p>Upon the occurrence of an Event of Default and the same not getting cured by the Borrower in the cure period as provided in financing documents, the Lenders may exercise any one or more of the following rights:</p> <ol style="list-style-type: none"> 1. Right to reset the spread in addition to regular reset as stipulated under interest rate clause/pricing terms 2. Accelerate the repayment of the Facility; 3. Enforce Security; 4. Declare the Commitments to be cancelled; 5. Exercise any other right that the Lenders may have under the Financing and Security Documents or under Indian law. 6. Exercising options as per RBI stipulations. 7. In case of default on the loans extended by the InvJT to any SPV which results in an Event of Default, the lenders will have the right to instruct InvIT to enforce the security under the SPV loan agreement and the InvIT shall follow these instructions. 8. Cross default. Default by individual project loans shall not be construed as even of default at Trust level. The Trust level EoD shall be governed by the sanctioned terms from Banks/ debenture holders. |
| Consequences of Event of Default | <p>Upon the occurrence of an Event of Default and the same not getting cured by the Borrower in the cure period as provided in financing documents, the Lenders may exercise any one or more of the following rights:</p> <ol style="list-style-type: none"> 1. Right to reset the spread in addition to regular reset as stipulated under interest rate clause/pricing terms 2. Accelerate the repayment of the Facility; 3. Enforce Security; 4. Declare the Commitments to be cancelled; 5. Exercise any other right that the Lenders may have under the Financing and Security Documents or under Indian law. 6. Exercising options as per RBI stipulations. 7. In case of default on the loans extended by the InvJT to any SPV which results in an Event of Default, the lenders will have the right to instruct InvIT to enforce the security under the SPV loan agreement and the InvIT shall follow these instructions. 8. Cross default. Default by individual project loans shall not be construed as even of default at Trust level. The Trust level EoD shall be governed by the sanctioned terms from Banks/ debenture holders. <p><u>Invit default under external loan from Banks — right against SPV:</u></p> <ol style="list-style-type: none"> i) Assume control of Invit loans ii) Demand payment of all accrued but unpaid amounts for each project within 15 days, under respective trust to SPV loan agreement. iii) If these amounts as mentioned under srno (ii) above are not paid, then Invit may accelerate the applicable Invit senior loans in relation to which accrued amounts have not been paid. iv) If these accelerated amounts are not paid then, Invit may trigger financing default in relation to such Project./ applicable project. v) Consequently, Invit may initiate termination proceedings under the applicable concession agreement for the applicable Project, where there is an occurrence of default. |
| Governing Law and Jurisdiction | <p>The Facility Agreement shall be governed by Indian law. The undertakings and other security documents shall be governed by Indian Laws.</p> |

3. The Trust has also received sanction dated September 27, 2022 from State Bank of India for sanction of Rupee Term Loans amounting to approximately ₹ 15,000.00 million. The principal terms of this sanction are as follows:

| Parameter | Description |
|--|--|
| Nature of Facilities | ₹ Million |
| Rupee Term Loan | 15,000.00 |
| Objects | Use of the proceeds of the Short term loan shall be in line with the proposed Bond issuance and limited to <ol style="list-style-type: none"> 1. Payment of initial Concession Estimate Value (i.e Concession fee payment) by lending to Project SPV for acquiring concession rights over three road assets alongwith amount received from unit holders in full. 2. Creation of DSRA for Round 2 assets for maximum one quarter of obligations, excluding the Short Term Loan facility. 3. Meeting pre issue expenses maximum upto ₹ 300.00 million only. |
| Interest Rate | Interest linked to SBI 3 Month MCLR (7.35%), prevailing on the date of disbursement plus spread of 40 basis points with monthly rests, present effective rate 7.75% p.a.) including upfront fees of 0.4% on sanctioned amount. The above rates are exclusive of applicable GST on upfront fee. Presently All in cost of 7.75% per annum disbursement to the end of month as mentioned above. The interest of the last broken period shall be payable together with the repayment of last instalment of the said loan. Interest and all other charges shall accrue from day to day and shall be calculated for each Interest Period on each Calculation Date on the basis of 360 days per year and actual number of days elapsed. The spread shall be fixed during currency of the Short Term Loan however shall be reset in the event of: (i) In case of any downgrading of the Borrower in external credit rating (presently AAA), the date of such downgrade. (ii) In case of breach in any Covenants for the facility, the date of such breach. In case of rating by multiple external credit rating agencies, the lowest credit rating shall be considered. |
| Tenor of facility | Maximum 90 days from the date of first disbursement. |
| Security | Unsecured |
| Availability Period | Availability Period up to 19.10.2022 or such other extended date as may be extended by the Bank on request of borrower. |
| DSRA | DSRA held by way of TDR with State Bank of India covering an amount equivalent to interest, fees and all other obligations due and payable in respect of the Facility during the subsequent quarter. Subject to ECR of the borrower being maintained at AAA. |
| Prepayment Charges | Nil |
| Special Covenants related to Facility | <ol style="list-style-type: none"> 1. The borrower should be in full compliance with all the terms and conditions including covenants accepted by it vide our Sanction Letter CAGND/AMT-1/2021-22/189 (a) dated 27.08.2021 for proposed Short Term Loan facility also. 2. In case of any delay in raising the Bond Proceeds for any reason whatsoever, NHIT shall liquidate the facility in full alongwith interest, fee, charges etc. on 90th day of the first drawl under the facility, from its own sources including raising of unitholders money, debt from other Banks/ FIs or Debentures etc. 3. Proceeds of the proposed Bond issuance should invariably be credited in Escrow account at the time of raising maintained by State Bank of India for NHIT. 4. The facility can be permitted to be drawn only when unitholders proceeds are received in full in Escrow Account of NHIT maintained with State Bank of India. 5. The proceeds of the facility along-with unitholders proceeds shall only be used to acquire Concession Rights from NHAI by NHIT either by itself or through the Project SPV i.e. National Highways Infra Projects Private Limited. 6. No change in Investment Manager/Project Manager/ Trustee/ Sponsor without prior approval of the Bank; 7. InvIT to undertake not to distribute any amount to the unit holders from any available cash flows of the InvIT, if there is any debt/interest service default by InvIT till such debt/ interest service default is remedied including proposed Short Term Loan facility 8. Letter of awareness from SPV M/s National Highways Infra Projects Private Limited shall be submitted within 30 days of the first disbursement. |
| Pre – Disbursement Conditions | 1. Receipt of Unitholders Contribution in full and not less than ₹ 14,000.00 million in the Escrow Account of NHIT maintained with State Bank of India as envisaged in the Prospectus filed/ to be filed for financing the acquisition of Round 2 assets. |

| Parameter | Description |
|--------------------------|--|
| | <p>2. Lenders Legal Counsel to provide opinion that no legal or regulatory impediment for issuance of Bonds exists on the date of disbursement of the STL and Borrower / IM are not debarred by any law / order circular in force which renders them ineligible to issue Bonds / Debentures.</p> <p>3. NHIT / Investment Manager to provide unconditional and irrevocable undertaking that the proposed Bond proceeds shall be used to retire the facility along-with interest, fees, charges etc. within three days of raising the funds within the maximum tenor of 90 days.</p> |
| Events of Default | <p>Each of the following events shall constitute an Event of Default:</p> <ol style="list-style-type: none"> 1. Any instalment of principal amount or interest on the Facility remaining unpaid when due except in case of any delay on account of technical issues in which case the default may be cured within 3 days of the due date. 2. Trigger of any Event of Default clause as accepted by NHIT vide our Sanction Letter CAGND/AMT-1/2021-22/189 (a) dated 27.08.2021. 3. Breach of any Terms or Conditions or Covenants as accepted by NHIT vide our Sanction Letter CAGND/AMT-1/2021-22/189 (a) dated 27.08.2021. <p>Upon the occurrence of an Event of Default State Bank of India may exercise any one or more of the following rights: 1. Right to reset the spread in addition to regular reset as stipulated under interest rate clause/pricing terms</p> <ol style="list-style-type: none"> 2. Accelerate the repayment of the Facility; 3. Declare Default in the Rs. 1000 crores Term Loan facility availed by NHIT vide our Sanction Letter CAGND/AMT-1/2021-22/189 (a) dated 27.08.2021. 4. Declare the Commitments to be cancelled; 5. Exercise any other right that the Lender may have under the Financing Documents or under Indian law. 6. Exercising options as per RBI stipulations. |

Borrowing Policy

The Investment Manager confirms that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. Accordingly, the Investment Manager has formulated the borrowing policy to outline the process for borrowing monies in relation to the Trust. The key terms of the Borrowing Policy include the following:

1. The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations.
2. The Trust may raise debt and avail borrowings and deferred payments from time to time, including through issuance of debt securities and availing loans from banks and financial institutions in accordance with applicable law (including the InvIT Regulations). The Trust may issue debt securities in the manner specified by the SEBI, and in accordance with applicable law. In the event the aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) of the Trust, any holding company and the Project SPVs, exceed any thresholds prescribed under the InvIT Regulations in this regard, any further borrowings by the Trust shall be availed in accordance with the requirements prescribed under the InvIT Regulations, including any approval from Unitholders under Regulation 22 of the InvIT Regulations.
3. The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the Project SPV, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the InvIT Regulations.
4. The Trust shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India. The Investment Manager and the Trustee (both on behalf of the Trust) shall be permitted to borrow monies in relation to the Trust, subject to the approval of its board of directors and such other committee of the board of directors of the Investment Manager as may be constituted in this regard.
5. The Trust also has the power to create, mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Investment Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Trust and/or the Project SPVs.

6. Except with prior approval of the Unitholders and obtaining any other approvals required under applicable law (including InvIT Regulations), any such obligation will not allow the Investment Manager to make the liabilities of the Trust or its Unitholders unlimited.
7. In addition to the above, any borrowing by any holding company or the Project SPV, incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with the conditions prescribed therein.
8. Any variation of this Policy shall be only with the approval of the Unitholders of the Trust and in accordance with the InvIT Regulations.
9. In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of this Policy. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Trust.
10. *Disclosure and reporting:*
 - i. The Investment Manager shall disclose to the designated stock exchange(s) any additional borrowing, at level of Project SPV or the Trust, as per the requirements prescribed under the InvIT Regulations.
 - ii. Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone and consolidated) shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations.
 - iii. Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile, gearing ratios of the Trust on a consolidated and standalone basis shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations.
11. **The outstanding borrowing of the Trust as on September 30, 2022 are as follows:**

| Sr. No. | Nature of borrowings | Amount* (in ₹ million) |
|--------------|----------------------|------------------------|
| 1. | Secured borrowings | 14,625.19 |
| 2. | Unsecured borrowings | Nil |
| Total | | 14,625.19 |

* Based on term loan statements of the Trust as on September 30, 2022.

DETAILS OF BORROWINGS OF THE TRUST, AS ON THE LATEST QUARTER ENDED, I.E., SEPTEMBER 30, 2022:

a. *Details of outstanding secured term loan facilities as on the last quarter end date (September 30, 2022)*

The Trust's secured term loans/facility from banks as on September 30, 2022 amount to ₹ 14,625.19 million. The details of the borrowings are set out below:

| Sr. No. | Description of the Financing Document | Name of Lender(s) | Date of the Financing Document | Sanctioned amount (in ₹ million) | Principal Amount outstanding as at September 30, 2022 (in ₹ million)* | Rate of interest (%) | Repayment Date / Schedule | Security |
|---------|---|--|--------------------------------|----------------------------------|---|--|---------------------------|---|
| 1. | Facility Agreement and Sanction letters | a) State Bank of India b) Axis Bank Limited c) Bank of Maharashtra | September 29, 2021 | 20,000.00 | 14,625.19 | Effective rate of interest of 7.20% p.a. (as per sanction letter) linked to the MCLR of respective lenders plus spread, with monthly rests | March 31, 2041 | Please refer to the section titled “- Borrowings of the Trust” on page 225. |
| 2. | Sanction Letter | Bank of Maharashtra | September 19, 2022 | 8,570.00 | - | 1 Month BOM MCLR i.e. presently 7.25% p.a. Spread will be reset on annual intervals and 1 M MCLR reset at monthly intervals | March 31, 2042 | Please refer to the section titled “- Borrowings of the Trust” on page 225. |

* Based on term loan statements of the Trust as on September 30, 2022.

b. Details of the outstanding unsecured loan facilities as on the last quarter end date (September 30, 2022)

| Sr. No. | Description of the Financing Document | Name of Lender(s) | Date of the Financing Document | Sanctioned amount (in ₹ million) | Principal Amount**outstanding as at September 30, 2022 (in million) | Rate of interest (%) as mentioned in Sanction Letter | Prepayment Charges | Last Repayment Date | Security |
|---------|---------------------------------------|---------------------|--------------------------------|----------------------------------|---|--|--------------------|---|--------------------------------------|
| 1. | Sanction Letter | State Bank of India | September 27, 2022 | 15,000.00 | - | All in Cost of 7.75% | Nil | 90 days from the date of first disbursement | Unsecured as per the sanction letter |

c. Details of outstanding non-convertible securities as on the last quarter end date (September 30, 2022)

There is no outstanding non-convertible securities issued by the Trust as on September 30, 2022.

d. List of top ten holders of non-convertible securities in terms of value (in cumulative basis)

Since there are no outstanding non-convertible securities issued by the Trust as on September 30, 2022, there are no holders of non-convertible securities as on September 30, 2022.

e. Details of outstanding commercial paper as at the end of the last quarter

There is no outstanding commercial paper issued by the Trust as on September 30, 2022.

f. Details of rest of the borrowing, if any, including hybrid debt like foreign currency convertible bond ("FCCB"), optionally convertible debentures/preference units

As of September 30, 2022, the Trust has no outstanding amounts in relation to hybrid debt like FCCB, optionally convertible debenture or/ preference shares.

g. The amount of corporate guarantee issued by the Trust along with details of the counterparty on behalf of whom it has been issued

The Project SPV has issued a corporate guarantee amounting to ₹ 20,000 million on March 14, 2022 in favour of lenders of the Trust as part of debt covenants of the loan received from the Trust, to secure the term loan of ₹ 20,000 million availed by Trust from external lenders, namely State Bank of India, Axis Bank Limited and Bank of Maharashtra. This corporate guarantee is valid across the tenure of the loan till March 31, 2047, until the external loans of the Trust are satisfied.

h. Details of inter corporate loans

As of September 30, 2022, the Trust has no outstanding inter-corporate deposits.

i. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability

As on the date of filing of this Prospectus, there are no contingent liabilities of the Issuer based on the last audited financial statements.

j. Details of default and/or delays in payment of principal or interest on any kind of term loans, debt securities and other financial indebtedness including corporate guarantee in past three years

As on the date of filing of this Prospectus, the Trust has not defaulted and/or delayed in payment of principal or interest on any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Trust, since its date of settlement.

k. Details of default and non-payment of statutory dues

As on the date of filing of this Prospectus, there are no subsisting instances of non-payment or defaults in the payment

of statutory dues by the Trust.

1. *Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash; whether (i) in whole or part; (ii) at a premium or discount, or (iii) in pursuance of an option or not*

As on the date of filing of this Prospectus, the Trust has no outstanding borrowings taken / debt securities issued (a) for consideration other than cash, whether in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option.

12. *Restrictive Covenants*

For more information please refer to the table above under “– *Borrowings of the Trust*” on page 225.

For the purpose of the Issue, the Trust has obtained the necessary consent from our lender, as required under the relevant borrowing arrangements for undertaking activities relating to the Issue.

DISTRIBUTION

Statements contained in this section titled “Distribution” that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trust, the Trustee, the Sponsor, the Investment Manager, the Lead Managers or any other person. Bidders are cautioned not to place undue reliance on these forward-looking statements that are stated only as at the date of this Prospectus. For details, please see the section titled “Forward-Looking Statements” on page 11. For details on the risks relating to distribution, please see the section titled “Risk Factors” on page 16.

A. Preamble

The Distribution Policy (the “**Policy**”), aims to outline the process and procedure for distribution in relation to the Trust.

- B. The net distributable cash flows of the Trust (the “**Distributable Income**”) shall be based on the cash flows generated from the underlying operations undertaken by the Project SPV (being National Highways Infra Projects Private Limited) held by the Trust.
- C. Distributions may be made from the monies received by the Trust, in accordance with the provisions of the InvIT documents and applicable law.
- D. In terms of the InvIT Regulations, the Project SPV shall distribute not less than 90% of the net distributable cash flows to the Trust in the proportion of its holding in the Project SPV, subject to applicable provisions of the Companies Act, 2013 or Limited Liability Partnership Act, 2008, each as amended.
- E. In the event any infrastructure assets is sold by the Trust or any Project SPV or if the equity shares or interest in any Project SPV is sold by the Trust, then in accordance with the InvIT Regulations:
- if the Trust proposes to re-invest the sales proceeds into any other infrastructure asset, it shall not be required to distribute any sales proceeds to the Unitholders or the Trust; and
 - if the Trust proposes not to invest the sales proceeds into any other infrastructure asset within a period of one year, it shall be required to distribute the same in accordance with the InvIT Regulations.
- F. The Trust shall distribute at least 90% of the Distributable Income to its unitholders (“**Unitholders**”). Such distribution shall be declared and made such that the time period between any two declarations of distribution shall not exceed one year. In accordance with the InvIT Regulations, distributions by the Trust shall be made no later than 15 days from the date of such declarations. The distribution, when made, shall be made in Indian Rupees.
- G. All distributions to the Unitholders shall be made in compliance with the InvIT Regulations, Income-tax Act, 1961 (“**IT Act**”) and other applicable laws.
- H. The Distributable Income and the net distributable cash flows of any Project SPV shall be calculated in accordance with the InvIT Regulations. The indicative method of calculating net distributable cash flows for the Project SPV and the Trust is provided below:

Calculation of net distributable cash flows at any HoldCo and/or SPV level: -

| | | | | | | | | | | | | |
|---|---|-------|--------------|----|----------------|--------|----------|-------------|------|------------|-----------|--|
| Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A) | | | | | | | | | | | | |
| Add: Depreciation and amortization as per statement of profit and loss account. In case of Impairment reversal, the same needs to be deducted from profit and loss. | | | | | | | | | | | | |
| Add/Less: Loss/gain on sale of infrastructure assets | | | | | | | | | | | | |
| Add: | Proceeds | from | sale | of | infrastructure | assets | adjusted | for | the | following: | | |
| | related | debts | settled | or | due | to | be | settled | from | sale | proceeds; | |
| | directly | | attributable | | | | | transaction | | | costs; | |
| | proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations | | | | | | | | | | | |
| Add: Proceeds from the sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in the profit and loss account | | | | | | | | | | | | |
| Add/ Less: Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in the carrying amount of an asset or a liability recognised in profit and loss /income | | | | | | | | | | | | |

| |
|--|
| Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A) |
| and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight-line basis, etc. |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements |
| Total Adjustment (B) |
| Net Distributable Cash Flows (C) = (A+B) |

Calculation of net distributable cash flows at the consolidated Trust level

| |
|---|
| Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A) |
| Add: Depreciation and amortization as per the statement of profit and loss account. In case of Impairment reversal, the same needs to be deducted from profit and loss. |
| Add/Less: Loss/gain on sale of infrastructure assets |
| Add: Proceeds from sale of infrastructure assets adjusted for the following: related debts settled or due to be settled from sale proceeds; directly attributable transaction costs; proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations |
| Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in the profit and loss account |
| Add/ Less: Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in the carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc. |
| Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements |
| Total Adjustment (B) |
| Net Distributable Cash Flows (C) = (A+B) |

- I. For the purposes of the IT Act, any income distributed by the Trust to the Unitholders shall be deemed to be of the same nature and in the same proportion in the hands of the Unitholder as it had been received by, or accrued to, the Trust. Accordingly, the Trust may follow either the receipt approach or the accrual approach subject to the beginning and on a consistent basis.
- J. In terms of the InvIT Regulations, if the distribution is not made within 15 days of declaration, the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum or such other rate as may be specified under applicable law, until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the Trust.
- K. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Trust.

In-specie Distribution: Subject to the approval of the Unitholders, in accordance with the Trust Deed and provisions of applicable law, the Trustee, in consultation with the Investment Manager, may at any time during the life of the InvIT make in-specie distributions of the assets of the Trust on such terms and conditions and in such manner that is in accordance with the Trust Deed, the Investment Management Agreement, the Project Implementation and Management Agreement and other documents for the purpose of the Trust (including the offer documents) and applicable law.

Distributions made in the last three financial years

The table below provides the Distributions made by the Trust, in accordance with the Distribution Policy in the last three financial years:

| S. No. | Period ended | Distribution made per Unit | Nature of Distribution |
|--------|--|----------------------------|---|
| 1. | Financial Year ended March 31, 2022* | ₹ 0.79** | ₹ 0.71 as return on capital and ₹ 0.08 as other income on surplus funds |
| 2. | Three-months period ended June 30, 2022 | ₹ 1.75*** | ₹ 1.74 as return on capital and ₹ 0.01 as other income on surplus funds |
| 3. | Period from July 1, 2022 to September 26, 2022 | ₹ 1.61**** | ₹ 1.61 as return on capital |

* From the date of listing of the Trust on the Stock Exchanges, i.e. November 10, 2021.

*** The distribution of ₹ 0.79 per unit comprises of ₹ 0.71 per unit as return on capital, ₹ 0.08 per unit as other income on surplus funds at Trust.*

**** The distribution of ₹ 1.75 per unit comprises of ₹ 1.74 per unit as return on capital, ₹ 0.01 per unit as other income on surplus funds at Trust.*

***** The Trust has made interim distribution to unit holders of ₹ 1.61 per unit as return on capital for the period from July 1, 2022 to September 26, 2022 on dated October 7, 2022.*

RELATED PARTY TRANSACTIONS

In terms of Regulation 2(1)(zv) of the InvIT Regulations, related party shall be as defined as under the Companies Act, 2013 or under the applicable accounting standards and shall also include: (i) Parties to the Trust; and (ii) promoters, directors, and partners of the Parties to the Trust. For further details in relation to related party transactions, please see the **Annexure A** titled “*Financial Information*”. The Parties to the Trust, may, from time to time, enter into related party transactions, in accordance with applicable law.

Procedure for dealing with Related Party Transactions

The board of directors of the Investment Manager has adopted the policy on related party transactions of the Trust (the “**RPT Policy**”) pursuant to its resolution dated February 3, 2021.

The key terms of the RPT Policy are provided below:

- (i) In accordance with the InvIT Regulations, the Investment Manager will ensure that all future Related Party Transactions shall be:
 - (a) on an arm’s length basis;
 - (b) in accordance with the relevant accounting standards;
 - (c) in the best interest of the Unitholders;
 - (d) consistent with the strategy and investment objectives of the Trust; and
 - (e) compliant with applicable law.
- (ii) Review and approval of Related Party Transactions:
 - (a) Each transaction which is identified as a Related Party Transaction shall be pre-approved by the Audit Committee prior to entering into such transaction, (b) The Audit Committee shall grant omnibus approval for Related Party Transactions. Each such omnibus approval shall be valid for a period not exceeding one year from the date of such approval, and Related Party Transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Trust pursuant to the omnibus approval.
- (iii) The Investment Manager will establish an internal control system so as to ensure that all future Related Party Transactions are compliant with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with any additional guidelines issued in this regard by Securities and Exchange Board of India and other relevant regulatory, statutory or governmental authorities from time to time.
- (iv) In addition to any other requirement that may be prescribed in terms of the InvIT Regulations or other applicable laws, all Related Party Transactions to be entered into in the future will be decided by the Board after the examination of the nature of the transaction and its supporting documents, as available, or such other data as may be deemed necessary by the Board.
- (v) The Investment Manager will ensure that if the value of funds borrowed from Related Parties in a financial year exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the SPVs, or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any Related Party, in accordance with Regulation 22 of the InvIT Regulations.
- (vi) The Investment Manager will ensure that if the total value of all the Related Party Transactions in a financial year pertaining to acquisition or sale of assets, whether directly or through a holding company or SPV, or investments into securities, exceeds 5% of the value of the assets of the Trust or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any Related Party, in accordance with Regulation 22 of the InvIT Regulations.
- (vii) As a general rule, the Investment Manager must demonstrate to the Board that future Related Party Transactions satisfy the criteria set out in Paragraph D(i) at the time of recommending the same for the approval of the Board.
- (viii) The Investment Manager will maintain a register to record all Related Party Transactions entered into by the Trust and the basis on which they are entered into.
- (ix) The Investment Manager will also incorporate into its internal audit plan a review of all Related Party Transactions

entered into by the Trust during each financial year, including a review of the implementation of the agreements.

- (x) The Board shall review at least quarterly in each financial year the Related Party Transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the Related Party Transactions have been complied with.
- (xi) The review by the Board will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Board.
- (xii) The Investment Manager shall ensure that all the incomes and expenses from Related Party Transactions have arisen from legitimate business transactions.
- (xiii) While considering a Related Party Transaction, any director on the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion, review and voting on the Related Party Transaction.

Potential Conflict of Interest

- (i) Subject to applicable law and this Policy, all resolutions in writing of the Board in relation to matters concerning related party transactions of the Trust must be approved by a majority of the Directors.
- (ii) Where matters concerning the Trust relate to transactions entered into or to be entered into by the Investment Manager for and on behalf of Trust with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out in paragraph D(i).
- (iii) While acquiring assets in the future from the Sponsor, the Investment Manager will maintain a register of all opportunities and transactions arising from the implementation of agreements to acquire assets from the Sponsor.
- (iv) The Investment Manager will incorporate in its internal audit plan, a review of the implementation of the agreements to acquire assets from the Sponsor.
- (v) As part of its review of the internal audit reports at least quarterly in each financial year, the Board will review the internal audit reports of the implementation of the agreements to acquire assets from the Sponsor to ensure compliance. The review will include an examination of supporting documents and such other data deemed necessary to the Board. If a director on the Board has an interest in a transaction arising from the implementation of the agreements to acquire assets from the Sponsor, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Disclosure and Reporting

- (i) The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, including the status of compliance with the requirements specified under the InvIT Regulations in relation to Related Party Transactions, within such time as may be prescribed in the InvIT Regulations and applicable law.
- (ii) Related Party Transactions shall be disclosed: (a) in the offer document with respect to any such transactions entered into prior to the offer of units and any such proposed transactions subsequent to the offer; and (b) to the stock exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreements to be entered into with the stock exchanges in relation to the listing of the Units. The Investment Manager shall adequately disclose the details of any fees or commissions received or to be received by such related party(ies) to the stock exchanges.
- (iii) In terms of the InvIT Regulations, the annual report to be submitted by the Investment Manager to all Unitholders, electronically or by physical copies, shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any projects, directly or through SPVs during the year, the value of which exceeded five percent of value of the assets of the Trust.

Related Party Transactions

Details of Related Party Transactions for the Financial Years ended March 31, 2022 and March 31, 2021

A. Transactions with Related Parties during the period

(amounts in ₹ million)

| Name of Entity | Particulars | For the period ended March 31, 2022 | For the period ended March 31, 2021 |
|--|-------------------------------------|--|--|
| Transactions with enterprises controlled by the Trust/ on whom significant influence is exercised by the Trust | | | |
| National Highways Infra Projects Private Limited (NHIPPL) | Purchase of equity shares of NHIPPL | 12,941.00 | - |
| | Advancement of Long term loan to | 60,564.00 | - |

| Name of Entity | Particulars | For the period ended March 31, 2022 | For the period ended March 31, 2021 |
|---|--|--|--|
| | NHIPPL | | |
| | Receipt of interest on Long Term Loan given to NHIPPL | 1,219.20 | - |
| | Reimbursement of ROC Fee paid by NHIT on behalf of NHIPPL | 27.50 | - |
| Parties to the Trust as per Regulation 2(1)(zv) of the InvIT Regulations | | | |
| National Highways Infra Investment Managers Private Limited (NHIIMPL) | Payment of Investment Manager Fee | 1,93.17 | - |
| | Reimbursement of Pre-Issue expenses of NHIT by NHIIMPL | 21.48 | - |
| National Highways Authority of India (NHAI) | Reimbursement of Pre-Issue expenses of NHIT by NHAI | 57.80 | 6.70 |
| | Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI | 1,015.35 | - |
| | Issue of units of Trust to NHAI | 9,655.60 | - |
| IDBI Trusteeship Services Limited (ITSL) | Payment of Trustee Fee | 1.22 | - |
| | Initial Settlement Amount | - | 0.01 |

B. Closing Balance with Related Parties

(amounts in ₹ million)

| Name of Entity | Particulars | As on March 31, 2022 | As on March 31, 2021 |
|---|---|-------------------------|-------------------------|
| Enterprises controlled by the Trust/ on whom significant influence is exercised by the Trust | | | |
| National Highways Infra Projects Private Limited (NHIPPL) | Investment in equity shares of NHIPPL | 12,941.00 | - |
| | Long Term Loan to NHIPPL | 60,564.00 | - |
| | Interest receivable on Long Term Loan given to NHIPPL | 1,065.11 | - |
| Parties to the Trust as per Regulation 2(1)(zv) of the InvIT Regulations | | | |
| National Highways Authority of India (NHAI) | Issue of units of Trust to NHAI | 9,655.60 | - |
| IDBI Trusteeship Services Limited | Initial Settlement Amount | 0.10 | 0.10 |
| | Trustee Fee Payable | 0.28 | |

Present and On-going Related Party Transactions

Related Party Transactions of the Trust in relation to the Trust and this Issue

A number of present and on-going transactions with certain related parties have been, or will be, entered into in relation to the Trust. Except as disclosed below, the Trust has not entered into any related party transactions, including but not limited to, loans made, guarantees given or securities provided. The Trustee and the Investment Manager confirm that the following related party transactions have been, or shall be, entered into, on an arm's length basis in accordance with the relevant accounting standards, in the best interest of the Unitholders, consistent with:

(A) Concession Agreements

Please see the section titled “*Summary of the Concession Agreements*” on page 132 for a description of the terms of the Concession Agreements.

(B) Trademark License Agreement

Our Trustee (on our behalf) has entered into a trademark license agreement dated September 26, 2022 with our Sponsor (the “Trademark License Agreement”). As per the terms of the Trademark License Agreement, our Sponsor has granted us a non-exclusive, non-transferable, royalty-free and non – assignable license (without the right of sub-

license) to use the trademarks of the Sponsor in relation to our business throughout India and the rest of the world, including for the purposes of our logos. The license granted to the Trust in terms of the Trademark License Agreement shall be for a term of 1 (one) year from March 31, 2022, the effective date of the Trademark License Agreement or such shorter period as may be mutually agreed to between the parties

(C) Transitional Support Agreement

The Sponsor, Project Manager and the Project SPV have entered into a transitional support agreement dated September 26, 2022, for the purpose of the Sponsor providing the transitional support to (i) the Project Manager in respect of its obligations under the Project Implementation and Management Agreement, and (ii) the Target Toll Roads in respect of its O&M obligations and tolling obligations (as provided under the Additional Concession Agreements). The terms and conditions of the transitional support agreement shall, in respect of each Additional Concession Agreement and the Project Implementation and Management Agreement, be effective and binding on the Parties for a period of three months commencing from the appointed date of the respective Additional Concession Agreements, unless terminated earlier by mutual consent. As per the transitional support agreement, the Sponsor's fee for the services provided under the transitional support agreement shall be such amount as may be mutually agreed amongst Sponsor, Project Manager and the Project SPV.

Project SPV Facility Agreements

Please see the section titled “*Disclosures on Financial Indebtedness*” on page 225 for a description of the terms of the Project SPV Facility Agreements.

Arrangement with respect to future assets

In accordance with the approval granted by the Chairman of NHAI, by way of communication dated March 29, 2021, the Sponsor will offer around 1,500 km of roads in three years to the Trust (“**Future Assets**”).

The process of identification of Future Assets, offer of Future Assets to Trust and completion of transfer of Future Assets to the Trust including valuation mechanism may be refined and/or modified in line with the internal policies of NHAI.

Borrowings from Related Parties

No borrowings were availed by the Trust or Project SPV from any of its related parties.

Potential Conflicts of Interest

The Investment Manager has established certain procedures to deal with conflict-of-interest issues. For further details on management of potential conflicts of interest, please see the section titled “– *Procedure for dealing with Related Party Transactions*” on page 246.

MATERIAL DEVELOPMENTS

To our knowledge, except as set out below and in the sections entitled “*Disclosure of Financial Indebtedness*” and “*Summary of Concession Agreements*” on pages 225 and 132, respectively there has been no material development since March 31, 2022 until the date of filing of this Prospectus which adversely affect or are likely to affect the revenue or profitability of the Trust, or the value of its assets, or its ability to pay its liabilities within next 12 months.

- (i). A facility amounting ₹ 15,000 million as short term loan is sanctioned to the Trust on September 27, 2022 by the State Bank of India vide. Sanction letter no. CAGND/AMT-1/2022-23/201.
- (ii). A facility of ₹ 8,770.00 million comprising of ₹ 8,570.00 million as term loan and ₹ 200.00 million as bank guarantee is sanctioned to the Trust on September 19, 2022 by the Bank of Maharashtra vide sanction letter no. AY39/NHAI/sanction/2022-23.
- (iii). Approval of issue of 131,205,200 units of the Trust at or above the floor price of ₹ 107.12 per unit on September 23, 2022 through institutional placement or any other form of capital raising in accordance with InvIT regulations.
- (iv). Approval of floor price ₹ 109 per Unit for the issue of Units of the Trust on dated September 27, 2022.
- (v). Institutional Placement Offer opened on September 30, 2022 and closed on October 3, 2022 pursuant to preliminary placement document filed with Stock Exchanges on September 29, 2022.
- (vi). Approval of Unitholder on October 10, 2022 for the issuance of units to the Sponsor pursuant to the proposed preferential issue.
- (vii). The on-lending facility agreements between Project SPV, the Trust, Trustee and the Investment Manager has been signed on October 10, 2022.
- (viii). Concession agreements for three new road assets have been signed with the Sponsor on September 26, 2022.
- (ix). By way of communication dated September 1, 2022. NHAI has identified the following five assets for potential acquisition by the Trust under the Assets Monetization Plan for financial year 2022-23:
 - (a) Gwalior-Shivpuri (Madhya Pradesh);
 - (b) Vadodara-Surat (bridge across River Narmada);
 - (c) Kota Bypass and cable stayed bridge across river Chambal on Kota Bypass approaches;
 - (d) Chennai Bypass; and
 - (e) Rewa-Katni-Jabalpur-Lakhnadon (Madhya Pradesh)

SECTION V: ISSUE RELATED INFORMATION

GENERAL TERMS OF THE ISSUE

Authority for this Issue

The Issue was authorised and approved by the board of directors of the Investment Manager on August 30, 2022 and the Draft Prospectus has been approved by the Board of Directors of the Investment Manager at its meeting held on September 27, 2022 and subsequently on September 30, 2022. This Prospectus has been approved by the Board of Directors of the Investment Manager at its meeting held on October 11, 2022. The borrowing and creation of charge on assets was authorized by the Unitholders on September 23, 2022 and by the board of directors of the Investment Manager on August 30, 2022. For details, please refer to the “*Certified Copy of the Board Resolution*” and “*Certified Copy of the Unitholder Resolution*” attached as **Annexure D**.

For details in respect of the authority for this Issue, please see the section titled “*Other Regulatory and Statutory Disclosures*” on page 302.

Principal terms and conditions of this Issue

The NCDs being offered as part of this Issue are subject to the provisions of the SEBI Debt Issue Guidelines, the SEBI ILNCS Regulations, the InvIT Regulations, SEBI Operational Circular, the provisions of the Debenture Trust Deed, the terms of the Draft Prospectus, this Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, other applicable statutory, regulatory or governmental directions or requirements including those issued from time to time by SEBI, the Government, the Stock Exchanges, and any other statutory, regulatory or governmental authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of the NCDs

The NCDs when issued will constitute secured debt obligations of the Trust and subject to any obligations under applicable statutory and/or regulatory requirements.

The NCDs shall *inter se* rank *pari passu* in relation to their rights and benefits, without any preference, priority or privilege whatsoever on account of date of issue or allotment or otherwise.

Any payments received from the Issuer or realized by the Debenture Trustee upon enforcement of any rights, shall be distributed to the Debenture Holder in proportion to the amounts outstanding to such Debenture Holder in equal proportions without any preference or priority whatsoever.

Security

The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest due on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by:

- (e) a first ranking *pari passu* Security Interest over the Issuer’s immovable assets (if any), both present and future. The Issuer does not own any immovable property at the present time. In the event, the Issuer acquires any immovable property in future, the Issuer shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/or modifications, as may be required to give effect the same, including carrying out the due diligence as may be required by Debenture Trustee;
- (f) a first ranking *pari passu* Security Interest over the Hypothecated Assets (including Receivables), both present and future; and
- (g) Negative Lien Undertaking;
- (h) corporate guarantee executed or to be executed by the Project SPV in favour of the Debenture Trustee for guaranteeing the due repayment of the secured obligations in accordance with the terms in the Debenture Trust Deed.

The Trust may provide additional security as may be required if stipulated by the Debenture Trustee (in accordance with the Debenture Trust Deed).

The Trust is required to obtain permissions / consents from existing lenders for proceeding with this Issue. Pursuant to the SEBI circular dated November 3, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218, the Trust undertakes, *inter alia*, that the assets on which charge is created are free from any encumbrances and if the assets are already charged, the Trust has obtained relevant permissions / consents from other lenders/creditors for proceeding with this Issue as on the date of

this Prospectus. The Trust has, through the Debenture Trustee, intimated and obtained the consents, as required, from all the earlier existing creditors of the Trust for the Issue.

The Investment Manager (acting on behalf of the Trust) intends to enter into the Debenture Trust Deed, the terms of which will govern the power, authorities and obligation of the Debenture Trustee and the issue of the NCDs. The Issuer proposes to complete the execution and registration of the Debenture Trust Deed before finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange and utilize the funds only after the stipulated security has been created and upon receipt of listing and trading approval from the Stock Exchanges.

Under the terms of the Debenture Trust Deed, the Investment Manager (on behalf of the Trust) will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant Redemption Date (in accordance with the Redemption Schedule and Redemption Amounts for respective STRPPs) and also that it will pay the interest due on NCDs at the rate specified in this Prospectus and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that the Investment Manager (on behalf of the Trust) may withdraw any portion of the security and replace with another asset of the same or a higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

The Investment Manager (acting on behalf of the Trust) undertakes that the necessary documents for the creation of the charge, where applicable, would be executed within the time frame prescribed as per applicable law and in accordance with applicable law, the same would be uploaded on the website of the Designated Stock Exchange.

Without prejudice to the aforesaid, in the event the Investment Manager (acting on behalf of the Trust) fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI ILNCS Regulations or such other time frame as may be stipulated from time-to-time, the Trust shall also pay interest of up to 2% (two per cent) per annum to the NCD Holders, over and above the interest rate on the NCDs specified in this Prospectus, till the execution of the Debenture Trust Deed.

Recovery Expense Fund

The Trust shall create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI ILNCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Trust under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the Security.

Kindly note, any default committed by the Trust in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level.

Debenture Trustee Agreement

The Investment Manager (acting on behalf of the Trust) has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

The Investment Manager (acting on behalf of the Trust) has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

- (i) The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in this Prospectus and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/management consultants appointed by the Debenture Trustee;
- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed;
- (iii) The Debenture Trustee shall have the power to either independently appoint, or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates /

documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer;

- (iv) The Issuer has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
- (v) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Terms of carrying out due diligence:

As per the SEBI Circular “SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled “Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)”, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debentures of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to:

- (i) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in this Prospectus and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents/advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer’s assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical-experts/management consultants appointed by the Debenture Trustee.
- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed.
- (iii) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Issuer to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Issuer. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/objections, if any.
- (iv) Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the Applicable Laws.
- (v) All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.

Debenture Trust Deed

The Trust (represented by the Investment Manager) and the Debenture Trustee will execute a Debenture Trust Deed specifying, among other things, the powers, authorities and obligations of the Debenture Trustee and the Trust, as per SEBI regulations and Applicable Law for the proposed Issue.

Face Value

Each NCD has a face value aggregating to ₹ 1,000 (Rupees One Thousand only). Each NCD shall comprise of 3 STRPPs having different ISINs and face value:

- (a) 1 STRPP A of face value of ₹ 300;
- (b) 1 STRPP B of face value of ₹ 300;
- (c) 1 STRPP C of face value of ₹ 400.

NCD Holder not a Unitholder

The NCD Holders will not merely by virtue of being NCD Holders be entitled to any of the rights and privileges available to the Unitholders of the Trust, except to the extent as may be prescribed under applicable law.

Rights of the NCD Holders

The rights available to the NCD Holders will be in terms of the Debenture Trust Deed to be executed by the Investment Manager (on behalf of the Trust) and the Debenture Trustee in relation to the NCDs. Subject to applicable law, some of the rights available to the NCD Holders are as follows:

- (a) The NCDs shall not, confer upon the NCD Holders thereof any rights or privileges available to the Unitholders of the Trust.
- (b) Subject to applicable statutory/ regulatory requirements, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated by the majority NCD Holders provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
- (c) At every meeting of NCD Holders, each NCD Holder/holder of STRPP shall be entitled to one vote on a show of hands or on a poll in respect of every NCD of which he is a holder in respect of which he is entitled to vote.
- (d) Any NCD Holder entitled to attend and vote at the meeting shall be entitled to appoint another person (whether a NCD Holder or not) as his proxy to attend and vote instead of himself.
- (e) In case of NCDs held in (i) dematerialised form, the person for the time being appearing in the register of beneficial owners of the NCDs; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

Following the initial issue of the NCDs, the trading lot shall be 1 (one) STRPP forming part of any NCD (pursuant to which 1 STRPP of any NCD bearing individual ISIN shall be tradable by the NCD Holders). Therefore, rights available to any NCD Holder shall also be available to each holder(s) of any STRPP of an NCD.

Trustees for the NCD Holders

The Investment Manager (in consultation with the Trustee) has appointed SBICAP Trustee Company Limited to act as the Debenture Trustees for the NCD Holders.

The Debenture Trustee and the Investment Manager (acting on behalf of the Trust) will execute a Debenture Trust Deed, specifying, amongst other things, the powers, authorities and obligations of the Debenture Trustee and the Investment Manager (acting on behalf of the Trust). The NCD Holders shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holders. Any payment made by the Trust to the Debenture Trustee on behalf of the NCD Holders shall discharge the Investment Manager and the Trust *pro tanto* to the NCD Holders. The Debenture Trustee will protect the interest of the NCD Holders in the event of default by the Trust (acting through the Investment Manager) in regard to timely payment of interest and repayment of principal and will take necessary action at a cost to be borne by the Trust (acting through the Investment Manager).

Events of Default

Subject to the terms of the Debenture Trust Deed and on occurrence of an event of default, the Debenture Trustee may, amongst other things, issue a notice and declare all the outstanding amounts in relation to the NCDs due and repayable on demand or declare the security to be enforceable. An indicative list of the events of default is set out below and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s);

- (ii) default is committed in payment of any interest on the NCDs on the due date(s).
- (iii) default is committed in payment of any other amounts outstanding on the NCDs;
- (iv) any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Issuer;
- (v) execution or distress being enforced or levied against whole or substantial part of the assets of the Issuer and any order relating thereto is not discharged or stayed within a period of 30 (thirty) days from the date of enforcement or levy;
- (vi) if in the opinion of the Debenture Trustee, the Security is in jeopardy.

In accordance with the circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI on “Standardisation of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issuers of listed debt securities”, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their positive consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

In case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular (SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) dated October 13, 2020 issued by SEBI.

Any default committed by the Trust shall be reckoned at the ISIN level.

Minimum Subscription

In terms of the SEBI ILNCS Regulations for an issuer undertaking a public issue of debentures the minimum subscription for public issue of debentures shall be 75% of the Base Issue Size i.e. ₹ 5,625.00 million. If the Trust does not receive the minimum subscription of 75% of the Base Issue Size, prior to the Issue Closing Date, the entire Application Amount shall be unblocked in the ASBA Accounts of the Applicants within 8 (eight) Working Days from the Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within six Working Days from the Issue Closing Date. In the event there is delay in unblocking of funds/refunds, the Trust shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

If the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with the Trust, the Investment Manager and /or Registrar, refunds will be made to the account prescribed. However, where the Trust, the Investment Manager and/or Registrar to the Issue does not have the necessary information for making such refunds, the Trust, the Investment Manager and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including the SEBI Operational Circular and the circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Trading Lot

As per the SEBI ILNCS Regulations, the trading of the NCDs is in dematerialised form.

Following the initial issue of the NCDs, the trading lot shall be 1 (one) STRPP forming part of any NCD, pursuant to which 1 STRPP of any NCD bearing individual ISIN will be tradable by the NCD Holders.

Please note that in case of Maturity Date (being the date of last redemption instalment) of any STRPP, the trading in the respective STRPP shall remain suspended between the Record Date and the Maturity Date.

Allotment in this Issue will be in electronic form with initial allotment of 10 NCDs (comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C) followed by multiples of one NCD (comprising of 1 (one) STRPP A, 1 (one) STRPP B and 1 (one) STRPP C). For further details of Allotment, please see the section titled “*Issue Procedure*” on page 273.

Nomination facility to NCD Holders

Nomination facility will be provided to the NCD Holders if provided under applicable law and in a manner provided under to

applicable law.

Transfer/Transmission of NCD(s)

The NCDs / STRPPs shall be transferred or transmitted freely in accordance with the provisions of applicable law and/or as provided in the Debenture Trust Deed. The NCDs / STRPPs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed under applicable law. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see "*Issue Structure*" beginning on page 263, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

Any trading of the NCDs / STRPPs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Title

In case of:

- NCDs / STRPP held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories. The Investment Manager on behalf of Trust shall request the Depository to provide a list of beneficial owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be; and
- the NCDs / STRPPs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by the Trust, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs / STRPPs and no person will be liable for so treating the NCD Holder.

No transfer of title of an NCD or STRPP will be valid unless and until entered on the register of NCD Holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Investment Manager (*on behalf of the Trust*) and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs or STRPP will need to be settled with the seller of the NCDs or STRPP and not with the Trust or the Registrar.

Succession

In the event of the demise of the sole/first holder of the NCD(s) / STRPPs or the last survivor, in case of joint holders for the time being, the Investment Manager on behalf of the Trust shall recognize the executor or administrator of the deceased NCD Holder or the holder of succession certificate or other legal representative as having title to the NCD(s) / STRPP(s). The Investment Manager on behalf of the Trust shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Investment Manager on behalf of the Trust may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the NCD(s) / STRPP(s) standing in the name of the deceased NCD Holder on production of sufficient documentary proof or indemnity. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs / STRPPs by way of succession, the following steps have to be complied with: (i) Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs / STRPPs was acquired by the NRI as part of the legacy left by the NCD Holder; (ii) Proof that the NRI is an Indian National or is of Indian origin; (iii) Such holding by the NRI will be on a non -repatriation basis

Joint-holders

Where two or more persons are holders of any NCD(s) / STRPP(s), they shall be deemed to hold the same as joint holders with benefits of survivorship.

Restriction on transfer or transmission of NCDs / STRPPs

There are currently no restrictions on transfers and transmission of NCDs / STRPPs and on their consolidation or splitting except as may be required under applicable statutory or regulatory requirements including any RBI requirements and/or as provided in the Debenture Trust Deed.

Procedure for re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their depository participant at any time after Allotment in accordance with the applicable procedure stipulated by the depository participant, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. NCDs Holders who propose to re-materialise their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to the Issuer and the depository participant. No proposal for re-materialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such re-materialisation.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts of jurisdiction in New Delhi and Mumbai, India.

Taxation and Tax Benefits

For details of possible tax benefits available to the trust and NCD Holders under the applicable laws in India, please see the section titled “*Statement of Possible Tax Benefits*” on page 67.

Payment of Interest, Refund or Redemption Amount

The amount of interest payable shall be rounded off to the nearest Rupee. If the date of interest payment falls on Sundays or holidays of commercial banks in Delhi, then interest as due and payable on such day, would be paid on the immediately succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated schedule. The interest payments shall be made only on the subsequent day when the commercial banks are open for business. The dates of the future interest payments would be as per the originally stipulated schedule and shall not be changed because of postponement/pre-ponement of such interest payment on account of interest payment date/ Redemption Date (where amount is paid including the coupon accrued) fall on a non-Working Day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

If the Redemption Date/Maturity Date (also being the last interest payment date) falls on a day that is not a Working Day, including a Sunday or a holiday, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on the outstanding face value of the respective STRPPs till the date of such payment. The redemption payments shall be made only on the preceding day when the commercial banks are open for business. The interest/redemption payments shall be made only on the days when the money market is functioning in Delhi. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on each STRPP from the last interest payment date as per the SEBI Operational Circular.

In the event, the interest, refund or redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

The bank details will be obtained from the Depositories for payment of interest, refund or redemption, as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of interest / refund / redemption amount to the Applicant at the applicant’s sole risk, and none of the Lead Manager, the Sponsor, the Investment Manager, the Trustee, or the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

Basis of Payment of Interest

The tenor, coupon rate / yield and redemption amount applicable for each STRPP of each NCDs shall be determined at the time of Allotment of the NCDs. NCDs once allotted shall continue to bear the applicable tenor, coupon/yield and redemption amount as at the time of original Allotment irrespective of the category of NCD Holder on any record date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any STRPP of NCDs between the categories of persons or entities in the secondary market.

Payment on Redemption

Each STRPP of each NCD would be redeemed in accordance with the relevant Redemption Schedule. On the relevant redemption date, redemption proceeds would be paid by cheque/ pay order/ electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These face value of the respective STRPP will be simultaneously adjusted to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding face value of the respective STRPP. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

The Investment Manager's liability (on behalf of the Trust) to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the Redemption Date towards the Redemption Amount paid and from Maturity Date of each respective STRPP.

If the Redemption Date or Maturity Date (also being the last interest payment date) falls on a Sunday or a holiday, the redemption amount shall be paid on the immediately preceding Working Day along with interest accrued on the outstanding face value of the respective STRPP till the date of such payment. The interest payments shall be made only on the subsequent day when the money market is functioning in Delhi. Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on each STRPP from the last interest payment date as per the SEBI Operational Circular.

Terms of Payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for retail individual investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, the Trust shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in “- Terms of the Issue – Manner of Payment of Interest / Refund / Redemption” on page 259.

Participation by any of the above-mentioned Investor classes in the Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions. The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Deemed Date of Allotment

The date on which the Board of Directors of the Investment Manager approves the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment.

Maturity and Redemption

| Series I | Maturity Period (as applicable) |
|----------|--|
| STRPP A | 13 Years from the Deemed Date of Allotment |

| Series I | Maturity Period (as applicable) |
|----------|--|
| STRPP B | 18 Years from the Deemed Date of Allotment |
| STRPP C | 25 Years from the Deemed Date of Allotment |

The redemption of the respective STRPP shall be made in equal annual instalments starting from (i) the 8th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 13th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 18th anniversary of the Deemed Date of Allotment for STRPP C.

The Redemption Schedule and Redemption Amounts (for each NCD, comprising 1 (one) STRPP A, 1 (one) STRPP B and 1 (one) STRPP C) is set out below:

| Tenor | STRPP A | STRPP B | STRPP C | Total | Balance O/s |
|--------------------------------|----------|----------|----------|-----------|-------------|
| | 13 Years | 18 Years | 25 Years | | |
| Face Value | ₹300.00 | ₹300.00 | ₹400.00 | ₹1,000.00 | |
| 1 st Anniversary* | - | - | - | - | ₹1,000 |
| 2 nd Anniversary* | - | - | - | - | ₹1,000 |
| 3 rd Anniversary* | - | - | - | - | ₹1,000 |
| 4 th Anniversary* | - | - | - | - | ₹1,000 |
| 5 th Anniversary* | - | - | - | - | ₹1,000 |
| 6 th Anniversary* | - | - | - | - | ₹1,000 |
| 7 th Anniversary* | - | - | - | - | ₹1,000 |
| 8 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹950 |
| 9 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹900 |
| 10 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹850 |
| 11 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹800 |
| 12 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹750 |
| 13 th Anniversary*# | ₹50.00 | ₹50.00 | - | ₹100.00 | ₹650 |
| 14 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹600 |
| 15 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹550 |
| 16 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹500 |
| 17 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹450 |
| 18 th Anniversary*# | - | ₹50.00 | ₹50.00 | ₹100.00 | ₹350 |
| 19 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹300 |
| 20 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹250 |
| 21 st Anniversary*# | - | -; | ₹50.00 | ₹50.00 | ₹200 |
| 22 nd Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹150 |
| 23 rd Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹100 |
| 24 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹50 |
| 25 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | NIL |

*Of Deemed Date of Allotment

#Staggered Redemption by Face Value for each respective STRPP

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) thereof from time to time in accordance with the applicable law.

In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the record date.

In case of Maturity Date (being the date of last redemption installment) of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.

Manner of Payment of Interest / Refund / Redemption*

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Investment Manager (*on behalf of the Trust*) or the Registrar shall have no

responsibility and undertake no liability for the same.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. RTGS

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Investment Manager (*on behalf of the Trust*) and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. NEFT

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants’ banks have been assigned the Indian Financial System Code (“IFSC”), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. Registered Post/Speed Post

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that the Investment Manager (*on behalf of the Trust*) or the Trust shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as the Investment Manager (*on behalf of the Trust*) or the Trust has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

Printing of bank particulars on interest or redemption warrants

As a matter of precaution against possible fraudulent encashment of refund orders, and interest or redemption warrants due to loss or misplacement, the particulars of the Applicant’s bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from

the Depositories. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

The Trust may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buy-back the NCDs, upon such terms and conditions as may be decided by the Investment Manager and the Trustee (acting on behalf of the Trust).

Form and Denomination

It is distinctly to be understood that the NCDs pursuant to this issue shall be traded only in demat form. Further, no action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Right to reissue NCD(s)

Subject to the provisions of SEBI ILNCS Regulations and other applicable laws, as applicable, on the date of this Prospectus, where we have fully redeemed or repurchased any NCDs, we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or re-issue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or re-issuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Transfer of NCDs held in electronic form

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The NCD Holder (seller) should give delivery instructions containing details of the buyer's Depository Participant account to her/his Depository Participant.

Common form of transfer

The Investment Manager (on behalf of the Trust) undertakes that there shall be a common form of transfer for the NCDs and the provisions all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of information

The Investment Manager (on behalf of the Trust) may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English national daily and one regional language daily newspaper having wide circulation at the place where the registered office of the Investment Manager (*on behalf of the Trust*) and the Trust is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI ILNCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of the Issue. For the relevant quarters, our Investment Manager (*on behalf of the Trust*) will disclose in our quarterly financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien on pledge of NCDs

The Investment Manager (acting on behalf of the Trust) may, at its discretion note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

The Trust shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency subject to such consents and approvals and other conditions, as may be required under applicable law or financing agreements with the consent

of the holder of the NCDs or, the Debenture Trustee, by creating a charge on any assets (if so stipulated), provided the stipulated security cover is maintained, at all times.

Pre-Issue Advertisement

The Investment Manager (acting on behalf of the Trust), will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed in Schedule V of SEBI ILNCS Regulations in compliance with the Regulation 30(1) of SEBI ILNCS Regulations. Material updates, if any, between the date of filing of this Prospectus with RoC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Pre-Closure

The Investment Manager (acting on behalf of the Trust), in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Prospectus. The Trust shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, the Trust shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Illustration for guidance in respect of the day count convention and effect of holidays on payments.

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular will be as disclosed as Annexure I in this Prospectus.

Listing

The NCDs proposed to be offered in pursuance of this Prospectus will be listed on the BSE and NSE, with BSE being the Designated Stock Exchange. The Investment Manager (on behalf of the Trust) has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/014/22-23 dated October 10, 2022 or from NSE by way of its letter bearing reference number NSE/LIST/D/2022/0147 dated October 10, 2022. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in, and for an official quotation of, the NCDs are not granted by the Stock Exchanges, the Trust through the Investment Manager will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Prospectus. The Investment Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date.

Guarantee/Letter of comfort

The Issue/ redemption of the NCDs/STRPPs is backed by a corporate guarantee provided by the Project SPV. The Project SPV shall irrevocably and unconditionally:

- (a) guarantee to the Debenture Trustee (acting on behalf of the NCD Holders) the due and punctual discharge by the Issuer of all the outstanding due amounts relating to the NCDs;
- (b) undertake to the Debenture Trustee that when the outstanding due amounts relating to the NCDs become due and payable under or in connection with the Issue and/or upon the occurrence of an Event of Default (and after the expiry of the applicable cure period, if any), it shall not later than 1 (one) Working Day of demand, and without any delay, demur or protest, pay the amount stated in the demand certificate in accordance with the terms of the relevant deed of guarantee/Debenture Trust Deed and the terms thereof, as if it were a principal obligor; and
- (c) agree with the Debenture Trustee that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Debenture Trustee immediately of demand against any cost, loss or liability it incurs as a result of the Issuer not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it on the date when it would have been due.

Provided further that this guarantee shall be capable of being invoked by the Debenture Trustee by issuance of demand certificate, only upon failure by the Issuer to pay and discharge any of the outstanding due amounts relating to the NCDs and/or upon the occurrence of an Event of Default (and after the expiry of the applicable cure period, if any).

ISSUE STRUCTURE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the section titled “*General Terms of the Issue*” on page 251.

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Issue Guidelines, SEBI ILNCS Regulations, InvIT Regulations, SEBI Operational Circular, the terms of the Draft Prospectus, this Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the GoI, and other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

For further details, please see the section titled “*Issue Procedure*” on page 273.

The common terms and conditions of the Term Sheet are as follows:

TERM SHEET – DEBT ISSUANCE BY NATIONAL HIGHWAYS INFRA TRUST

| Particulars | Details |
|--|---|
| Security Name | 7.90% NHIT STRPP A, 7.90% NHIT STRPP B, 7.90% NHIT STRPP C |
| Issuer | National Highways Infra Trust. |
| Lead Managers | JM Financial Limited, A.K. Capital Services Limited, ICICI Securities Limited, SBI Capital Markets Limited and Trust Investment Advisors Private Limited. |
| Debenture Trustee | SBICAP Trustee Company Limited. |
| Registrar to the Issue | KFin Technologies Limited (formerly known as KFin Technologies Private Limited). |
| Type and nature of instrument | Secured, Rated, Listed, Redeemable, Non-Convertible Debentures. |
| Seniority | Senior (to clarify, the claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements). |
| Mode of Issue | Public Issue. |
| Issue | Public issue by the Issuer of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000/- each, (comprising of 3 (three) separately transferable and redeemable principal parts (“STRPP”) namely 1 STRPP A of face value of ₹ 300/-, 1 STRPP B of face value of ₹ 300/- and 1 STRPP C of face value of ₹ 400/-, for an amount aggregating to ₹ 15,000 million (“ Total Issue Size ”). |
| Base Issue Size | ₹ 7,500 million |
| Option to retain Oversubscription / Green shoe option (Amount) | ₹ 7,500 million |
| Minimum Subscription | 75% of the Base Issue Size i.e. ₹ 5,625.00 million |
| Total Issue Size | Up to ₹ 15,000 million. |
| Minimum application | ₹ 10,000 (i.e. 10 NCDs comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C). |
| In multiples of | ₹ 1,000 (1 NCD comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C) thereafter. |
| Stock Exchange/s proposed for listing of the NCDs | BSE Limited and National Stock Exchange of India Limited. |
| Listing and timeline for listing | The NCDs are proposed to be listed on BSE Limited and National Stock Exchange of India Limited. BSE has been appointed as the Designated Stock Exchange. The NCDs shall be listed within 6 (six) Working Days from the Issue Closing Date. |
| Mode of Payment | Please see “ <i>Issue Procedure</i> ” on page 273. |
| Mode of Allotment* | Compulsorily in dematerialised form. |
| Mode of Trading | STRPPs will be traded in dematerialised form. |
| Mode of settlement | Please refer to the chapter titled “ <i>General Terms of the Issue – Payment on Redemption</i> ” on page 257. |
| Market Lot (for bidding) | 1 (one) NCD. |
| Trading Lot | Subsequent to the listing, the trading lot shall be 1 (one) STRPP bearing individual ISIN forming part of any NCD, which will be tradable by the NCD Holders. |
| Depositories | NSDL and CDSL. |
| Description regarding Security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ | Security The principal amount of the NCDs to be issued in terms of this Prospectus together with all interest/coupon due on the NCDs, subject to any obligations under applicable |

| Particulars | Details |
|--|---|
| <p>hypothecation/ mortgage etc.), date of creation of security/likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in the Prospectus</p> | <p>statutory and/or regulatory requirements shall be secured by:</p> <ul style="list-style-type: none"> (a) a first ranking <i>pari passu</i> Security Interest over the Issuer’s immovable assets (if any), both present and future. The Issuer does not own any immovable property at the present time. In the event, the Issuer acquires any immovable property in future, the Issuer shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/or modifications, as may be required to give effect the same, including carrying out the due diligence as may be required by Debenture Trustee; (b) a first ranking <i>pari passu</i> Security Interest over the Hypothecated Assets (including Receivables), both present and future; and (c) Negative Lien Undertaking; (d) corporate guarantee executed or to be executed by the Project SPV in favor of the Debenture Trustee for guaranteeing the due repayment of the secured obligations in accordance with the terms in the Debenture Trust Deed. <p>The security interest/ security documents stipulated above shall be collectively referred to as the “Security”.</p> <p>Security Creation Timelines</p> <ul style="list-style-type: none"> (a) The Security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). (b) Unless otherwise agreed to by the Debenture Trustee, in the event the above stipulated Security is not created and/or perfected within the timelines as mentioned above or any extended timeline as may be approved by the Debenture Trustee in writing, (i) the NCDs shall carry additional interest, over and above the Coupon Rate, at the rate of 2.0% (two percent) per annum, if any, on the NCDs, computed from the date falling after the expiry of the time period provided above, till creation and perfection of the relevant Security and/or till the execution of the relevant Security Documents. <p>Ranking</p> <p>The Security created or to be created to secure the NCDs shall be first ranking <i>pari passu</i> security interest <i>inter se</i> the Existing Lenders, the Debenture Trustee (acting on behalf of the NCD Holders) and the Additional Lenders. The Issuer is permitted to provide and/or share any Security with the Additional Lenders for the purpose of securing the Additional Debt, provided that the availing of the Additional Debt is in compliance with the Additional Debt Conditions and a 15 (fifteen) calendar days’ prior written intimation is provided to the Debenture Trustee.</p> <p>The Issuer shall maintain a minimum 100% security cover on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times.</p> |
| <p>Security Cover[#]</p> | <p>The Issuer shall maintain a minimum 100% security cover on the outstanding principal of the NCDs plus accrued interest/coupon thereon, at all times.</p> |
| <p>Who can apply/ Eligible Investors</p> | <p>Please see the section titled “<i>Issue Procedure – Application Process</i>” on page 273.</p> |
| <p>Additional Debt Condition</p> | <p>During the tenor of the NCDs, the Issuer is permitted to raise additional indebtedness subject to compliance of the below conditions (“Additional Debt”):</p> <ul style="list-style-type: none"> - As long as the credit rating of the NCDs is AAA from all Indian rating agencies that have an outstanding rating; there should not be any outstanding credit rating from any Indian rating agency below AAA; <i>provided that</i> this condition relating to credit rating of NCDs being AAA, shall not be applicable in case of any additional indebtedness availed/to be availed by the Issuer for meeting expenditure relating to (a) any statutory requirements; (b) major maintenance and improvement of any project developed by the Project SPV/any new SPV (as |

| Particulars | Details |
|----------------|---|
| | <p>defined under the SEBI InvIT Regulations) of the Issuer;</p> <ul style="list-style-type: none"> - The consolidated borrowings of the Issuer shall not exceed 70% of the value of InvIT assets as defined by SEBI in the SEBI InvIT Regulations (as amended from time to time); - Any additional borrowing exceeding the consolidated borrowing of 49% of the value of InvIT assets shall only be utilized as per SEBI InvIT Regulations; - Consolidated debt/ EBITDA shall be lower than 9x; such covenant shall be tested from financial year 2024 and every year thereafter based on audited financials of the previous financial year. <p>In the event any security is to be shared with the lenders of Additional Debt, the Debenture Trustee shall be authorized, upon receipt of the certificate of the Auditor of the Issuer confirming the security cover and that the above stated conditions have been complied by the Issuer, to share the Security on pari passu basis with any new lender, provided that the conditions of raising such additional debt are in compliance with the provisions herein and a 15 (fifteen) calendar days' prior written intimation is provided to the Debenture Trustee.</p> |
| Credit Ratings | NCDs proposed to be issued are rated 'CARE AAA;Stable' by CARE Ratings Limited and 'IND AAA/Stable' by India Ratings and Research Private Limited. |
| Record Date | <p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) calendar days prior to the date on which interest payment is due and payable, and/or in case of redemption, the relevant Redemption Date/ Maturity Date for each relevant STRPP or such other date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) thereof from time to time in accordance with the applicable law.</p> <p>In case the record date falls on a day when the Stock Exchange is having a trading holiday, the immediate subsequent trading day or a date notified by the Investment Manager to the Stock Exchanges, will be deemed as the record date.</p> <p>In case of Maturity Date (being the date of last redemption installment) of any STRPPs, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.</p> |
| Issue Schedule | <p>The Issue shall open from Monday, October 17, 2022 to Monday, November 7, 2022 and shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during this period, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure of or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date.</p> |

| Particulars | Details |
|---|--|
| All covenants of the issue (including side letters, accelerated payment clause, etc.) | <p>As specified in this Prospectus and the Debenture Trust Deed. Any additional covenants subsequent to the allotment of NCDs shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.</p> <p>Additional Conditions:</p> <ol style="list-style-type: none"> a. The Issuer/Project SPV/any other entity owned by the Issuer shall be permitted to acquire any new SPVs and/ or new projects (as defined under the InvIT Regulations) subject to a credit rating of at least AA is maintained by the Trust post-acquisition of such new SPV(s) and/or new projects. The details regarding the acquisition of the projects/ SPV, shall be intimated to Debenture Trustee within 120 days from the date of completion of such acquisition. b. In relation to the Issuer’s obligations for funding the major maintenance reserve account, the Issuer could avail an additional term loan facility (“MMRA Loan”). In respect of the MMRA Loan, the Issuer shall submit to the Debenture Trustee, at least an in-principle sanction letter for the MMRA Loan, 12 (twelve) months prior to the due date for undertaking such major maintenance related expenditure, as per the base case business plan of the Issuer (“MMRA Due Date”), and the final sanction letter at least 6 (six) months prior to the MMRA Due Date. If the Issuer fails to submit the final sanction letter for the MMRA Loan, within the aforesaid timeline, then the Issuer shall at least fund the major maintenance reserve account, from its own cash flows, such that the amounts standing to the credit of the major maintenance reserve account are equivalent to the major maintenance requirement for the ensuing year. <p>For the purpose of undertaking any action which is not in compliance with any of the above mentioned conditions, the Issuer would be required to obtain approval from the Debenture Trustee for which the Debenture Trustee would have to secure an approval from at least 50% of the NCD Holders by value.</p> |
| Objects of the Issue/ Purpose for which there is requirement of funds | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 63. |
| Details of the utilisation of Issue proceeds | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page number 63. |
| Coupon, Interest rate, Interest payment date, Interest type and redemption premium/discount | STRPP A of an NCD – 7.90% p.a. payable semi-annually STRPP B of an NCD – 7.90% p.a. payable semi-annually STRPP C of an NCD – 7.90% p.a. payable semi-annually |
| Step up/ Step down interest rates | Not applicable. |
| Coupon/Interest Reset Process (including rates, spread, effective date, interest rate cap and floor etc). | Not applicable |
| Coupon payment frequency | Semi-annual basis from the Deemed Date of Allotment |
| Interest on application money | Not Applicable |
| Tenor | STRPP A of an NCD – 13 years STRPP B of an NCD – 18 years STRPP C of an NCD – 25 years For further details, please refer to the chapter titled “ <i>General Terms of the Issue</i> ” on page 251. |
| Default Coupon Rate | The Issuer shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, dematerialized credit, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under Applicable Law. The Issuer shall pay up to 2% per annum to the NCD holders, over and above the agreed coupon rate, till the execution of the debenture trust deed if the Issuer fails to execute the debenture trust deed within such period as prescribed under Applicable Law. |
| Redemption Date | The redemption of the respective STRPP shall be made in equal annual instalments |

| Particulars | Details |
|---|--|
| | starting from (i) the 8 th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 13 th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 18 th anniversary of the Deemed Date of Allotment for STRPP C, more particularly set out in the Redemption Schedule in the “ <i>General Terms of the Issue</i> ” on page 251. |
| Maturity Date | (i) the 13 th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 18 th anniversary of the Deemed Date of Allotment for STRPP B and (iii) the 25 th anniversary of the Deemed Date of Allotment for STRPP C, more particularly set out in the Redemption Schedule in the “ <i>General Terms of the Issue</i> ” on page 251. |
| Redemption Amount | Each STRPP will be redeemed at face value in equal annual instalments on Redemption Dates as given under “ <i>Issue Structure</i> ” on page 263. |
| Redemption Premium / Discount | Redemption at par. |
| Face Value (in ₹ per NCD) | Each NCD has a face value aggregating to ₹ 1,000 (Rupees One Thousand only). Each NCD shall comprise of 3 STRPPs having different ISINs and face value: (a) 1 STRPP A of face value of ₹ 300; (b) 1 STRPP B of face value of ₹ 300; (c) 1 STRPP C of face value of ₹ 400. |
| Issue Price (in ₹ per NCD) | Face Value of ₹ 1,000/- per NCD consisting of 1 (one) STRPP A with face value of ₹ 300/-, 1 (one) STRPP B with face value of ₹ 300/- and 1 (one) STRPP C with face value of ₹ 400/-. |
| Discount at which security is issued and the effective yield as a result of such discount | Please refer to “ <i>Specific Terms for NCDs</i> ” on page 269. |
| Day count convention | Actual/ Actual. |
| Working Days convention/Day count convention / Effect of holidays on payment/ Business Day Convention | Working Day means all days on which commercial banks in Delhi is open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the dates of the future interest payments would continue to be as per the originally stipulated schedule. Payment of coupon will be subject to the deduction of tax as per Income Tax Act, 1961 (if applicable) or any statutory modification or re-enactment thereof for the time being in force. In case any Redemption Date or Maturity Date does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the outstanding face value of respective STRPP till the date of such payment |
| Issue Agreement | Agreement dated September 30, 2022 entered into by the Investment Manager (acting on behalf of the Issuer), the Trustee (acting on behalf of the Issuer) and the Lead Managers. |
| Issue Opening Date | Monday, October 17, 2022 |
| Issue Closing Date** | Monday, November 7, 2022 |
| Date of earliest closing of the Issue, if any | Not applicable |
| Pay-in Date | Application Date. The entire Application Amount is payable on Application. |
| Deemed Date of Allotment | The date on which the Board of Directors of the Investment Manager approves the Allotment of the NCDs for this Issue or such date as may be determined by the Board of Directors / authorised officer(s) of the Investment Manager (as permitted under applicable law) and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs/ any STRPP forming part of the NCD shall be available to the NCD Holders from the Deemed Date of Allotment. |
| Put Option Date | Not applicable |
| Put Option Price | Not applicable |
| Call Option Date | Not applicable |
| Call Option Price | Not applicable |
| Put/Call Option Price | Not applicable |

| Particulars | Details |
|--|---|
| Put Notification Time | Not applicable |
| Call Notification Time | Not applicable |
| Transaction documents | Transaction Documents shall mean the Draft Prospectus, this Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and related power of attorney and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by the Issuer with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreement(s), the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. |
| Conditions precedent to this Issue | Other than the conditions precedent set out in the Debenture Trust Deed and as specified in the SEBI ILNCS Regulations, there are no conditions precedent to the Issue. |
| Conditions subsequent to this Issue | Other than the conditions subsequent set out in the Debenture Trust Deed and as specified in the SEBI ILNCS Regulations, there are no conditions subsequent to the Issue. |
| Events of default (including manner of voting /conditions of joining Inter Creditor Agreement) | Please refer to the chapter titled “ <i>General Terms of the Issue – Events of Default</i> ” on page 254 and as set out in the Debenture Trust Deed. |
| Creation of recovery expense fund | The Issuer shall create a recovery expense fund in the manner as specified by SEBI in circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 as amended from time to time and Regulation 11 of the SEBI ILNCS Regulations with the Designated Stock Exchange and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by the Issuer under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security. |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | <p>Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained herein and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.</p> <p>As per the Debenture Trust Deed, the Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Issuer of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.</p> <p>Please refer to the section titled “<i>General Terms of the Issue – Events of Default</i>” on page 254.</p> |
| Provisions related to Cross Default | As per the Debenture Trust Deed to be executed in accordance with applicable law. |
| Risk Factors pertaining to the Issue | Please see section titled “ <i>Risk Factors</i> ” on page 16. |
| Roles and responsibilities of the Debenture Trustee | As per SEBI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, and the Debenture Trust Deed. |
| Governing law and jurisdiction | Any dispute in relation to NCDs shall be governed by laws of India and courts and tribunals in Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of NCDs. |

* In terms of Regulation 7 of the SEBI ILNCS Regulations, the Issuer will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs/STRPPs shall be compulsorily in dematerialized form.

** The Issue shall remain open for subscription on Working Days from 10:00 A.M. to 5:00 P.M. IST, during the period indicated in this Prospectus, except that this Issue may close on such earlier date or extended date as may be decided by the Board of Directors of the Investment Manager (or authorised committee thereof, subject to relevant approval). In the event of such an early closure or extension of this Issue, the Investment Manager (acting on behalf of the Trust) shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in all those newspapers in a English daily national newspaper with wide circulation and a regional daily with wide circulation where the principal place of business of the Trust is located (in all the newspapers in which pre-issue advertisement for opening of this Issue was given on or before such earlier or initial date of Issue closure) on or before such earlier or initial date of Issue closure. Application Forms for this Issue will be accepted only from 10:00 A.M. to 5:00 P.M., on Working Days during the Issue Period (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, or other Designated Intermediaries as the case maybe, only at the selected cities. On the Issue Closing Date, Application Forms will be accepted only between 10:00 A.M. to 3:00 P.M. and uploaded until 5:00 P.M. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 P.M. on one Working Day after the Issue Closing Date. For further details, please see the section titled “*General Information – Issue Schedule*” on page 49.

While the NCDs will be secured to the tune of 100% of the principal and interest amount or as per the terms of this Prospectus, in favour of Debenture Trustee, the Debenture Trustee shall monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the Security.

The specific terms of each instrument to be issued pursuant to an Issue shall be as set out in this Prospectus.

Please see “Issue Procedure” on page 273 for details of category wise eligibility and allotment in the Issue.

Participation by any of the above-mentioned investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

For further details, see “Issue Procedure” beginning on page 273.

SPECIFIC TERMS FOR NCDs

| Series | I | | |
|--|--|--|--|
| Type of Instrument | Secured NCDs | | |
| Face Value / Issue Price of NCDs (₹ / NCDs) | ₹1,000 per NCD comprising of 1 STRPP A of Face value of ₹ 300, 1 STRPP B of Face value of ₹ 300; and 1 STRPP C of Face value of ₹ 400 | | |
| Minimum Application | ₹10,000 (10 NCDs comprising of 10 STRPP A, 10 STRPP B, 10 STRPP C) | | |
| In Multiples of thereafter (₹) | ₹1,000 (1 NCD comprising of 1 STRPP A, 1 STRPP B, 1 STRPP C) | | |
| STRPP with different ISIN ⁵ | STRPP A | STRPP B | STRPP C |
| Tenor | 13 Years | 18 Years | 25 Years |
| Face value per STRPP (₹) | ₹ 300 | ₹ 300 | ₹ 400 |
| | Aggregating to ₹ 1,000 (i.e. 1 NCD) | | |
| Coupon (%) for NCD Holders in Category I, Category II, Category III & Category IV | 7.90% p.a. payable semi-annually | 7.90% p.a. payable semi-annually | 7.90% p.a. payable semi-annually |
| Effective Yield (% per annum) for NCD Holders in Category I, Category II, Category III & Category IV | 8.05% | 8.05% | 8.05% |
| Frequency of Interest Payment | Semi-Annual | Semi-Annual | Semi-Annual |
| Mode of Interest Payment | Through Various Modes available | | |
| Maturity (from the Deemed Date of Allotment) | 13 Years | 18 Years | 25 Years |
| Redemption Date/ Redemption Schedule ** | Staggered Redemption by Face Value for each respective STRPP as per “Principal Redemption Schedule and Redemption Amounts” | Staggered Redemption by Face Value for each respective STRPP as per “Principal Redemption Schedule and Redemption Amounts” | Staggered Redemption by Face Value for each respective STRPP as per “Principal Redemption Schedule and Redemption Amounts” |
| Amount (₹ / NCD) on Redemption Day/ Maturity for NCD Holders in Category I, Category II, Category III & Category IV ** | Six(6) annual payments of ₹50 each, starting from 8th Anniversary* until Maturity | Six(6) annual payments of ₹50 each starting from 13 th Anniversary* until Maturity | 8 annual payments of ₹50 each starting from 18 th Anniversary* until Maturity |
| Put and Call Option | Not Applicable | Not Applicable | Not Applicable |

*Of Deemed Date of Allotment

** For further details, please refer “Issue Structure – Principal Redemption Schedule and Redemption Amounts” on page 270 of this Prospectus and illustrative cash flows given in Annexure I of this Prospectus.

\$ Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size.

#With respect to each STRPP, coupon will be paid on Semi-Annual basis every 6 months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The coupon accrued on every Redemption Date will be paid along with the Redemption Amount as per the Redemption Schedule for each respective STRPP. The last coupon payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

Subject to applicable tax deducted at source (TDS), if any. For further details, please see the section entitled “Statement of Possible Tax Benefits” on page 67 of this Prospectus

If the Deemed Date of Allotment undergoes a change, the coupon payment dates, Redemption Dates and other cash flow workings shall be changed accordingly.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying

for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, see “Issue Procedure” and “General Terms of Issue” on page 273 and 251 of this Prospectus.

Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size, as explained in Case I, Case II and Case III above. However, subsequent to listing, the Trading Lot shall be of 1 (one) STRPP forming part of any NCD, bearing individual ISIN will be tradable by the NCD Holders.

**** Principal Redemption Schedule and Redemption Amounts (for each NCD, comprising 1 (one) STRPP A, 1 (one) STRPP B and 1 (one) STRPP C)**

| | STRPP A | STRPP B | STRPP C | Total | Balance O/s |
|--------------------------------|----------|----------|----------|-----------|-------------|
| Tenor | 13 Years | 18 Years | 25 Years | | |
| Face Value | ₹300.00 | ₹300.00 | ₹400.00 | ₹1,000.00 | |
| 1 st Anniversary* | - | - | - | - | ₹1,000 |
| 2 nd Anniversary* | - | - | - | - | ₹1,000 |
| 3 rd Anniversary* | - | - | - | - | ₹1,000 |
| 4 th Anniversary* | - | - | - | - | ₹1,000 |
| 5 th Anniversary* | - | - | - | - | ₹1,000 |
| 6 th Anniversary* | - | - | - | - | ₹1,000 |
| 7 th Anniversary* | - | - | - | - | ₹1,000 |
| 8 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹950 |
| 9 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹900 |
| 10 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹850 |
| 11 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹800 |
| 12 th Anniversary*# | ₹50.00 | - | - | ₹50.00 | ₹750 |
| 13 th Anniversary*# | ₹50.00 | ₹50.00 | - | ₹100.00 | ₹650 |
| 14 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹600 |
| 15 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹550 |
| 16 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹500 |
| 17 th Anniversary*# | - | ₹50.00 | - | ₹50.00 | ₹450 |
| 18 th Anniversary*# | - | ₹50.00 | ₹50.00 | ₹100.00 | ₹350 |
| 19 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹300 |
| 20 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹250 |
| 21 st Anniversary*# | - | -; | ₹50.00 | ₹50.00 | ₹200 |
| 22 nd Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹150 |
| 23 rd Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹100 |
| 24 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | ₹50 |
| 25 th Anniversary*# | - | - | ₹50.00 | ₹50.00 | NIL |

*Of Deemed Date of Allotment

#Staggered Redemption by Face Value for each respective STRPP

With respect to each STRPP, Coupon will be paid on each semi-annual basis every six months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The last coupon payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

With respect to each STRPP where Coupon is to be paid on a semi-annual basis, relevant Coupon will be paid on each semi-annual basis every six months from the Deemed Date of Allotment on the outstanding face value of the relevant STRPP. The last coupon payment under such STRPP will be made at the time of Maturity (final redemption date) of the said STRPP.

The coupon accrued on every Redemption Date will be paid along with the Redemption Amount as per the Redemption Schedule for each respective STRPP. For further details, please refer “Issue Structure – Principal Redemption Schedule and Redemption Amounts” on page 270 of this Prospectus and illustrative cash flows given in **Annexure I** of this Prospectus.

Please refer to **Annexure A** of this Prospectus, for details pertaining to the financial information of the Trust in accordance with the SEBI Operational Circular.

Subject to applicable tax deducted at source, if any. For further details, please see the section titled “Statement of Possible Tax Benefits” on page 67 of this Prospectus.

Interest and Payment of Interest

Interest would be paid on a semi-annual basis for each STRPP at the following rates, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of the STRPPs:

| STRPP with different ISIN | STRPP A | STRPP B | STRPP C |
|---------------------------|----------|----------|----------|
| Tenor | 13 Years | 18 Years | 25 Years |
| Face value per STRPP (₹) | ₹ 300 | ₹ 300 | ₹ 400 |

| | Aggregating to ₹ 1,000 (i.e. 1 NCD) | | |
|---|-------------------------------------|----------------------------------|----------------------------------|
| Coupon (%) for all Categories of NCD Holders | 7.90% p.a. payable semi-annually | 7.90% p.a. payable semi-annually | 7.90% p.a. payable semi-annually |

Staggered Redemption by Face Value for each respective STRPP as per “Principal Redemption Schedule and Redemption Amounts” on page 270 of this Prospectus. The redemption of the respective STRPP shall be made in equal annual instalments starting from (i) the 8th anniversary of the Deemed Date of Allotment for STRPP A, (ii) the 13th anniversary of the Deemed Date of Allotment till Maturity for STRPP B and (iii) the 18th anniversary of the Deemed Date of Allotment till Maturity for STRPP C.

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each STRPP shall be determined at the time of Allotment. STRPPs once allotted shall continue to bear the applicable Tenor, Coupon/Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/yield and redemption amount as at the time of original allotment will not be impacted by trading of any STRPP between the categories of persons or entities in the secondary market.

Application Size

The minimum application size would be ₹ 10,000 (i.e. 10 NCDs) and thereafter in multiples of ₹1,000 (i.e. 1 NCD) thereof. For each NCD allotted, the investors will be allotted 3 STRPPs of different ISINs which are individually tradable post listing. To extend the clarity on the number of STRPPs being issued to the investor on allotment, against the application made for NCDs under this Issue, set of illustrations have been detailed below:

Case I - Application amount - ₹ 10,000

NCDs to be allotted – 10 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

| STRPP | A | B | C | Total |
|---------------------------------|-----------|-----------|-----------|----------------|
| Tenor | 13Y | 18Y | 25Y | |
| Face Value (X) | ₹300 | ₹300 | ₹400 | ₹1,000 |
| No. of STRPPSs (Y) | 10 | 10 | 10 | 30 |
| Total Face Value (X x Y) | ₹3,000 | ₹3,000 | ₹4,000 | ₹10,000 |

Case II – Application amount - ₹ 12,000

NCDs to be allotted – 12 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

| STRPP | A | B | C | Total |
|---------------------------------|-----------|-----------|-----------|----------------|
| Tenor | 13Y | 18Y | 25Y | |
| Face Value (X) | ₹300 | ₹300 | ₹400 | ₹1,000 |
| No. of STRPPSs (Y) | 12 | 12 | 12 | 36 |
| Total Face Value (X x Y) | ₹3,600 | ₹3,600 | ₹4,800 | ₹12,000 |

Case III - Application amount - ₹ 85,000

NCDs to be allotted – 85 NCDs which will comprise of STRPP A, STRPP B and STRPP C as under:

| STRPP | A | B | C | Total |
|---------------------------------|-----------|-----------|-----------|----------------|
| Tenor | 13Y | 18Y | 25Y | |
| Face Value (X) | ₹300 | ₹300 | ₹400 | ₹1,000 |
| No. of STRPPSs (Y) | 85 | 85 | 85 | 255 |
| Total Face Value (X x Y) | ₹25,500 | ₹25,500 | ₹34,000 | ₹85,000 |

Upon Allotment, an Investor will be Allotted all 3 STRPPs of an NCD against the equivalent amount invested by such Investor subject to minimum Application size, as explained in Case I, Case II and Case III above. However, subsequent to listing, the Trading Lot shall be of 1 (one) STRPP forming part of any NCD, bearing individual ISIN will be tradable by the NCD Holders.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Please note that this section has been prepared based on the SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time (the “SEBI Operational Circular”) and other related circulars. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (to participate in the public issue for an amount up to ₹ 5,00,000 for public issue of debt securities as per SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022, or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. Applicants should note that they may submit their Applications to the Lead Manager or Members of the Consortium or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Prospectus.

Specific attention is drawn to the SEBI Operational Circular that provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES OF THE STOCK EXCHANGE(S) WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE DRAFT PROSPECTUS / PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE CONSORTIUM, TRUST, THE INVESTMENT MANAGER, THE SPONSORS, THE TRUSTEE SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean all days on which commercial banks in Delhi, are open for business. In respect of announcement of bid/issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Further, in respect of the time period between the bid/ issue closing date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchanges for NCDs, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

The information below is given for the benefit of Applicants. The Trust, Investment Manager and the Members of the Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus.

APPLICATION PROCESS

Who can apply?

The following categories of persons are eligible to apply in this Issue.

Category I

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 250 million, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 5,000 million as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI .

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all NCDs in this Issue.

Category IV

Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all NCDs in this Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit (being ₹ 500,000 for issue of debt securities) in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.

Note: Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Issue.

The Lead Managers, Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Issue.

Who are not eligible to apply for the NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- (a) Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- (b) Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Persons resident outside India and other foreign entities;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Qualified Foreign Investors;
- (g) Overseas Corporate Bodies**;
- (h) Foreign Venture Capital Funds; and
- (i) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872
The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.
Based on the information provided by the Depositories, the Trust shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

** The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to “Issue Procedure – Rejection of Applications” on page 293 of this Prospectus for information on rejection of Applications.

How to apply?

Availability of the Draft Prospectus, this Prospectus, Abridged Prospectus and Application Forms.

Physical copies of the Abridged Prospectus containing the salient features of this Prospectus together with Application Forms may be obtained from the Registered Office of the Investment Manager (on behalf of the Trust), offices of the Lead Managers, offices of the Consortium members, the Registrar to the Issue, Designated RTA Locations for RTAs, Designated CDP Locations for CDPs and the Designated Branches of the SCSBs. Additionally, electronic copies of the Draft Prospectus, this Prospectus and the Application Forms will be available.

- (i) for download on the website of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, and the website of the Lead Managers at www.jmfl.com, www.akgroup.co.in, www.icicisecurities.com, www.sbicaps.com and www.trustgroup.in.
- (ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic copies of this Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, Consortium Members, the Stock Exchanges and SCSBs

Electronic Application Forms will also be available on the website of the Stock Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchanges for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A Unique Application number (“UAN”) will be generated for every Application Form downloaded from the websites of Stock Exchanges. Further, Application Forms will also be provided to Designated Intermediaries at their request.

The Trust may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Please note that there is a single Application Form for all Applicants who are Persons Resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

In terms of SEBI Operational circular, an eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any escrow bank.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“Direct Online Application Mechanism”). In this regard, SEBI has, through the SEBI Operational Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Operational Circular

Applicants should submit the Application Form only at the Bidding Centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB (except Application Form from retail individual investors using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a RIB who is not applying using the UPI Mechanism. For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

The Trust, the Investment Managers, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to

ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)
 - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
 - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
 - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs. 5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. **Through Stock Exchanges**
 - a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchanges (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchanges bidding platform and the amount is blocked using the UPI Mechanism.
 - b. The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to Rs. 5 lakh. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
 - c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>; and NSE: <https://www.nseindiaipo.com>
 - d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications
 - e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Similar circulars by NSE can be found here: x <https://www1.nseindia.com/content/circulars/IPO46907.zip> x <https://www1.nseindia.com/content/circulars/IPO46867.zip> Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities. For further details, see "*Issue Procedure – Process for investor application submitted with UPI as mode of payment*" on page 287.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter, as specified in this Prospectus and as shall be specified in this Prospectus. Each NCD shall consist of three STRPPs, i.e. STRPP A, STRPP B and STRPP C. Each of the STRPPs shall have a different face value, maturity and ISIN, and shall be redeemable: (i) at par; and (ii) in a staggered manner. For each NCD allotted, the investors will be allotted 3 STRPPs which are individually tradable post listing.

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 ("**SEBI Circular 2019**"), mutual

funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20 % of the net assets value of the scheme.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must also be accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, the Trust reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled commercial banks, co-operative banks and regional rural banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, the Trust reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Pursuant to SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories. **Failing this, the Trust reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Application by Insurance Companies

Insurance companies registered with IRDAI can apply in this Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with the IRDAI; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories. **Failing this, the Trust reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by alternative investments funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the SEBI AIF Regulations for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The alternative investment funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by public financial institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

The Trust, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that the Trust and the Lead Managers may deem fit.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are

incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by the Income Tax authorities. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by National Investment Funds

Application made by a national investment fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, the Trust reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by non-banking financial companies

Non-banking financial companies can apply in this Issue based on their own investment limits and approvals. Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board resolution authorising investments; and (ii) specimen signature of authorized person.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Trust reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and the Trust are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

The Trust, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- a. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application being made in the electronic mode, the Applicant

shall submit the Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- b. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).
- c. A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to the UPI Application Limit, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Issue or until withdrawal/ rejection of the Application Form, as the case may be. In case of an Application not involving an Application by an RIB through UPI Mechanism, if sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

- a. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of this Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- b. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of

Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to “*Issue Structure*” on page 263 of this Prospectus.

- c. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.
- d. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Members or Trading Members of the Stock Exchanges, as the case maybe, if not, the same shall be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the relevant Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the relevant Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Issue or until rejection of the ASBA Application, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, an Applicant may submit the Application Form with a SCSB or the Designated mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is up to the UPI Application Limit. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Pre-Issue Advertisement

The Trust will issue a statutory advertisement in compliance with of SEBI ILNCS Regulations on or before the Issue Opening Date of this Issue. This advertisement will contain the information as prescribed under the SEBI ILNCS Regulations. Material updates, if any, between the date of filing of this Prospectus with SEBI and the Stock Exchanges and the date of release of the statutory advertisement will be included in the statutory advertisement.

General Instructions for completing the Application Form

- a. Applications must be made in prescribed Application Form only;
- b. Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Trust or the Registrar to the Issue.
- c. Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/> Recognised-Intermediaries)
- c. Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Prospectus, the Prospectus, the Abridged Prospectus and the Application Form.
- c. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- d. Applicants applying for Allotment in dematerialized form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the

Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs

- e. Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form. **Applicants must note that each NCD shall comprise three STRPPs, i.e. STRPP A, STRPP B and STRPP C, bearing individual ISINs.** For each NCD allotted, the investors will be allotted 3 STRPPs which are individually tradable post listing.
- f. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- g. Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- h. Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- i. No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (“TRS”). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- j. The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- k. Every Applicant should hold a valid PAN and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount
- l. All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- m. Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI mechanism, and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- n. Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- o. For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- p. Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- q. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the

Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected

On the basis of the DP ID, UPI ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor the Trust shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and the Trust, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither the Trust, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, the Trust in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. **Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, UPI ID, Client ID and PAN, then such Applications are liable to be rejected.**

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

Unified Payments Interface (UPI)

Pursuant to the SEBI Operational Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Trust will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir- 05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, as specified in this Prospectus, subject to a minimum Application size as specified in this Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Electronic registration of Applications

a. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the

Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. The Lead Managers, the Trust, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchanges or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- b. The Stock Exchanges will offer an electronic facility for registering Applications for this Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*Issue Structure*” on page 263 of this Prospectus.
- c. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- d. With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID

- UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location
 - Application amount
- e. A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by the Trust. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- f. Applications can be rejected on the technical grounds listed in the section titled "*Issue Procedure – Rejection of Applications*" on page 293 of this Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- g. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Trust, the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Trust, the management or any scheme or project of the Trust; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
- h. Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Lead Manager, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the, Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
- g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.

- h. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment
- i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.
- k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
- l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
- n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- s. The allotment of debt securities shall be done as per SEBI Operational Circular.
- t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
- v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- w. Thereafter, Stock Exchange will issue the listing and trading approval.
- x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
 - i. Investor shall check the Issue details before placing desired bids;
 - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;

- iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
 - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
 - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
 - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
 - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
- y. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:
- i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
 - ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
 - iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
 - iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
 - v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
 - vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form

Do's

- Check if you are eligible to apply as per the terms of the Draft Prospectus, the Prospectus and applicable law;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
- Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;

- Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
- Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
- Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
- Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
- Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
- Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "Issue Structure" on page 263 of this Prospectus.
- Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
- **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
- Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of up to the UPI Application Limit as applicable and prescribed by SEBI from time to time.

- Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form.
- Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface.
- Ensure that you have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Application Form;
- Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
- In case of Retail Individual Investor submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
- Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
- Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form.

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts

- Do not apply for lower than the minimum application size;
- Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
- Do not submit the Application Form to any non-SCSB bank or the Trust.
- Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
- Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872;

- Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
- Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
- Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
- Do not make an application of the NCD on multiple copies taken of a single form.
- Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue;
- Do not submit more than five Application Forms per ASBA Account.
- Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit;
- Do not submit a bid using UPI ID, if you are not a Retail Individual Investor;
- Do not apply through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to section titled “*Issue Procedure – Rejection of Applications*” on page 293 of this Prospectus for information on rejection of Applications.

Submission of completed Application Forms

For details in relation to the manner of submission of Application Forms, see “*Issue Procedure*” beginning on page 273.

OTHER INSTRUCTIONS

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- (i) Tripartite Agreement dated March 24, 2021 entered into between the Trust, Registrar to the Issue and NSDL.
- (ii) Tripartite Agreement dated March 19, 2021 entered into between the Trust, Registrar to the Issue and CDSL.
- (iii) An Applicant must have at least one beneficiary account with any of the Depository Participants of NSDL or CDSL prior to making the Application.
- (iv) The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- (v) NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- (vi) Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- (vii) It may be noted that the STRPPs in electronic form can be traded only on Stock Exchanges having electronic

connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.

- (viii) Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- (ix) The trading of the STRPPs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of one STRPP only.

Allottees will have the option to rematerialize the NCDs/STRPPs allotted under this Issue as per the provisions of the SEBI ILNCS Regulations and the Depositories Act.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE STRPP ONLY.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see the section titled “*Issue Procedure*” on page 273.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue related problems and/or post Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository’s beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository’s beneficiary account/ etc. Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchanges.

Interest in case of Delay

The Trust undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, our Board of Directors and / or any committee reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- ii. Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant’s ASBA Account maintained with an SCSB;
- iii. Applications not being signed by the sole/joint Applicant(s);
- iv. Applications not made through the ASBA facility;
- v. Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- vi. Applications submitted without blocking of the entire Application Amount. However, the Trust may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- vii. Investor Category in the Application Form not being ticked;

- viii. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, the Trust may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- ix. ASBA Bank account details to block Application Amount not provided in the Application Form;
- x. Applications where a registered address in India is not provided for the Applicant;
- xi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- xii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- xiii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- xiv. DP ID and Client ID not mentioned in the Application Form;
- xv. GIR number furnished instead of PAN;
- xvi. Applications by OCBs;
- xvii. Applications for an amount below the minimum application size;
- xviii. Submission of more than five Application per ASBA Account;
- xix. Applications by persons who are not eligible to acquire NCDs of the Trust in terms of applicable laws, rules, regulations, guidelines and approvals;
- xx. Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- xxi. Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- xxii. Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- xxiii. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xxiv. Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
- xxv. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
- xxvi. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- xxvii. Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- xxviii. Applications not having details of the ASBA Account to be blocked;
- xxix. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN is not available in the Depository database;
- xxx. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- xxxi. SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- xxxii. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable

law;

- xxxiii. Authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- xxxiv. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- xxxv. Applications by any person outside India;
- xxxvi. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- xxxvii. Applications not uploaded on the online platform of the Stock Exchanges;
- xxxviii. Submission of more than five ASBA Forms per ASBA Account
- xxxix. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- xl. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form, the Draft Prospectus and the Prospectus;
- xli. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- xlii. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- xliii. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
- xliv. Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to the Trust or the Registrar to the Issue;
- xliv. Investor category not ticked;
- xlvi. Forms not uploaded on the electronic software of the Stock Exchanges;
- xlvii. In case of cancellation of one or more order (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- xlviii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and this Prospectus and as per the instructions in the Application Form;
- xlix. UPI Mandate Request is not approved by Retail Individual Investors.

Kindly note that Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Issue Closing Date.

The Trust and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- (a) Allotment of NCDs in this Issue shall be made within the time period stipulated by SEBI;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and
- (d) The Trust will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

The Trust shall have an option to retain over-subscription up to the Issue limit.

Basis of Allotment for NCDs

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchanges and determine the valid Applications for the purpose of drawing the Basis of Allotment. Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (“**Institutional Portion**”);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (“**Non-Institutional Portion**”).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (“**High Net Worth Individual Investors Portion**”).
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (“**Retail Individual Investors Portion**”).

For removal of doubt, the terms “**Institutional Portion**”, “**Non-Institutional Portion**”, “**High Net Worth Individual Investors Portion**” and “**Retail Individual Investors Portion**” are individually referred to as “**Portion**” and collectively referred to as “**Portions**”.

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, the Trust shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue, in case the Trust opts to retain any oversubscription in the Issue up to an amount specified under this Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case the Trust opts to retain any oversubscription in Issue), and/or the aggregate value of NCDs upto the Base Issue Size shall be collectively termed in this Prospectus.

Basis of Allotment of NCDs

Allocation Ratio:

| Institutional Portion | Non-Institutional Portion | High Net Worth Individual Investors Portion | Retail Individual Investors Portion |
|-----------------------|---------------------------|---|-------------------------------------|
| 25% | 25% | 25% | 25% |

- (a) Allotments in the first instance:
 - (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs upto 25% of Total Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
 - (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs upto 25% of Total Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
 - (iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Total Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;

- (iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Total Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchanges, in each Portion subject to the Allocation Ratio indicated herein above .

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, the Investment Manager (acting on behalf of Trust) shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case the Investment Manager (acting on behalf of Trust) opts to retain any oversubscription in the Issue. The aggregate value of NCDs/STRPPs decided to be allotted over and above the Base Issue Size, (in case the Investment Manager (on behalf of Trust) opts to retain any oversubscription in the Issue), and/or the aggregate value of NCDs/STRPPs up to the Base Issue Size shall be collectively termed as the “**Total Issue Size**”.

As per the SEBI Operational Circular, the allotment in this Issue is required to be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application into the electronic book of the Stock Exchanges, in each Portion subject to Allocation Ratio. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis under each applicable portion.

Under Subscription

- (a) If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion as per first come first on proportionate basis, under each applicable Portion. If there is under subscription in the Total Issue Size due to undersubscription in each Portion, all valid Applications received till the end of last day of the Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- (b) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.
- (c) Minimum Allotments of 10 NCD and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants. Applicants must note that for each NCD allotted, the investors will be allotted 3 STRPPs i.e. STRPP A, STRPP B and STRPP C, bearing individual ISINs and which are individually tradable post listing

Allotments in case of oversubscription

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- a. In case of an oversubscription in all Portions resulting in an oversubscription in the Total Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
- b. In case there is oversubscription in Total Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
- i. All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.
- ii. In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges.
- iii. Priority for allocation of the remaining undersubscribed Portion(s) shall be given first to Retail

Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion. Within each respective Portion the priority shall be given to the day of upload of Applications to the Electronic Book with Stock Exchange during the Issue period.

- iv. For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Issue Period.

Proportionate Allotments:

For each portion, from the date of oversubscription and thereafter:

- (1) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- (2) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- (3) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, the Trust will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.
- (4) All decisions pertaining to the basis of allotment of NCDs pursuant to the Total Issue Size shall be taken by the Investment Manager (on behalf of Trust) in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Investment Manager (on behalf of Trust) in consultation with the Lead Managers.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications:

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

All decisions pertaining to the basis of allotment of NCDs pursuant to the Issue shall be taken by the Trust in consultation with the Lead Managers and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by the Trust in consultation with the Lead Managers.

Applications where the Application Amount received is greater than the minimum Application Amount, and the Application Amount paid does not tally with the number of NCDs applied for may be considered for Allotment, to the extent of the Application Amount paid rounded down to the nearest ₹ 1,000.

Information for Applicants

Based on the information provided by the Depositories, the Trust shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

Pre-closure: The Trust, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue i.e. ₹ 5,625.00 million before the Issue Closing Date. The Trust shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Issue will also be withdrawn by the Trust in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue i.e. ₹ 5,625.00 million before the Issue Closing Date.

In the event of such early closure of this Issue, the Trust shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this issue have been given.

Under Regulation 34(2) of the SEBI ILNCS Regulations read together with the SEBI Operational Circular, if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with the Trust and/or Registrar, refunds will be made to the account prescribed. However, where the Trust and/or Registrar does not have the necessary information for making such refunds, the Trust and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Issuance of Allotment Advice

The Trust shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Issue Closing Date.

The Trust shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts of the Applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

The Trust will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Early Closure

The Trust, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size i.e. ₹ 5,625.00 million. The Trust shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If the Trust does not receive the minimum subscription of 75% of Base Issue Size, within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Issue Closing Date of this Prospectus, or such time as may be specified by SEBI. In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall

be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Investment Manager (*on behalf of the Trust*) will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum from the scheduled listing date till the date of actual payment.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Undertakings by the Trust

We undertake that:

- a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account.
- b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
- c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.
- e) We shall utilize the Issue proceeds only upon allotment of the Secured NCDs, execution of the Debenture Trust Deed as stated in this Prospectus and on receipt of the minimum subscription of 75% of the Base Issue i.e. ₹ 5,625.00 million and receipt of listing and trading approval from the Stock Exchanges.
- f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.
- g) The allotment letter shall be issued, or Application Amount shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the Application Amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by the Trust

The Trust undertakes that:

- a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by the Trust expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c) The Trust will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days from the Issue Closing Date;
- d) Funds required for dispatch of Allotment Advice will be made available by the Trust to the Registrar to the Issue;
- e) The Trust will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- f) We shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by the Trust from time to time;
- g) The Trust will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Prospectus;
- h) The Trust will disclose the complete name and address of the Debenture Trustee in its annual report;
- i) We shall create a recovery expense fund in the manner as specified by SEBI from time to time; and inform the

Debenture Trustee about the same.

SECTION VI: LEGAL AND OTHER INFORMATION

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

The Issue was authorised and approved by the board of directors of the Investment Manager on August 30, 2022 and this Prospectus has been approved by the Board of Directors of the Investment Manager at its meeting held on September 27, 2022 and subsequently on September 30, 2022. This Prospectus has been approved by the Board of Directors of the Investment Manager at its meeting held on October 11, 2022. The borrowing and creation of charge on assets was authorized by the Unitholders on September 23, 2022 and by the board of directors of the Investment Manager on August 30, 2022. For details, please refer to the “*Certified Copy of the Board Resolution*” and “*Certified Copy of the Unitholder Resolution*” attached as **Annexure D**.

The Trust has received the in-principle approval of the BSE and the NSE for the listing of the NCDs on the BSE and the NSE, pursuant to the letters dated October 10, 2022, each.

Prohibition by SEBI and Identification as Wilful Defaulter

The Trust, the Investment Manager, the directors of the Investment Manager, the Project Manager, the directors of the Project Manager, the Sponsor, the Trustee and the directors of the Trustee are not and have not been: (i) restrained, prohibited or debarred from accessing or operating in the securities market or dealing in securities by SEBI; (ii) a promoter or director of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; (iii) identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and our name does not appear in the list of wilful defaulters published by the Reserve Bank of India; and/or (iv) a fugitive economic offender declared under section 12 of the Fugitive Economic Offenders Act, 2018; (v) a promoter or whole-time director of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is a wilful defaulter.

The Trust is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, if any, for a period of more than six months.

Eligibility for the Issue

In terms of Regulation 20(1) of the InvIT Regulations, an InvIT whose units are listed on a recognized stock exchange may issue debentures in the manner specified by SEBI, provided that such debentures shall be listed on recognized stock exchange(s). Further, in terms of the SEBI Debt Issue Guidelines Regulation read with the ILNCS Regulations, listed entities, complying with the criteria specified under the SEBI ILNCS Regulations may file Prospectus for public issue of their debt securities.

Accordingly, the Trust is eligible to file the Draft Prospectus and this Prospectus in accordance with the SEBI ILNCS Regulations as it fulfils the following criteria:

- (a) none of the Parties to the Trust, or where applicable, their respective directors and promoters are promoters or directors of another trust which is debarred from accessing the securities market or dealing in securities by SEBI as on the date of this certificate;
- (b) none of the Trust or the Parties to the Trust or, where applicable, their respective directors and promoters is a wilful defaulter (as defined in s. 2(ss) of the SEBI ILNCS Regulations) or a fugitive economic offender (as defined in s. 2(p) of the SEBI ILNCS Regulations) or it is in default of payment of interest or repayment of principal amount in respect of non-convertible securities issued by it to the public, if any, for a period of more than six months;
- (c) no fine or penalties levied by the SEBI /Stock Exchanges is pending to be paid by the Trust at the time of filing of the prospectus.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, JM FINANCIAL LIMITED, A.K. CAPITAL SERVICES LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT DISCLOSURES MADE IN THE OFFER

DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, JM FINANCIAL LIMITED, A.K. CAPITAL SERVICES LIMITED, ICICI SECURITIES LIMITED, SBI CAPITAL MARKETS LIMITED, AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED CONFIRM THAT COMMENTS RECEIVED ON THE DRAFT PROSPECTUS WILL BE SUITABLY ADDRESSED BEFORE FILING THE PROSPECTUS AND TO THIS EFFECT HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 11, 2022, WHICH READS AS FOLLOWS:

(1) WE CONFIRM THAT NEITHER THE ISSUER NOR ITS SPONSOR OR DIRECTORS OF THE INVESTMENT MANAGER HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS DATED OCTOBER 11, 2022 (“PROSPECTUS”) HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

(2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

(3) WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN CIRCULAR BEARING NUMBER SEBI/HO/DDHS/DDHS/CIR/P/2018/71 ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA DATED APRIL 13, 2018 ENTITLED “GUIDELINES FOR ISSUANCE OF DEBT SECURITIES BY REAL ESTATE INVESTMENT TRUSTS (REITS) AND INFRASTRUCTURE INVESTMENT TRUSTS (INVITS)” READ WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.

(4) WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED, THE SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

(5) WE CONFIRM THAT WE HAVE NOT RECEIVED ANY COMMENTS ON THE DRAFT PROSPECTUS DATED SEPTEMBER 30, 2022, AS FILED WITH BSE LIMITED AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED. BSE LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

Disclaimer Clause of BSE

BSE LIMITED (“THE EXCHANGE”) HAS GIVEN, VIDE ITS APPROVAL LETTER DATED OCTOBER 10, 2022 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE’S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY’S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

A) WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR

B) WARRANT THAT THIS COMPANY’S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR

C) TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS, VIDE ITS LETTER REF.: NSE/LIST/D/2022/0147 DATED OCTOBER 10, 2022, GIVEN PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER."

Disclaimer clause of CARE and India Ratings (Credit Rating Agencies):

Please see below the disclaimer from CARE Ratings Limited:

"The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades."

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Disclaimer statement from the Issuer

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT PROSPECTUS OR IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE TRUST AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

UNDERTAKING BY THE ISSUER

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” CHAPTER ON PAGE 16 OF THE DRAFT PROSPECTUS.

ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THE DRAFT PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THE DRAFT PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THE DRAFT PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.

THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THE DRAFT PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE’S WEBSITES.

THE ISSUER DECLARES THAT NOTHING IN THE DRAFT PROSPECTUS IS CONTRARY TO THE PROVISIONS OF THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Disclaimer statement from the Lead Managers

THE LEAD MANAGERS ACCEPT NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN THE DRAFT PROSPECTUS OR IN ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE INVESTMENT MANAGER (ON BEHALF OF THE TRUST) AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT THEIR OWN RISK.

Disclaimer in Respect of Jurisdiction

THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT PROSPECTUS AND THIS PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDs OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT PROSPECTUS AND THIS PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

Disclosures as per the SEBI circular dated November 3 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 (“DT Circular”)

Key terms of the Debenture Trustee Agreement

The Investment Manager (acting on behalf of the Trust) has entered into a Debenture Trustee Agreement with the Debenture Trustee. The terms and conditions of the Debenture Trustee Agreement are set out below:

- (i) The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Prospectus and the applicable laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the applicable laws, the Debenture Trustee, either

through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/management consultants appointed by the Debenture Trustee;

- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed;
- (iii) The Debenture Trustee shall have the power to either independently appoint, or direct the Issuer to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer;
- (iv) The Issuer has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
- (v) The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Terms of carrying out due diligence:

As per the SEBI Circular "SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 titled "Creation of Security in issuance of listed debt securities and due diligence by debenture trustee(s)", the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debentures of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which the Issuer has consented to:

- (i) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Prospectus and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents/advisors/consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical-experts/management consultants appointed by the Debenture Trustee.
- (ii) The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Issuer or any other person, are registered / disclosed.
- (iii) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Issuer to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Issuer. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
- (iv) Without prejudice to the aforesaid, the Issuer shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the Applicable Laws.
- (v) All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Issuer.

Process of Due Diligence to be carried out by the Debenture Trustee:

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI ILNCS Regulations and circulars issued by SEBI from time to time.

Other Confirmations

The Debenture Trustee undertakes that the securities shall be considered as secured only if the charged asset is registered with CERSAI or depository, etc., as applicable, or is independently verifiable by them.

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars entitled: (i) "Creation of security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

SBICAP TRUSTEE COMPANY LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2022, AS PER THE FORMAT SPECIFIED IN ANNEXURE A OF SEBI DUE DILIGENCE CIRCULAR WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.
2. ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:
 - A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND / OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBENTURES TO BE ISSUED.
 - B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).
 - C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBENTURES.
 - D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.
 - E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT / PRIVATE PLACEMENT MEMORANDUM / INFORMATION MEMORANDUM.
 - F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.

ALL DISCLOSURES MADE IN THE DRAFT PROSPECTUS WITH RESPECT TO THE DEBENTURES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE. WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBENTURES.

The Trust (through the Investment Manager) and the Debenture Trustee will execute a Debenture Trust Deed specifying, inter alia, the powers, authorities and obligations of the Debenture Trustee and the Trust, as per SEBI ILNCS Regulations applicable for the proposed NCD Issue.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at the following website:

| Name of Lead Manager | Website |
|---|-------------------------|
| JM Financial Limited | www.jmfl.com |
| A.K. Capital Services Limited | www.akgroup.co.in |
| ICICI Securities Limited | www.icicisecurities.com |
| SBI Capital Markets Limited | www.sbicaps.com |
| Trust Investment Advisors Private Limited | www.trustgroup.in |

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on NSE and BSE. An Application will be made to the Stock Exchanges simultaneously with the filing of this Prospectus for permission to deal in and for official quotation in NCDs. BSE has been appointed as the Designated Stock Exchange.

If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, the Trust (through the Investment Manager) will forthwith repay, with interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Prospectus. The Investment Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date.

NCDs will not be listed in case the Issuer does not receive the minimum subscription of 75% of the Base Issue i.e. ₹ 5,625.00 million prior to Issue closing date.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. The Draft Prospectus and this Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Trading

As per the SEBI ILNCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one STRPP.

Please note that in case of Maturity Date (being the date of last redemption instalment) of any STRPP, the trading in the respective STRPP shall remain suspended between the record date and the Maturity Date.

Consents

Consents in writing of: (a) the Compliance Officer of the Investment Manager, (b) the Chief Financial Officer of the Investment Manager, (c) the Investment Manager, (d) the Project Manager, (e) Trustee, (f) the Lead Managers, (g) the Registrar to the Issue, (h) the Debenture Trustee to the Issue, (i) Legal Advisor to the Issue, (j) Credit Rating Agencies, (k) Traffic Consultants, (l) Technical Consultants, (m) CRISIL Limited, being the industry data provider in relation to industry reports as obtained from them; (n) Valuer, (o) directors of the Investment Manager, (p) Auditor, (q) Banker to the Issue, (r) lenders, (s) Banker to the Issue, and (t) Consortium Members have been obtained and will be filed along with a copy of this Prospectus with stock exchanges, as may be required.

The consent of the Statutory Auditors of our Trust, A.R. & Co., Chartered Accountants, for (a) inclusion of their names as the Statutory Auditors, and (b) examination reports on the Reformatted Financial Statements under Ind AS in the form and context in which they appear in this Draft Prospectus along with the statement of possible tax benefits, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Prospectus.

Expert Opinion

Except for the Audited Financial Information, along with the Statement of Special Tax Benefits issued by the Statutory Auditors of the Trust, and the Trust has not obtained any other expert opinion with respect to this Prospectus. The Statutory Auditor is not, and has not been, engaged or interested in the formation or promotion or management, of the Trust and has given their written consent to the Issue of this Prospectus and has not withdrawn such consent before the delivery of a copy of this Prospectus.

Filing of this Prospectus

A copy of this Prospectus shall be filed with SEBI, BSE and NSE in accordance with the SEBI Debt Issue Guidelines, the SEBI ILNCS Regulations and the InvIT Regulations.

Pre-Issue Advertisement

The Investment Manager will issue a statutory advertisement in compliance with Regulation 30(1) of SEBI ILNCS Regulations on or before the Issue Opening Date of this Issue. This advertisement will contain the information as prescribed under the SEBI ILNCS Regulations.

Issue related expenses

The expenses for this Issue include, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fee payable to the intermediaries, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by the Trust.

The estimated breakdown of the total expenses for this Issue and the timeline for such payment shall be as specified in this Prospectus.

Underwriting

This Issue will not be underwritten.

Reservation

No portion of this Issue has been reserved.

Previous public issue

The Trust has previously not undertaken a public issue of Units or non-convertible securities.

Utilisation details of previous issues by the Trust

The Trust has not issued any non-convertible debentures previously.

The Trust undertook initial offer of units, through private placement, the particulars of which have been set forth below:

(in ₹ million)

| | |
|---|--|
| Bid/Offer Opening Date | October 29, 2021 |
| Bid/Offer Closing Date | November 2, 2021 |
| Total issue size in units | 499,600,000 Units as per Final Placement Memorandum |
| Date of allotment | November 3, 2021 |
| Date of Listing | On November 10, 2021 |
| Objects of the issue (as per the placement Memorandum) | The Net Proceeds will be utilised towards the following objects: <ul style="list-style-type: none"> • Infusion of debt/equity into the Project SPV: The proceeds of the debt/equity infused into the Project SPV shall be utilized by the Project SPV for: (a) part payment of (i) initial estimated concession value to the Sponsor, in terms of the Concession Agreements; (ii) initial improvement cost; (iii) major maintenance cost; (iv) upfront fees to various agencies, as applicable; (b) creation and maintenance of debt service reserve account, if any; and/or (c) creation and maintenance of major maintenance reserve, if any; and/or any (d) any general corporate purposes; and • General purposes. |
| Gross Proceeds of the Offer | ₹ 50,459.60 |
| Less: Offer related expenses* | ₹ 185.04 |
| Net Proceeds* | ₹ 50,274.56 |

* *Unutilized balance of Net Proceeds (₹ 50,274.56 million) as on June 30, 2022 is ₹ 23.40 million and unutilized balance of offer related expenses (₹ 185.04 million) as on June 30, 2022 is ₹ 1.40 million.*

Utilisation details of previous issues by the group companies

There are no group companies of the Trust.

Mechanism for redressal of investor grievances

The arrangement or mechanism evolved by the Trust for the redressal of investor details and the time normally taken for the

disposal of various types of investor grievance are in place and reviewed by Stakeholders Relationship Committee of the Investment Manager on a periodical basis.

KFin Technologies Limited (formerly known as “KFin Technologies Private Limited”) has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Agreement dated September 30, 2022 between the Registrar to the Issue, the Investment Manager (acting on behalf of the Trust) and the Trustee provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Applicants or prospective investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-Issue or post-Issue related problems or grievances, such as non-receipt of Allotment Advice, demat credit, transfers, etc. All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant ID, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI mechanism. Further, the Bidder shall enclose the acknowledgement slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (i) the relevant Designated Branch of the SCSB where the Application Form was submitted by the Applicant, or (ii) the concerned Member of the Consortium and the relevant Designated Branch of the SCSB in the event of an Application submitted by an Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, number of NCDs and series applied for and amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchanges, which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of Stock Exchanges or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

All grievances arising out of Applications for the NCDs made through the online mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges.

The contact details of Registrar to the Issue are as follows:

Registrar to the Issue

KFin Technologies Limited

(formerly known as “KFin Technologies Limited”)

Selenium, Tower B

Plot No- 31 & 32, Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad 500 032

Telangana, India

Tel.: +91 40 6716 2222

Fax: +91 40 2343 1551

E-mail: nhit.ncdipo@kfintech.com

Investor Grievance E-mail: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

CIN: U72400TG2017PLC117649

Compliance Officer: Anshul Kumar Jain

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The compliance officer of the Investment Manager (acting on behalf of the Trust) is Smt. Gunjan Singh. Her contact details are as follows:

Gunjan Singh

Address: G-5 & 6,
Sector – 10,
Dwarka, New Delhi – 110 075
Tel: +91 11-2507 4100 Extn: 1671
Fax: +91 11 2507 6536
E-mail: cs.nhim@nhai.org

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice cum unblocking intimation, demat credit of allotment of NCDs and non-receipt of funds by electronic mode.

Revaluation of assets

The Trust has not revalued its assets since its settlement.

Auditor's Remark

There are no reservations or qualifications or adverse remarks in the financial statements and financial position of the Trust since its settlement until the three months period ending June 30, 2022, immediately preceding this Prospectus.

Trading

Units issued by the Trust, which are listed on BSE and NSE are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed Units. Currently, the Trust does not have any listed non-convertibles securities.

LEGAL PROCEEDINGS

Except as stated in this section, there are no material litigations and actions by regulatory authorities, in each case against the Trust, the Project SPV, the Sponsor, the Investment Manager, the Project Manager or any of their respective Associates and the Trustee as on the date of this Prospectus.

For the purpose of this section, details of all governmental and regulatory actions and criminal matters involving the Trust, the Project SPV, the Sponsor, the Investment Manager, the Project Manager and each of their Associates, and the Trustee, that are currently pending, have been disclosed. Further, any matter involving an amount equivalent to, or more than, the amount as disclosed below, in respect of the Trust, the Sponsor, the Investment Manager, the Project Manager and each of their Associates, and the Trustee has been disclosed.

In respect of the Sponsor and its Associates (which includes the Associates of the Project Manager, Investment Manager and Project SPV), all outstanding civil matters which involve an amount exceeding ₹ 5,000 million, have been considered material. All cases where the amount is not ascertainable, but considered material, have been disclosed.

For the Investment Manager, all outstanding civil matters which involve an amount exceeding ₹ 10 million, have been considered material. However, the Investment Manager does not have any outstanding litigation.

For the Project Manager, all outstanding civil matters which involve an amount exceeding ₹ 1 million, have been considered material. However, the Project Manager does not have any outstanding litigation.

In relation to the Project SPV, all outstanding civil matters which involve an amount equal to, or more than one per cent of the net worth of the Trust as of June 30, 2022, has been considered material for disclosure. However, the Project SPV does not have any outstanding litigation.

For the Trustee, all outstanding cases involving the Trustee have been disclosed.

For the group companies, since there is no such entity associated with the Trust, no outstanding litigation is to be disclosed.

There have been no acts of material frauds committed against the Issuer Trust since the date of settlement i.e. October 19, 2020.

There are no pending proceedings initiated against the Issuer for economic offences. Further, all pending cases, where the amount is not ascertainable but considered material by the Trust, the Sponsor, the Investment Manager, the Project Manager or any of their Associates and the Trustee as on the date of this Prospectus have been disclosed. Also, in cases where outcome of one litigation impacts one or more other litigations, which individually are below materiality threshold, but collective above, such cases have also been disclosed.

Apart from the matters disclosure below, there is no pending litigation involving the Trust, the Trustee, Investment Manager, the Sponsor, the Project Manager, the Project SPV or any other person, whose outcome could have material adverse effect on the financial position of the Trust, which may affect the Issue or the investor's decision to invest / continue to invest in the NCDs.

I. Litigation involving the Trust

There are no pending criminal, regulatory or other material litigations involving the Trust as on the date of this Prospectus.

II. Litigation involving Associates of the Trust

As on the date of this Prospectus, the Trust does not have any Associate.

III. Litigations involving the Project SPV

There are no pending criminal, regulatory or other material litigations involving the Project SPV as on the date of this Prospectus.

IV. Litigations involving the Associates of the Project SPV

Please see the section titled “Litigations involving the Associates of the Sponsor” below.

V. Litigations involving the Sponsor

Criminal matters

There are no pending criminal litigations involving the Sponsor as on the date of this Prospectus.

Regulatory matters

In relation to the Sponsor, there is no pending litigation or legal action taken by a government department or a statutory body during the last three years immediately preceding the year of the issue of this Prospectus, except as disclosed below:

1. An application was filed by Amresh Singh against Union of India and others including NHAI before the National Green Tribunal (“**Tribunal**”) alleging the rampant dumping of soil by NHAI contractors directly in the river Chenab and Tawi without prior environmental clearance. After considering all the documents placed on record, while referring the report of Monitoring Committee, the Tribunal was not satisfied with the actions taken by NHAI, and accepted the recommendations of the Monitoring Committee and directed the J&K Pollution Control Board to take appropriate actions in consultation with CPCB against the names mentioned in the report of the Monitoring Committee. The Bench also directed NHAI to take strict actions against the non-compliant contractors and sub-contractors at the HQ level. The matter is currently pending.
2. An application was filed before the National Green Tribunal Principal Bench, New Delhi regarding the Ghazipur Dump Site and the environmental problems that are caused due to the unsegregated, un-recycled large mountain of dump. The Sponsor was not a party to these proceedings till 2017 and East Delhi Municipal Corporation (“**EDMC**”) had been exploring the implementation of a project to undertake the removal and processing of the municipal solid waste dumped at the site. In view of the same, the EDMC held discussions with the Sponsor for use of solid waste for construction of embankments in the expansion of NH-24 or other National Highway projects undertaken by the Sponsor. In view of our role, we were impleaded in the case in 2017. The matter is currently pending.

Material civil matters

The following material civil cases are initiated by Contractors/Concessionaires (hereinafter mentioned as the “**Claimant**”) against the Sponsor in relation to various projects across India:

1. Ircan Soma Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the “improvement, operation and maintenance, rehabilitation and strengthening of existing 2-lane road and widening to 4-lane divided highway from km 380.000 to km 265.000 of NH-3 (Pimpalgaon-Dhule Section) in the state of Maharashtra”. The claims relate to delay in handing over of existing right of way, payment made during the course of the project of Central Railways to expedite construction of road over bridge near Dhule Railway Station, financial implication on the project cost due to non-maintenance of the existing road and late award of the contract by the Sponsor and non-payment of outstanding O&M grants. The claim raised by Claimant amounts to Rs. 9425.202 million. The matter is no more pending for Arbitration. The Arbitral Tribunal has passed an award for Rs. 1335.1 million in favour of the Claimant.
2. Abhijeet Angul Sambalpur Toll Road Limited has initiated arbitration proceedings against the Sponsor in relation to the rehabilitation and up-gradation of four laning of the Angul-Sambalpur section of NH-42 in the State of Odisha. The claims raised relate to the compensation for losses suffered by the Claimant on account of delay in procurement of site and necessary approvals, wrongful termination of the concession agreement and debarment from participation in bidding for future projects of the Sponsor. The claims raised by the Claimant amount to ₹ 2,0000 million. The Sponsor has also filed counter claim for ₹ 1,282,720 million. The matter is currently pending.
3. M/s Bhubaneswar Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to 4-laning of Bhubaneswar-Puri Section of NH-203 (Km 0.00 to Km 59.00) in the State of Odisha to be executed as BOT (Toll) basis on DBFOT pattern under NHDP- III. The claims were filed by the Claimant for termination payment, pre-reference interest on termination payment, pendente lite and future interest on termination payment: at 18% per annum and arbitration cost on actual basis. The Claimant has raised a claim for ₹ 7421.10 Million. The Sponsor has also filed counter claims against the Claimant for ₹ 757.10 million. The matter is currently pending
4. Madhucon Projects Ltd. (Barasat Krishnagar Expressway Limited) has initiated arbitration proceedings against the Sponsor in relation to Barasat-Krishnagar Section BOT (Annuity) in the State of West Bengal. The claims filed by the Claimant for loss due to interest on debt, loss due to interest on equity infused into the project, losses due to idling/underutilisation of machinery and equipment, losses due to idling/underutilisation of manpower, losses due to miscellaneous expenditure incurred at site, compensation due to delay in handing over of site, losses due to price escalation on the works already executed, losses due to expenses incurred on the works executed, loss of overheads and profit and total termination payment. The Claimant has raised a claim for ₹ 21,398.90 million. The Sponsor has also filed counter claims against the Claimant for ₹ 10,606.80 Million. The matter is currently pending.

5. Raiganj-Dalkhola Highways Limited has initiated arbitration proceedings against the Sponsor in relation to the “Four-Laning of NH-34 in the Raiganj-Dalkhola Section from km 398 to km 452.750 in the State of West Bengal under NHDP Phase-III”. The Claimant has sought compensation along with interest aggregating to Rs. 8,365.10 million and cost for arbitration for wrongful termination of the concession agreement. The Sponsor has also filed a counter claim against the Claimant for Rs. 8,542.90 million. The matter is no more pending. The Arbitral Tribunal has passed an order of Rs. 1875.00 million in favour of the Claimant vide order dated 07.10.2021.
6. M/s BSCPL Aurang Tollway Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Orissa Border-Aurang Section from Km 88.000 to Km 239.000 of NH-6 in the State of Chhattisgarh to be executed as BOT(Toll) on DBFOT pattern under NHDP Phase-IV. The claims filed by the Claimant were for delay in achievement of the provisional completion including project milestones, change of scope and change in law. The Claimant has raised a claim for Rs. 8,523.00 million. The Sponsor has also filed counter claims against the Claimant for Rs. 7,320.30 million. The matter is no more pending. The Arbitral Tribunal as passed an award of Rs. 2819.40 million in favour of the Claimant vide order dated 11.04.2022.
7. M/s Raipur Expressway Limited has initiated arbitration proceedings against the Sponsor in relation to improvement, operation, maintenance and strengthening of existing 2-lane road and widening to 4-lane divided highway from Km 239.000 to Km 281.000 of NH-6 (Raipur- Aurung Section) in the state of Chhattisgarh on BOT basis. The claims were filed by the Claimant for compensation due to delay in declaration of appointed date, compensation due to extension of time for project completion, damages for delay in providing right of way (ROW), claim on account of change of scope, claim for interest on delayed payments by the respondent, claim for loss of bonus due to arbitrary withdrawal of provisional completion certificate, claim on account of delay in releasing bank guarantees for retention money and claim for expenses and loss of profit due to delay in release of performance security. The Claimant has raised a claim for ₹ 10,121.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 4,231.70 million. The matter is currently pending.
8. M/s Ashoka Highway (Durg) Limited has initiated arbitration proceedings against the Sponsor in relation to design, engineering, finance, construction, operation & maintenance of end of Durg Bypass-Chhattisgarh/Maharashtra Border from Km 322.400 to Km 405.000 of NH-6 under NHDP. The Claimant has raised a claim for ₹ 2,866.10 million. The Sponsor has also filed counter claims against the Claimant for ₹ 56.60 million. The matter is currently pending before arbitral tribunal. However, as both the parties want to settle the disputes, the matter has now been referred to conciliation committee (CCIE), with the consent of the parties, in terms of the policy circular dated June 2, 2017.
9. Jetpur Somnath Tollways Limited has initiated arbitration proceedings against the Sponsor in relation to Jetpur Somnath Section BOT (Toll). The claims filed by the Claimant for damages under the respective concession agreement for delay in non-fulfilment of all conditions precedent set forth in the concession agreement, Compensation for additional costs incurred by the Claimant towards deployment of plants, machineries and equipment during the extended construction period from October 1, 2014, up to November 10, 2016, compensation for additional cost incurred on account of inflation/price escalation of major input costs during the extended construction period from October 1, 2014, up to November 10, 2016, additional interest liability towards lenders (IDC) during construction period on account of extended construction period, compensation for additional cost incurred on account of EPC overheads during the extended construction period from October 1, 2014, up to November 10, 2016, additional compensation for delay (as per actuals/anticipated in the financial model) for the project period till September, 2016 on account of inability to collect toll fee for the entire stretch resulting from various material defaults by respondent, additional SPV incorporation charges resulting due to infusion of increased equity by the shareholders on account of material defaults by the respondent and interest cost on such shareholder’s equity (unsecured debt from shareholders). The Claimant had raised a claim for Rs. 13,096.00 million. The Sponsor had also filed counter claims against the Claimant for Rs. 8,472.10 million. An award of Rs. 12,130 million in favour of the Claimant in the matter has been passed on July 31, 2021. The matter is no more pending in Arbitration.

10. M/s L&T Samakhiali Gandhidham Tollway Limited has initiated arbitration proceedings against the Sponsor in relation to 6-laning of Samakhiali-Gandhidham Section of NH-8A from Km 306.00 to Km 362.160 in the state of Gujarat to be executed as BOT (Toll) on Design, Build, Finance, Operate and Transfer (DBFOT) under NHDP Phase-V. The claims filed by the Claimant for cost claim arising on account of change in law in terms of the relevant concession agreement, amount claimed under the relevant state support agreement (“SSA”) for breach of obligations by us Government of Gujarat under the SSA, non-payment of compensation for absence of state support from the Sponsor from COD up to February 11, 2016, and cost claim due to delay in COD. The Claimant has raised a claim for ₹ 6,290.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 18,324.70 million. The matter is currently pending.
11. M/s IRB Ahmedabad Vadodara Super Express Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to six laning of Ahmedabad to Vadodara Section of NH-8 from Km 6.400 to Km 108.700 (Length 102.300) in the State of Gujarat and improvement of Ahmedabad-Vadodara Expressway from Km 0.000 to Km 93.302 in the State of Gujarat (Length DBFOT) toll basis. The claims filed by the Claimant for competing road and premium not being payable, illegal demand of additional premium and interest by the respondent, illegal retention of performance bank guarantee by the respondent, wrongful retention of bank guarantees and compensation towards loss of interest and bank commission charge and cost of arbitration. The Claimant has raised a claim for ₹ 12659.40 million. The Sponsor has also filed counter claims against the Claimant for ₹ 5900.00 million. The matter is currently pending.
12. Gwalior Jhansi Expressways Limited has initiated an arbitration proceeding against the Sponsor in relation to the designing, development and maintenance of certain sections of NH-75 in the States of Uttar Pradesh and Madhya Pradesh. The claims relate to compensation for non-payment of annuities and interest, for additional direct costs incurred by the Claimant due to material breach of the concession agreement and additional costs incurred by the Claimant in respect of interest payments during the construction period beyond the scheduled project completion date. The claims raised by the Claimant amount to ₹ 20,611.5 million. The Sponsor has also filed a counter claim against the Claimant for the failure relating to compliance of the maintenance obligation, reimbursement of one-half of remuneration, costs and expenses of the independent consultant, delayed cost due to time overrun and also on account of loss of toll revenue due to delay. The counter claim is for an amount of ₹ 13980.00 million. The said matter is currently pending.
13. M/s Indore Dewas Tollways Limited. has initiated arbitration proceedings against the Sponsor in relation to 6-laning of Indore-Dewas Section of Nh-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (approx. length 45.05Km) in the State of Madhya Pradesh under NHDP Phase-V to be executed as BOT(Toll) project on DBFOT pattern. The claims filed by the Claimant for claim for utilization of resources beyond the scheduled 6-laning date, as envisaged in the respective concession agreement, compensation for Claimant’s loss towards additional interest during construction, compensation towards Claimants loss of toll revenue attributable to respondents misrepresentation and subsequent default in maintaining feeder roads, refund of additional concession fee/premium paid by the Claimant, compensation/indemnification towards loss of profit claimants EPC contractor. The Claimant has raised a claim for ₹ 10709.60 million. The Sponsor has also filed counter claims against the Claimant for ₹ 5353.40 million. The matter is currently pending.
14. GVK Shivpuri Dewas Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the designing, development and maintenance of the Shivpuri-Dewas Section of NH-3 in the State of Madhya Pradesh. The claims raised by the Claimant relate to the return of the performance bank guarantee upon termination of the contract by us and compensation for the losses suffered by the Claimant due to delay in receiving environmental clearances. The claims raised by the Claimant amount to Rs. 5,521.40 million. The Sponsor has also filed a counter claim against the Claimant for amounts incurred on account of maintenance and management of the existing stretch, estimated expenses on account of retendering and on account of loss of premium. The counter claim is for an amount of Rs. 10,761.00 million. The matter has now been settled for release of Performance Bank Guarantee by NHAI amounting to Rs. 281.50 vide settlement agreement dated 16.09.2021.
15. M/s GVK Deoli Kota Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to design, construction, development, finance, operation and maintenance of four laning of Deoli-Kota Section of NH-12 from Km 165.000 to Junction of NH-76 on Kota Bypass (approx. length 83.04 Kms) in the State of Rajasthan on BOT(Toll) project on DBFOT pattern under NHDP phase–II. The claims filed by the Claimant for claim on account of prolongation costs and extended stay at the site, loss suffered on account of additional overhead and loss of profit, loss of toll revenue, claim on account of increase in cost of the project due additional works done by the Claimant owing to the change of scope, claim on account of additional expenses incurred by the Claimant towards tunnel work, claim on account of excessive repair and prolonged maintenance duration of existing road, claim on account of the Respondent in making the termination payment and claim on account of future loss to Claimant. The Claimant has raised a claim for ₹ 60130.00 million . The Sponsor has also filed counter claims against the Claimant for ₹ 5657.60 million. The matter is currently pending.

16. Soma Isolux Kishangarh-Beawar Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the “improvement, operation and maintenance, rehabilitation and strengthening of the existing 2 lane road and widening it to six-lane divided highway from km 364.125 to km 58.245 (approximately 93.56 km) on the Krishangarh-Ajmer-Beawer section of National Highway”. The claim relates to compensation for increase in overheads due to extended construction period, for additional cost due to loss of productivity, idling and under-utilization of plant & equipment during the extended period and for costs incurred towards interest payments on debt during the extended construction period. The claims raised by Claimant amounts to ₹ 11,968.00 million. The Sponsor has also filed counter claims against Claimant for ₹ 3,109.5 million. The matter is currently pending.
17. Panipat Jalandhar NH One Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to six laning of Panipat-Jalandhar section of NH-1 (km 96.00 to km 387.100) in the state of Haryana and Punjab. The claims filed by the Claimant were in relation to delay in finalization of toll plaza and commencement of toll operations at approved locations, loss of fee revenue on account of defaults, extension of project completion schedule and change in scope and other claims. The Claimant has raised a claim for ₹ 70,359.00 million. The Sponsor has also filed counter claims against Claimant for ₹ 32,847.00 million. The matter is currently pending.
18. M/s. Shapoorji Pallonji & Company Private Limited has initiated arbitration proceedings against the Sponsor in relation to Jammu-Udhampur section BOT (Annuity). The claims filed by the Claimant in relation to declaration of provisional completion certificate date as June 1, 2014 with consequential reliefs of bonus for the period from January 7, 2014 to May 31, 2014, determination of appointed date and payment of bonus from July 5, 2014, compensation for additional cost arising out of change in methodology of rock excavation due from July 10, 2014, and compensation for additional cost arising out of change in methodology of tunnel rock excavation from October 17, 2014. The Claimant has raised a claim for Rs. 9,383.40 million. The Sponsor has also filed counter claims against the Claimant for Rs. 14,940.00 million. The matter has now been settled for Rs. 2826.7 million vide agreement dated 28.02.2022.
19. M/s Bareilly Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Bareilly-Sitapur section of NH-24 from Km 262.000 to Km 413.200 (approx. 151.200km) in the State of Uttar Pradesh under NHDP Phase-III of DBFOT basis. The claims filed by the Claimant were in relation to claim for additional interest on debt beyond SPCD (i.e. between August 23, 2013 to January 31, 2019), interest for additional interest on debt beyond SPCD, claim for interest due on additional promoters contribution infused in the project, claim for interest due on delay release of grant, claim for expenses incurred by SPV company beyond SPCD, claim for interest for cost of land compensation, claim for net revenue loss from SPCD till January 31, 2019, interest for net revenue loss from SPCD till January 31, 2019, claim for interest on excess 50% independent engineering cost debit by the Sponsor, claim for reimbursement of GST on regular EPC invoices-change of law, claim for interest on claim of GST on change of scope & utility shifting, claim for direct expenses incurred by EPC contractor beyond SPCD, claim for plant and machinery rental/rehandling for extended period, claim for interest for plant and machinery/rental/rehandling for extended period, claim for price escalation during the extended period, claim for interest for price escalation during the extended period, claim for expenses incurred on change of scope/variation items, claim for interest for change of scope/variation items, claim for additional transportation cost due to ban in local mining at sites, claim for interest for additional transportation cost due to ban in local mining at sites. The Claimant has raised a claim for ₹ 37,211.40 million. The Sponsor has also filed counter claims against the Claimant for ₹ 17049.80 million. The matter is currently pending.
20. M/s Lucknow-Sitapur Expressways Limited has initiated arbitration proceedings against the Sponsor in relation to improvement, operation and maintenance including strengthening and widening of existing two lane road to four lane dual carriageway from km 488.270 – km 413.200 of NH -24 (Lucknow Sitapur Section) in the State of Uttar Pradesh on BOT basis. The claims filed by the Claimant for revenue loss, revenue loss due to delay in COD, revenue loss from start of toll collection, EPC escalation, EPC additional overhead, EPC overstay of plant and equipment, additional maintenance cost of EPC, loss of profit earning capacity, extra cost IDC, revenue loss due to overloading and claims for underpasses. The Claimant has raised a claim for ₹ 7,470 million. The Sponsor has also filed counter claims against the Claimant for ₹ 3,270.00 million. The matter is currently pending.
21. M/s PNC Kanpur Highways Limited has initiated arbitration proceedings against the Sponsor in relation to two-laning with paved shoulder of Kanpur to Kabrai Section of NH-86 from Km 7.430 to Km 130.100 in the State of Uttar Pradesh on DBFOT basis. The claims filed by the Claimant were in relation to demand for increased overheads due to delay in appointed date, demand against additional cost suffered due to idling of plants and equipment due to delayed appointed date, damages for delay in handing over site as per provisions of the relevant concession agreement, demand against additional costs suffered on account of inflation/price escalation on cost of major inputs/resources due to delayed appointed date and extended construction period, demand for compensation against overheads due to extended stay than planned stay, demand for additional

cost suffered due to extended stay of plants and equipment than planned duration, demand for additional interest liability suffered during construction period on account of extended construction period, demand for loss of revenue suffered due to non-realization of user fee collection from July 14, 2014 to May 5, 2015, demand for loss of revenue suffered due to suspension of collection of user fee at toll plazas on NHs due to demonetization of Rs. 500 and Rs.1,000 currency notes, demand for loss of earning capacity and profit suffered due to extension of construction period, demand for loss suffered on equity due to delayed return on investment on account of delayed realization of toll revenues due to delay in declaration of appointed date, extended construction period and delay in PCOD, demand in lieu of interest on amounts raised under the various claims as above in accordance with the respective due dates of payment, the contractual provisions and the law. The Claimant had raised a claim for Rs. 6,180.00 million. An award of Rs. 2,503.90 million in the matter has been passed on April 23, 2021 in favour of the Claimant. The matter is no more pending in Arbitration.

22. M/s Tantia Raxaul Private Limited has initiated arbitration proceedings against the Sponsor in relation to two laning with paved shoulder of Pioprakothi to Raxaul Section of NH-28A from Km 0.600 to Km 62.064 in the state of Bihar. The claims filed by the Claimant were in relation to claim for termination payment for default of respondent, claim for non-finalisation of location and correct notification for toll plaza (along with interest at the rate of 18%), claim for delay in handover for land/ right of way/ site (along with interest at the rate of 18%), claim for additional interest during construction on account of extended construction period, claim for increased distance/lead for stone aggregate, claim for inflation/ price escalation (along with interest at the rate of 18%), claim for additional cost of maintenance, claim for increased overheads of concessionaire (along with interest at the rate of 18%), claim for increased overheads of EPC contractor (along with interest at the rate of 18%), claim for idling/underutilisation of plant, machinery & equipment, and claim for loss of profits of EPC contractor. The Claimant has raised a claim for ₹ 9,861.70 million. The Sponsor has also filed counter claims against the Claimant for ₹ 2,873.60 million. The matter is currently pending.
23. M/s Haridwar Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Muzaffarnagar-Haridwar Section from Km 131.00 to Km 211.000 of NH-28 in the state of UP and Uttarakhand under NHDP Phase-II as BOT (Toll) on DBFOT pattern. The claims filed by the Claimant were in relation to financial expenses incurred by the Claimant beyond the scheduled commercial operation date till February 2019, interest payable on compensation for delay in handing over of the land form from appointed date till February, 2019, interest due on delay towards release of grant from February 7, 2013, up to February, 2019, claim for reimbursement of GST on regular bills/invoices of the Claimant from July, 2016, claims for expenses incurred by the Claimant on rentals of plants and machinery beyond SCOD, claims for expenses incurred by the Claimant on rentals of plants and machinery beyond SCOD till February 2019, claim for expenses incurred by the Claimant due to price escalation beyond the SCOD up to February 2019, additional transportation cost due to ban on mining at sites, claim for direct expenses incurred beyond SCOD up to February 2019, expenses incurred on existing road maintenance beyond SCOD and claim on account of amount recovered for Dehradun Highway Project Limited. The Claimant has raised a claim for ₹ 22,060.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 22,260.00 million. The matter is currently pending.
24. Madhucon (Madurai-Tuticorin Expressways Limited) has initiated arbitration proceedings against the Sponsor in relation to the “Design, Engineering, Finance, Construction, Operation and Maintenance of Madurai-Tuticorn Section from km 138.800 to km 264.50 of NH-45B in the State of Tamil Nadu under NHDP Phase IIIA”. The claims relate to compensation payable due to prolongation of the project, refund of liquidated damages, change of scope of work, loss of business opportunity, loss on account of shortfall in revenue from the project and amount payable on account of price escalation during the extended period of construction. The claim raised by Claimant amounts to ₹ 81,993.10 million. The Sponsor has also filed counter claims against the Claimant for ₹ 2,902.60 million. The said matter is currently pending.
25. M/s Chennai Elevated Toll Way Limited has initiated arbitration proceedings against the Sponsor in relation to the new four lanes elevated road from Chennai Port to Maduravoyal (NH-4) in the State of Tamil Nadu under NHDP Phase-VII on BOT(Toll) basis. The claims filed by the Claimant were in relation to termination payment, claims payable to the EPC contractor, claim for additional cost due to idling/ underutilization/ prolongation of plants & equipment, loss of profit payable to the EPC contractor due to delay and termination of the contract, loss of opportunity to the EPC contractor due to delay and termination of the contract, claims for infructuous expenditure for setting up camps, site approach, road development etc. The Claimant has raised a claim for Rs. 41,071.80 million. The Sponsor has also filed counter claims against the Claimant for Rs. 21,632.70 million. The matter is no more pending in Arbitration. The Arbitral Tribunal has passed an award of Rs. 21179.50 million in favour of the Claimant and of Rs. 261.00 million in favour of the Sponsor vide order dated 24.11.2021.
26. Trichy Thanjavur Expressways Limited has initiated arbitration proceedings against the Sponsor in relation to the “design engineering, financing, construction, operation and maintenance of Thanjavur-Trichy Section

from km 80.000 to km 135.750 of NH-67 in the State of Tamil Nadu”. The claims relate to the compensation payable on account of losses due to prolongation of the project, change in scope, losses on account of shortfall in revenue and loss of business opportunity and profit. The claims raised by the Claimant amounts to ₹ 29,906.70 million. The matter is currently pending.

27. M/s SU Toll Road Private Limited. has initiated arbitration proceedings against the Sponsor in relation to Salem-Ulundurpet Section from Km. 0.313 km 136.670 of NH – 68 in the State of Tamil Nadu under NHDP Phase – IIIA on Build, Operate and Transfer (BOT) basis. The claims filed by the Claimant for compensation were in relation to additional expenses incurred on account of extended stay of plant and equipment at the site, compensation for additional overheads in the extended construction period, compensation on account of the loss of opportunity to earn profits due to extended construction period, interest paid to the lenders due to delay in completion of project as per the original schedule and compensation for revenue loss due to delay in issuance of COD. The Claimant has raised a claim for Rs. 14,623.00 million. The Sponsor has also filed counter claims against the Claimant for Rs. 2,261.90 million. The matter is no more pending in Arbitration. The Arbitral Tribunal has passed a ‘Nil’ award for the claims of the Claimant and of Rs. 570.30 million in favour of the Sponsor vide order dated 08.10.2021.
28. M/s T K Toll Road Private Limited. has initiated arbitration proceedings against the Sponsor in relation to design, engineering, finance, construction, operation and maintenance of Trichy to Karur Section of NH-67 from Km 135.800 to Km 218.028 (excluding Lalaper ROB) in the state of Tamil Nadu under NHDP Phase- IIIA on BOT basis. The claims filed by the Claimant were in relation to extended stay of plant and equipment from July 15, 2010 to February 23, 2014, increase in cost of input materials, fuel and labour expenses incurred in the extended period from July 15, 2010 to February 23, 2014, loss of revenue due to delay in provisional completion certificate from July 15, 2010, to February 23, 2014, overhead cost for the extended in the extended construction period, reimbursement of cost incurred for works executed in Trichy bypass (Km 135.800 to 154.400) on account of deletion of stretch from the purview of the relevant concession agreement, compensation for delay in payment of grant by the respondent, additional cost incurred on account of interest paid at higher rate of interest to lenders due to extended construction period from July 15, 2010 to February 23, 2014. The Claimant has raised a claim for ₹ 11,177.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 210.00 million. The matter is currently pending.
29. M/s MEP Chennai Bypass Toll Road Private Limited has initiated arbitration proceedings against the Sponsor in relation to operation and maintenance of Chennai Bypass section from Km 0.000 to Km 32.600 of NH-4 & 5 in the State of Tamil Nadu on OMT basis. The claims filed by the Claimant were in relation to amount due towards concession fee (up to April 8, 2016), damages for non-completion of project facilities calculated up to April 8, 2016, amount due towards non-fulfilment of condition precedent and damages for non-maintenance of project highway calculated up to April 8, 2016. The Claimant has raised a claim for ₹ 5,033.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 8,704.30 million. The matter is currently pending.
30. M/s Suncon-Soma (JV) has initiated arbitration proceedings against the Sponsor in relation to four lane national highway connectivity to ICTT at Vallarpadam, Cochin, in the State of Kerala (17.200 km). The claims filed by the Claimant were in relation to compensation for additional expenditure incurred for transporting materials through extra distance to the construction sites due to non-handing over of land, payment of price variation/adjustment for utility shifting works, compensation of price variation/adjustment for utility shifting works, compensation payable consequent to prolongation of the contract and for costs of arbitration. The Claimant has raised a claim for ₹ 5,312.00 million. The Sponsor has also filed counter claims against Claimant for ₹ 1,027.30 million. The matter is currently pending.
31. M/s Kurukshetra Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Rohtak-Bawal section of NH-352 (Old NH-71) from Km 363.300 (Design Km. 363.300) to Km 450.800 (Design Km 445.553) under NHDP-III in the State of Haryana on DBFOT basis. The claims were raised under the terms of the relevant concession agreement. The Claimant has raised a claim for ₹ 9,150.00 million. The matter is currently pending.
32. M/s JSR Mulbagal Tollways Private Limited has initiated arbitration proceedings against the Sponsor in relation to 4-laning of Mulbagal-AP/Karnataka Border Section of NH-75 (Old NH-4) from Km 216.912 to Km 239.100 in the state of Karnataka to be executed on design, build, finance, operate and transfer (DBFOT/BOT) basis in BOT (Toll) mode under NHDP Phase-III. The claims filed by the Claimant are in relation to the amount payable to the Claimant in the event of termination by concessionaire and / or by the authority, the interest on the capital/equity of the concessionaire, loss for underutilization / idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion for about 29 months, loss of profit, loss of return envisaged by the concessionaire as a result of default of the authority, amount spent towards the short fall of subsistence revenue, losses due to price escalation, revenue that might have generated by the Claimant through advertisements and loss due COVID-19. The Claimant

has raised a claim for ₹ 21,332.50 million. The Sponsor has also filed counter claims against the Claimant for ₹ 119.30 million. The matter is currently pending.

33. The Sponsor has initiated arbitration proceedings against M/s Transstroy Hoskote-Dobbaspeth Tollway Private Limited in relation to the four laning of Hoskote-Dobbaspeth section of NH-207 from Km 58.300 to Km 138.320 in the State of Karnataka under NHDP, Phase-IV to be executed on DBFOT (Toll) basis. The claims filed by the Sponsor were in relation to damages on account of non-achievement of prescribed milestones, claim and recovery towards escalation in price and additional cost of the project, compensation for loss of goodwill and reputation, special repair to damaged portion of bypass portion of existing road of Hoskote-Dobbaspeth section of NH-207 from Km 58+300 to Km 138+320 by a third party, routine maintenance and special repair to existing road of Hoskote – Dobbaspeth section of NH-207 other than the bypass portion by M/s. Nikhil Infra Projects Private Limited. The Sponsor has raised a claim for Rs. 35,415.80 million. The right of the Concessionaire/Respondent to file Counter claims against the Sponsor has been forfeited. The matter is currently pending.
34. M/s Rohtak Panipath Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Rohtak-Panipath Section of NH-71A from Km 0.00 (Km 63.300) of NH-10 to Km 80.58 (Km 83.500 of NH-1) in the State of Haryana on DBFOT basis under NHDP Phase-III. The claims filed by the Claimant were raised in terms of the relevant concession agreement. The Claimant has raised a claim for ₹ 11,509.30 million. The matter is currently pending and is under conciliation.
35. M/s Ranchi Expressway Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Ranchi- Rargaon-Jamshedpur Section from Km 114.00 to Km 277.500 of NH-33 in the State of Jharkhand on BOT(Annuity) basis under NHDP Phase-II. The claims filed by the Claimant were in relation to payment towards value of work done, amount payable towards maintenance of existing road, refund of amount expended on interest during construction, compensation payable due to delay in handling over of land, extra expenditure due to escalation of cost of work done, loss incurred due to idling of machinery due to prolongation of project, loss of overheads due to prolongation of project, loss of overheads and profits on value of work done due to illegal termination and claim for amount of revenue loss (loss of annuity). The Claimant has raised a claim for ₹ 89,402.50 million. The Sponsor has also filed counter claims against the Claimant for ₹ 2,6281.80 million. The matter is currently pending.
36. M/s Navayuga Bangalooru Tollways Private Limited has initiated arbitration proceedings against the Sponsor in relation to the development and the capacity improvement of the existing carriageways from km 10.000 to 29.500, on the Bangalore Nelamangala section of the National Highway No.4 (NH-4) in the State of Karnataka on BOT basis. The claims filed by the Claimant were in relation to loss of toll revenue, force free run, change in law, loss of toll revenue on account of non revision of toll rates, termination payment & compensation and impact of Covid-19. The Claimant has raised a claim for ₹ 15000.00 million. The Sponsor is yet to file its counter claims against the Claimant. The matter is currently pending.
37. M/s Millennium City Expressways Private Limited has initiated arbitration proceedings against the Sponsor in relation to the 8/6 lane highway from km.14.300 to km. 42.000 at Delhi-Gurgaon section of NH-8 on BOT basis. The claims filed by the Claimant were in relation to the loss of profit on account of closure of the km 24 Toll Plaza, loss of profit on account of commissioning of the competing/alternate road facilities alternatively, extension of concession period by a period of ninety four months, loss of profit suffered due to failure to provide requisite security at the main toll plaza, thereby resulted in loss of toll revenue from the residents of nearby 31 villages, works carried out by the Claimant as change of scope, which were over and above the project agreements, payment for which remains pending despite the Claimant having already completed such additional works, Compensation/extension due to Demonetization, Compensation/extension due to Pandemic/Covid,. The Claimant has raised a claim for ₹ 24160.00 million. The Sponsor has also filed counter claims against the Claimant for ₹ 10440.00 million. The matter is currently pending.
38. M/s EMAS Expressway Private Ltd. has initiated arbitration proceedings against the Sponsor in relation to the Four - laning including strengthening of existing two lane pavement from Palsit (Km. 581.457) to Dhankuni (Km. 646.000) section of NH-2 in the state of the West Bengal - Request for reference to arbitration in respect of disputes arising out of the Contract relating to Change in Law for the Financial Years 2017-18, 2018-19 & 2019-20. The claimant has raised a claim for Rs. 138.5 million. The Sponsor is yet to file the Counter-claim against the Claimant.
39. M/s AE Tollway Ltd. has initiate arbitration proceedings against the Sponsor in relation to the 6-laning of Agra-Etawah Bypass Section of NH-2 from km. 199.660 to km, 323.525 under NHDP Phase-V in the State of UP on BOT (Toll) basis. The claims filed by the Claimant were in relation to the Additional cost incurred towards Interest during Construction (IDC) for the delayed Period, Additional direct cost incurred during the delayed period, Fixed Overhead (FOH) payable to EPC Contractor, Escalation cost. The Claimant has raised a claim for Rs. 13179.80 million. The Sponsor is yet to file the Counter-claims against the Claimant.

Material civil matters filed by the Sponsor

1. Essel Walajahpet Poonamalle Toll Road Private Limited has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal). The claims challenged are for compensation for adjusted equity as termination payments, compensation for repayment of the debt borrowed from the lenders/creditors, compensation for loss of profit payable to EPC contractor, compensation for internal rate of return and mobilisation and de-mobilisation. The amount challenged before the High Court of Delhi is Rs. 6532.90 million. The matter is currently pending.
2. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Oriental Nagpur Betul Highways Limited. The claims challenged are for date of PCOD to be declared as January 7, 2014, and grant bonus of additional 91 days including 9th instalment of annuity payment. The amount challenged before the High Court of Delhi is Rs. 8220.70 million. The matter is currently pending.
3. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against West Haryana Highway Private Limited. The claims challenged are interest due on additional promoter contribution infused in the project, price escalation during the extended period, plant and machinery idling/rental/rehandling for extended period and interest on plant and machinery idling/rental. The amount challenged before the High Court of Delhi is Rs. 5,478.90 million. The matter is currently pending.
4. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Gwalior Bypass Project Limited. The claims challenged are claim for interest on delayed release of annuity amount along with interest due to delayed payment of regular annuity, claim for interest on debt after COD till December 31, 2016 and interest incurred on price escalation form PCOD till October 31, 2016. The amount challenged before the High Court of Delhi is Rs. 5,328.10 million. The matter is currently pending.
5. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Pune Solapur Expressways Pvt. Ltd. The Sponsor has challenged the entire award w.r.t to extension of Concession Period by 928 days vide the petition marked as Diary No. 990741/2022. The amount challenged before the High Court of Delhi is Rs. 224.60 million. The matter is currently pending.
6. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against M/s GMR. The Sponsor has challenged the Final Report released by Sole Arbitrator on 28.02.2022 which has determined the loss in terms of Article 41 amounting to Rs. 16722.00 million in favour of the Concessionaire. The petition is marked as FAO (OS) 108/2020 109/2020 110/2020. The matter is currently pending.
7. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against the M/s BSCPL Aurang Tollway Ltd. The Sponsor has challenged the entire award of the Arbitral Tribunal. The challenges include the claims with respect to the Right of Way, Payment for idealizing of plant and machinery vide petition marked as OMP (Comm) 341/2022. The amount challenged before the High Court of Delhi is Rs. 2819.4 million. The matter is currently pending.
8. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against the M/s L&T Ltd. The sponsor has challenged the entire award awarded by the Arbitral Tribunal vide petition marked as OMP (Comm) 363/2022 before the High Court of Delhi. The amount challenged before the High Court of Delhi is Rs. 294.6 million. The matter is currently pending.

Other material litigation

Considering the business and purpose of the Sponsor, it is imperative for the Sponsor to have an effective mechanism for the acquisition of land for building roads. Taking this need of the Sponsor into account, the parliament has enacted the NH Act, a special enactment which overrides the Land Acquisition Act, 1894 in cases where the land is acquired for the purposes of building National Highways. The Parliament has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, which is applicable to land acquisitions under NH Act with effect from January 1, 2015 (i.e. one year from the date of commencement of the Act, subject to notification by Central Government). The process of acquiring land is a very cumbersome process and it leads to a large number of disputes. At present there are approximately 72,000 land acquisition cases pending before various Courts/Tribunals/Competent Authorities for adjudication.

VI. Litigations involving the Associates of the Sponsor

Except as disclosed below, as on the date of this Prospectus, there are no pending criminal or material litigations or regulatory actions involving the Associates of the Sponsor.

| Sr. No | Name of Associate | Number of proceedings outstanding | Amount involved (₹ in million) |
|-------------------|---|-----------------------------------|--------------------------------|
| <i>Direct Tax</i> | | | |
| 1. | Paradip Port Road Company Limited | 5 | 7.74 |
| 2. | Tuticorin Port Road Company Limited | 3 | 1.98 |
| 3. | Vishakhapatnam Port Road Company Limited | 3 | 1.73 |
| 4. | Calcutta Haldia Port Road Company Limited | 3 | - |
| 5. | Mumbai JNPT Port Road Company Limited | 2 | - |
| 6. | New Mangalore Port Road Company Limited | 2 | - |
| 7. | Chennai Ennore Port Road Company Limited | 1 | - |
| 8. | Ahmedabad Vadodara Expressway Company Limited | 7 | 112.14 |

VII. Litigations involving the Project Manager

There are no pending criminal, regulatory or other material litigations involving the Project Manager as on the date of this Prospectus.

VIII. Litigations involving the Associates of the Project Manager

Please see the section titled "*Litigations involving the Associates of the Sponsor*" above.

IX. Litigations involving the Investment Manager

There are no pending criminal, regulatory or other material litigations involving the Investment Manager as on the date of this Prospectus.

X. Litigations involving the Associates of the Investment Manager

As the President of India is the Promoter of the Investment Manager, persons or entities that may be classified as 'associates' of the Investment Manager in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as 'associates' of the Investment Manager. Consequently, information or disclosures required to be included with respect to such persons or entities pursuant to the InvIT Regulations has not been included in this Prospectus.

XI. Litigations involving the Trustee

1. Hubtown Limited (the "**Plaintiff**") had filed a case before the High Court of Bombay against the Trustee and its directors (the "**Defendants**") for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorize the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is Rs. 3,000 million. The matter is currently pending in the Court for settlement.
2. SBI Cap Trustee (the "**Plaintiff**") had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. India Competitive Global Fund (ICGC) acting through the SREI Investment Manager had a First & Exclusive Charge over the Pledged shares. At the instructions of the ICGC & SREI Investment Manager had transferred the Pledged shares to their demat account as they have first and exclusive right over the shares. We as Share Pledge Trustee has acted on the instructions of the Lenders/Investors. ICGC/SREI sold the shares and appropriated the amounts towards their dues and transferred the surplus amount to the Plaintiff. The Plaintiff is acting for a consortium of lenders and has residual interest. The Plaintiff's case is that the ICGC/SREI has appropriated more amount than their dues. The aggregate claim amount is Rs. 1,550.3 million. The Branch Manager of SBI along with their counsel submitted to the Court that they are willing to explore settlement. The Court referred the matter for pre-conciliation efforts. In the afternoon session, our Advocate appeared before the Conciliator. Advocate briefly explained the dispute to the Conciliator. The Plaintiff informed the Conciliator that if Trinity provides the details of the loan transaction and a statement of accounts in relation to the same, this information would help them resolve the dispute quickly. The case was listed on 30.09.2021 for further conciliation. As no representative was present on behalf of the Company, the Court has recorded that there is no settlement between the parties. The case was adjourned to October 27, 2021 for the parties to proceed with the litigation. The case is now revolving around the proving of the dues by ICGC/SREI and appropriation of amounts. We as ITSL had no role in sale of shares, maintenance of books of

accounts and appropriation of amounts and transfer of surplus amount. The matter was adjourned to 16.11.2021 for framing of Issues, 23.11.2021 for filing of list of witnesses ICGC ,SREI & ITSL, for filing of affidavit of evidence by SBI, 07.12.2021 for cross examination of witnesses of SBI, 14.12.2021 for filing of affidavit of evidence by ICGC/SREI /Trinity/ITSL and 21.12.2021 for cross examination of witnesses of Trinity and ITSL and 07.01.2022 for further orders. We as ITSL has filed an application under Order 1 Rule 10(2) read with Section 151 of the Code of Civil Procedure, 1908 for unsuiting ITSL from the suit and for deleting the name of ITSL from the array of the parties. The matter is now listed on 30.06.2022 for arguments on the application of ITSL for deleting the name of ITSL from the array of the parties. ITSL has no role in sale of shares & appropriation of sale proceeds. The Plaintiff appeared and filed the amended plaint and copies of the documents in two volumes (volume I consisting of 410 pages and volume II consisting of 598 pages). The Learned Judge upon examining the volumes observed that the Plaintiff had not filed the statement of truth. Therefore, the Learned Judge adjourned the matter for filing the statement of truth and additional written statement, if any. ITSL has filed its additional Written Statement on 12th August, 2022. The matter adjourned to 27th September, 2022.

3. Balmer Lawrie and Company Limited and another (the "**Plaintiffs**") had filed a petition before the Calcutta High Court against the Trustee and certain others (the "**Defendants**") challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹ 237.12 million and (b) interest at the rate of 18% per annum on the decretal amount. The success of the Petitioner against the Trustee in the instant petition being agitated is remote. The matter is currently pending.
4. Loancore Servicing Solutions Private Limited (the "**Petitioner**") had filed a Company petition no. 293/59/ND/2019 before the National Company Law Tribunal ("**NCLT**"), Principal Bench at New Delhi against the Religare Enterprise Limited and others including the Trustee (the "**Respondents**") alleging that the Respondents sold the shares of the Religare Enterprise Limited under the dominion and control of the Petitioners to Respondent no. 3-5. It is further alleged that the Trustee appropriated the shares and had transferred them to the Respondents nos. 3 to 5. It is furthermore alleged that the pledged shares had been sold to consciously deprive the Petitioner of its rights and to facilitate an illegal takeover of Respondent no. 1 by the Trustee through Respondent no.5 acting in concert. The alleged damages claim amount is ₹ 700 million is against the Respondent nos. 2 to 5. The NCLT has refused to pass any interim orders as asked by the Petitioner. The Petitioners has failed to produce any evidence or otherwise establish that it has any form of contractual privity or other relationship of any manner with the Trustee and therefore has absolutely no locus to make any claims against the Trustee. The success of the Petitioner against the Trustee in the instant petition being agitated is remote. Senior Counsel, Mr. Darpan Wadhwa appearing for Religare has submitted that they have placed on records a forensic report stating that the agreement Loancore has been relying upon is forged. The next date of hearing is November 10, 2022.
5. In the matter of Future Corporate Resources Limited ("FCRL") ESOP Trust, SEBI Adjudicating Officer has passed an order dated the February 3, 2021, on the ground of insider trading against eight persons including FCRL Employees Trust of which ITSL is a trustee. FCRL along with FCRL Employee Welfare Trust has been jointly and severally directed to disgorge an amount of ₹ 2, 75, 68,650/-. ITSL has submitted that ITSL as a trustee has acted on the instructions of the committee and not liable for insider trading and has not gained or received any amount. ITSL and FCRL Employee Welfare Trust are separate. All the said persons have filed an appeal before SAT against the said SEBI Order dated the February 3, 2021. SAT has given the next date of hearing on 19.10.2022. The order is against FCRL Employees Trust and not against ITSL. The matter is sub-judice.
6. Muthoot Finance Ltd.Vs. Trustees Association of India (TAI), ITSL, Axis Trustee & SBICAPTrustee) - (Case No.29 of 2021) before Competition Commission of India (CCI). On 10.09.2021, the Competition Commission of India(CCI) received an information from Muthoot Finance Limited (Informant) against Trustees Association of India (TAI) and three of its members, i.e., IDBI Trusteeship Services Limited, Axis Trustee Services Limited, and SBI CAP Trustee Company Limited (collectively referred to as 'OPs') for alleged contravention of Sections 3(3) and 4 of the Competition Act, 2002 (Competition Act) (hereinafter referred to as the 'Information'). I. e. for entering into anti-competitive agreement and formation of Cartel. CCI. The CCI has passed an order dated 23.12.2021 under Section 26(1) of the Competition Act, 2002 (Competition Act) directing the Director General to investigate the conduct of Trustees' Association of India's (TAI), IDBI Trusteeship Services Limited (IDBI), Axis Trustee Services Limited and SBICAP Trustee Company (together referred to as the 'OPs') and its office bearers for *prima fade* violating Section 3(1) read with Section 3(3) of the Competition Act (Prima Facie Order) dealing with anti-competitive horizontal agreement (including cartel). TAI, ITSL, Axis Trustee & SBICAP Trustee filed Civil Writ Petition Nos. 3781 of 2022, 3791 of 2022, 3842 of 2022 and 3847 of 2022 respectively before Bombay High Court challenging the jurisdiction of CCI as the SEBI as Sectoral Regulator has Jurisdiction to decide the matter. The matter has been adjourned to 10th November, 2022 for filing Opinion by SEBI and rejoinders by other parties.
7. One Mr. R.K.Mohata Family Trust has filed Commercial Suit (lodging) No. 27568 of 2021 before Bombay High Court against ITSL & RHFL praying for holding of meeting of debenture holders of RHFL as also damages of

Rs.1,05,50,902 against ITSL towards hrs investment. Hon'ble Bombay High Court vide their orders dated the 31.03.2022 read with the Order dated the 06.04.2022 and the order dated the 10.05.2022 directed ITSL to hold the meeting of debenture holders. ITSL convened a meeting of the debenture holders on 13.05.2022 and as directed by Hon'ble Bombay High Court and the Results of the voting of meeting have been placed before the Hon'ble Bombay High Court in sealed cover. The matter is *sub-judice* before the Hon'ble Bombay High Court. Next date of hearing in the matter is yet to be decided by the High Court.

8. Suit is filed by investors seeking compensation and damages of Rs. USD 103, 699, 976 for the loss of their investments in Dynamic India Fund III from Dynamic India Fund III, International Financial Services, ICICI Venture Funds Management Company Limited, ICICI Bank and ITSL. All the Defendants including ICICI Venture have raised preliminary objections to the Suit. DIF III has raised five preliminary objections to the Suit viz. (i) Plaintiffs have been wrongly styled; (ii) Suit is a disguised derivative action and the appropriate court to hear it is the Commercial Court and not the Civil Court; (iii) there is a connected Stay Application filed before the Commercial Court by DIF III that the Suit has to be stayed as the Suit is a Class Action suit and hence the Commercial Court and not the Civil Court has the jurisdiction to hear the Suit; (iv) the Plaintiffs should have put the other shareholders of DIF III into cause; and (v) the Plaintiffs have to provide Security for costs to all the Defendants. The other Defendants have raised preliminary objections with respect to privity of contract and jurisdiction of Mauritius Courts. Nearly 6 years after the Suit was filed in 2014 in Mauritius, on January 28, 2020, the court heard arguments on only two of the preliminary objections raised by ICICI Bank and ICICI Venture viz. (a) Mauritius court lacks jurisdiction to hear disputes between non-Mauritians (both the Plaintiffs and the Defendants No. 3 and 4 i.e. ICICI Bank and ICICI Venture are not Mauritius residents); and (b) Mauritius court is not the convenient forum to hear the disputes raised. The arguments relied, amongst others, related to the facts that (a) alleged conduct of ICICI Bank and ICICI Venture did not admittedly happen in Mauritius and offences, if any, happened in India; (b) investments were in real estate projects in India; (c) investments were in a real estate fund in India; and (d) Indian law governs the contractual relationship between the parties. By an order dated June 9, 2020 the Supreme Court of Mauritius stayed the proceedings as against ICICI Bank and ICICI Venture on the grounds that none of the allegations made against ICICI Bank and ICICI Venture occurred in Mauritius and hence the courts in Mauritius lack jurisdiction to adjudicate such allegations. In the subsequent hearing on July 1, 2020, the Plaintiffs informed the Court of their decision not to appeal against the order staying the proceedings as against ICICI Venture and ICICI Bank. The proceedings would continue against the other Defendants viz. DIF III, IFS and the Trustee. The Supreme Court of Mauritius vide its order dated the 3rd June, 2022 have deleted ICICI Bank and ICICI Venture Fund Management Company Ltd. from the array of the parties allowed to continue the case against Dynamic India Fund III, SANE Mauritius and the WITECO now ITSL. The Plaintiffs have filed an appeal against the said Judgement dated the 3rd June, 2022 passed by The Supreme Court of Mauritius. ICICI Venture Fund Management Company Ltd. is taking care of the matter on behalf of ITSL as a Trustee and also appointed Counsels to defend ITSL. We have taken up the matter with the ICICI Venture stating that WITECO now ITSL is also not a Mauritius resident and Mauritius court is not the convenient forum to hear the disputes raised and hence lacks the jurisdiction. Further, ITSL is acting only as a trustee and there cannot be any claim against ITSL at all as ICICI Venture Fund Management Company Ltd. was Investment Manager of the Fund who has managed all affairs of the Fund.
9. Contempt Application/Petition has been filed by Kalyan Toll Infrastructure Ltd. against ITSL & it's Directors , pursuant to the NCLT Order dated the 26th April, 2021 in the case of Lanco Hoskote Highway Ltd. for non-issuance of NOC for satisfaction of mortgage charge dated 01.12.2014 created by Lanco Hoskote Highway Ltd. as a third party mortgagor in favour of ITSL for the benefit of 25 CDR Lenders of La neo Infatech Ltd. Non-issuance of NOC by ITSL for satisfaction of charge is owing to non-receipt of back to back NOC from CDR lenders for whose benefit ITSL is holding the mortgage charge. The matter is listed on 14/10/2022 for filing counter by ITSL.

XII. Inquiry, inspections or investigations under securities laws

There have been no inquiry, inspections or investigations initiated or conducted against the Trust under the securities laws in the last three years immediately preceding the year of issue of this Prospectus; and accordingly there were no fines imposed or compounding of offences done in the last three years immediately preceding the year of filing of this Prospectus.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws currently in force in India, which are applicable to the Trust. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the regulations set out below may not be exhaustive, and is only intended to provide general information to Bidders, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Provided below are certain significant legislations, regulations and policies that generally govern the road infrastructure sector in which the Project SPV operates.

Regulatory Framework on Road Infrastructure

The regulatory framework in India in the road sector mainly derives its source from the primary legislations of National Highways Authority of India Act, 1988, as amended (the “**NHAI Act**”) and the National Highways Act, 1956 (the “**NH Act**”) enacted by the Indian parliament.

The National Highways Act, 1956

The policy of the MoRTH, in implementing the NH Act, is to vest the Ministry with the power to declare a national highway and for acquisition of land for this purpose. The GoI by notification can declare the intention to acquire any land for a public purpose as envisaged by the law and such land can be used for the purposes of building, maintenance and operation of the declared national highways throughout the country. The NH Act vests MoRTH with the power to appoint a competent authority for the effective implementation of the NH Act and its policies. The said appointed authority retains the right and power to survey, make any inspection, valuation or enquiry;(b) take levels;(c) dig or bore into sub-soil;(d) set out boundaries and intended lines of work;(e) mark such levels, boundaries and lines placing marks and cutting trenches; or (f) do such other acts or things as may be laid down by rules made in this behalf by that government.

All the notified national highways shall vest in the name of the Union and for the purposes, shall include all lands appurtenant thereto and all the bridges, culverts, tunnels and other enlisted constructions under the said NH Act. The Central Government shall assume the responsibility of maintaining and construction of national highways in proper condition in accordance to the law. The Central Government also retains the right to levy fees over the services and benefits rendered in relation to the use of such national highways.

The National Highways (Amendment) Act, 2017, entails the competent authority to issue reports to the Central Government in respect of any land with incorrect revenue record or not required due to change in geometry or alignment of the construction in order for the de-notification of such land from the acquisition pool. In pursuance of the above policy of law, the National Highways Rules, 1957, have been amended to ensure the exercise of the power under the NH Act. These rules provide for periodic regulatory compliance and reporting standards to be followed by the competent authority in reporting to the Central Government.

The National Highways Authority of India Act, 1988 (“NHAI Act”)

The NHAI Act was enacted in pursuance of the powers by the Central Government in appointing an competent authority under the NH Act and provides for the constitution of an authority for the development, maintenance and management of national highways and for matters connected therewith or incidental thereto. NHAI's objective is to ensure that all contract awards and procurements conform to the best industry practices with regard to transparency of process, adoption of bid criteria to ensure healthy competition in award of contracts. Implementation of projects conforms to best quality requirements and the highway system is maintained to ensure best user comfort and convenience. NHAI has a three-tier structure. The headquarters (HQ), the regional offices (ROs) and the project implementation units (PIUs). The PIUs, headed by project directors, are responsible for implementation of projects assigned to them and ROs, headed by a CGM level officer, have been set-up in various parts of the country for decentralizing and strengthening the field level operations in NHAI. The HQ is responsible for overall supervision of the works assigned to NHAI. Pursuant to the NHAI Act, NHAI is competent to

enter into and perform any contract necessary for the discharge of its functions.

In view of the challenging task of construction, development, and management of national highways being undertaken by NHAI, the Committee on Public Undertakings selected the subject “National Highways Authority of India (NHAI)” for comprehensive examination and report. The National Highways Authority of India (Amendment) Act, 2013, received the assent of the President of India on September 10, 2013, and aimed at increasing the institutional capacity of NHAI to help execute the powers delegated to it. National Highways Development Project (“**NHDP**”) was launched in 1998 with the objective of developing roads of international standards which facilitate smooth flow of traffic. The NHDP envisages creation of roads with enhanced safety features, better riding surface, grade separator and other salient features. The GoI, under the Central Road Fund Act, 2000 created a dedicated fund which is required to be utilized for the development and maintenance of national highways. Certain sources for financing the NHDP are through securitisation of cess as well as involving the private sector by encouraging public-private partnership.

Applicable Rules

As per the NH Act and the NHAI Act, the Central Government is empowered to make rules in order to further the objects of NH Act and NHAI Act. In exercise of such power, the Central Government has framed certain rules which are as follows:

- The National Highways Rules, 1957;
- The National Highways (Temporary Bridges) Rules, 1964;
- National Highways Authority of India (Budget, Accounts Audit, Investment of Funds and Powers to enter Premises) Rules, 1990;
- The National Highways (Collection of Fees by any person for the use of Section of National Highways/Permanent Bridges/Temporary bridge on National Highways) Rules, 1997;
- The National Highways (Rate of Fee) Rules, 1997;
- The National Highways (Fees for the use of National Highways Section and Permanent Bridge – Public Funded Project) Rules, 1997;
- The National Highways (Manner of Depositing the Amount by the Central Government with Competent Authority for Acquisition of Land) Rules, 1998;
- The National Highways Tribunal (Procedure for Appointment as Presiding Officer of the Tribunal) Rules, 2003;
- The National Highways Tribunal (Procedure) Rules 2003;
- National Highways Authority of India (the term of office and other conditions of service of Members) Rules, 2003, as amended;
- The Central Road Fund (State Roads) Rules, 2007;
- The National Highways Fee (Determination of Rates and Collection) Rules, 2008, as amended;
- The National Highways Authority of India (Budget, Accounts, Audit, Investment of Funds, and power to enter premises) Rules, 1990, as amended;
- The National Highways Tribunal (Financial and Administrative Powers) Rules, 2004;
- The Highways Administration Rules, 2004; and
- The National Highways Tribunal (Procedure for Investigation of Misbehaviour or incapacity of Presiding Officer) Rules, 2003.

Environmental Compliances and Regulations

The major statutes in India which seek to regulate and protect the environment against pollution related activities include the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 (the “**Environment Protection Act**”). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“**PCBs**”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities issue consent to establish and consent to operate which are to be required to be renewed periodically. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect violation of such regulations.

In accordance with the Forest (Conservation) Act, 1980, state governments are not permitted to make any order directing the use of forest land for a non-forest purpose, or assignment of any forest land through lease or otherwise to any private person or corporation without the approval of the GoI. The Ministry of Environment and Forests (“**MoEF**”) mandates the Environment Impact Assessment (“**EIA**”) must be conducted for specified projects. In the process, the MoEF receives proposals or the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, impose an obligation and duty on the owners and operators of any facility or industry with a capability to create hazardous materials to safely dispose of such

material in transport and other means of collecting and storing. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the “**Public Liability Act**”), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of ‘hazardous substances’ covered by the legislation has been enumerated by the GoI by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Labour Laws and Other Regulations

The laws and regulations to employment that may be applicable to the Trust, the Investment Manager and the project SPV include the following:

- The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Payment of Gratuity Act, 1972; and
- The Maternity Benefit Act, 1961.

Further, the Code on Wages, 2019, Code on Social Security, 2020, Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020, have been published in the official gazette by the Government of India. These will come into effect on dates as notified by the Government of India in the official gazette.

In addition to the above, various state shops and commercial establishments acts are also applicable to the Trust.

Other Related Regulations

The NHAI as a statutory body established by the Central government, is regulated with a distinct set of regulations including:

- National Highways Authority of India (Recruitment, Seniority and Promotion) Regulations, 1996;
- National Highways Authority of India (House Rent Allowance and Leased Accommodation) Regulations, 1997;
- National Highways Authority of India (Joining Time) Regulations, 1996;
- National Highways Authority of India (Incentive) Regulations, 1996;
- National Highways Authority of India (Travelling Allowance and Daily Allowance) Regulations, 1997;
- National Highways Authority of India (Leave) Regulations, 1997;
- National Highways Authority of India (Conduct Discipline and Appeal) Regulations, 1997;
- National Highways Authority of India (Leave Travel Concession) Regulations, 1997;
- National Highways Authority of India (Medical Attendance and Treatment) Regulations, 1997;
- National Highways Authority of India (Transaction of Business) Regulations, 1997;
- National Highways Authority of India (Transaction of Business Amendment) Regulations, 2001; and
- National Highways Authority of India (Medical Attendance and Treatment) Regulations, 1997.

Other applicable law

The Motor Vehicles Act, 1988

The development, maintenance and management as well as control of the National Highways are regulated by the NH Act and the NHAI Act. Under the Motor Vehicles Act, 1988, some powers have been delegated to the Transport Department of the State Governments.

Section 138 of the Motor Vehicles Act, 1988 further empowers the State Governments to make rules for the control of traffic, including for the purpose of the removal and the safe custody of vehicles including their loads which have broken down or which have been left standing or have been abandoned on roads; the installation and use of weighing devices; the maintenance and management of wayside amenities complexes; the exemption from all or any of the provisions of relating to fire brigade vehicles, ambulances and other special classes or descriptions of vehicle, subject to such conditions as may be prescribed; the maintenance and management of parking places and stands and the fees, if any, which may be charged for their use; prohibiting the taking hold of or mounting of a motor vehicle in motion; prohibiting the use of foot-paths or pavements by motor vehicles, generally, the prevention of danger, injury or annoyance to the public or any person, or of danger or injury to property or of obstruction to traffic.

Motor Vehicles (Amendment) Act, 2019

The Motor Vehicles (Amendment) Act, 2019 is targeted towards bringing changes in the transport sector to encourage safer driving practices among Indian motor vehicle drivers. The draft for the amendment was put forward in the lower house of the Parliament, with a proposal to impose strict fines on the violators of traffic rules. The Act proposes to create a National Road Safety Board to be created by the central government through a notification. The Board will advise the central and state governments on all aspects of road safety and traffic management.

Indian Trusts Act, 1882

The Indian Trusts Act, 1882 (“**Trusts Act**”) governs all private trusts in India.

The Trusts Act sets out the purpose for which private trusts can be established, the manner in which they may be created, executed and extinguished. The person creating a trust under the Trusts Act is the author of such trust, the person to whom the author grants the power and authority to regulate the trust is the trustee and the persons for whose benefit such trust has been created are the beneficiaries of such trust. The Trust Act sets out the rights, duties, liabilities and powers of the trustees and the beneficiaries vis-a-vis the trust. The Trust has been settled in accordance with the provisions of the Trusts Act.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the “**Control of NH Act**”) provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon.

In accordance with the provisions of the Control of NH Act, the Central Government has established Highway

Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central

Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration or any officer authorised by such administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Indian Tolls Act, 1851

In accordance with the Indian Tolls Act, 1851 (the “**Tolls Act**”), the state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Tolls Act, are deemed to be ‘public revenue’ and the collection of tolls can be placed under any person the state governments’ deem fit. Such persons are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors when required in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the “**NH Fee Rules**”), regulates the collection of fee for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The NH Fee Rules supersede the National Highways (Temporary Bridges) Rules, 1964, the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997, the National Highways (Fees for the use of National Highways Section and Permanent Bridges – Public Funded Project) Rules, 1997 and the National Highways (Rate of Fees) Rules, 1997 other than in respect of things done or omitted to

be done under such rules prior to supersession.

The NH Fee Rules do not apply to agreements and contracts executed or bids invited prior to the publication of such rules i.e. prior to December 5, 2008. The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway for different categories of vehicles.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material, have been entered into by the Trust, the Trustee and the Investment Manager. These contracts and also the documents for inspection referred to hereunder, may be inspected at the principal place of business of the Investment Manager, at G-5 & 6, Sector – 10, Dwarka, New Delhi 110 075 from 10:00 A.M. to 5:00 P.M., on all Working Days from the date of the Draft Prospectus until the date of listing of the NCDs pursuant to this Issue. Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of the Trust or if required by the other parties, without reference to the NCD Holder, subject to compliance with applicable law and InvIT Documents.

MATERIAL CONTRACTS

1. Issue agreement dated September 30, 2022, entered into amongst, the Trust (acting through the Trustee), the Trustee, the Investment Manager and the Lead Managers.
2. Registrar agreement dated September 30, 2022, entered into among the Trustee, the Investment Manager (on behalf of the Trust) and the Registrar to the Issue.
3. Debenture Trustee Agreement dated September 30, 2022, entered into amongst the Trust (acting through the Trustee), the Investment Manager and the Debenture Trustee.
4. Agreement form of Debenture Trust Deed to be executed amongst the Trust (acting through the Trustee), the Investment Manager and the Debenture Trustee.
5. Public Issue Account and Sponsor Bank agreement entered into amongst the Trust (acting through the Trustee), the Investment Manager, the Sponsor, the Lead Managers and the Public Issue Account and Sponsor Bank, dated October 11, 2022.
6. Consortium Agreement dated October 11, 2022 between the Trust (acting through the Trustee), Investment Manager (on behalf of the Trust), Lead Managers and Consortium Members to the Issue.
7. Tripartite Agreement dated March 24, 2021, between NSDL, the Trust (acting through the Investment Manager and its constituted attorneys) and the Registrar to the Issue.
8. Tripartite Agreement dated March 19, 2021, between CDSL, the Trust (acting through the Investment Manager and its constituted attorneys) and the Registrar to the Issue.

MATERIAL DOCUMENTS

9. Trust deed dated October 19, 2020, entered between the Sponsor and the Trustee.
10. SEBI registration certificate for the Trust bearing number IN/InvIT/20-21/0014 dated October 28, 2020, to act as an infrastructure investment trust.
11. Project implementation and management agreement dated March 30, 2021, entered amongst the Trustee, the Investment Manager, the Project Manager and Project SPV, as amended on September 29, 2021 and September 27, 2022.
12. The Board resolution of the Investment Manager dated October 11, 2022, authorizing the Prospectus.
13. The Board resolution of the Investment Manager dated September 27, 2022 and subsequently on September 30, 2022, authorizing the Draft Prospectus.
14. The Board resolution of the Investment Manager dated August 30, 2022, authorizing this Issue.
15. The unitholders resolution of the Trust dated September 23, 2022, authorizing the borrowing and creation of charge on the assets.
16. Certified copies of the updated Memorandum and Articles of Association of the Investment Manager as amended from time to time.
17. Consents in writing of: (a) the Compliance Officer of the Investment Manager, (b) the Chief Financial Officer of the Investment Manager, (c) the Investment Manager, (d) the Project Manager, (e) Trustee, (f) the Lead Managers, (g) the Registrar to the Issue, (h) the Debenture Trustee to the Issue, (i) Legal Advisor to the Issue, (j) Credit Rating Agencies, (k) Traffic Consultants, (l) Technical Consultants, (m) CRISIL Limited, being the industry data provider in relation to industry reports as obtained from them; (n) Valuer, (o) directors of the Investment Manager, (p) Auditor, (q) Banker to the Issue, (r) lenders, and (s) Consortium Members have been obtained and will be filed along with a copy of this

Prospectus with stock exchanges, as may be required.

18. Corporate governance policies adopted by the Investment Manager.
19. Audited standalone financial statements of the Trust, for the Financial Year ended March 31, 2021.
20. Audited standalone financial information of the Trust, for the financial year ended March 31, 2022.
21. Audited consolidated financial statements of the Trust and the Project SPV, for the Financial Year ended March 31, 2022.
22. Unaudited standalone interim financial information of the Trust for the three months period ended June 30, 2022.
23. Unaudited consolidated interim financial information of the Trust and the Project SPV for the three months period ended June 30, 2022.
24. Statement of Possible Tax Benefits dated September 24, 2022 issued by the Statutory Auditors of the Trust.
25. Credit rating letters dated August 25, 2022 by CARE Ratings Limited assigning a rating of “PROVISIONAL CARE AAA;Stable” in respect of the proposed public Issue of NCDs.
26. Credit rating letters dated on September 23, 2022 by CARE Ratings Limited revalidating the rating of “PROVISIONAL CARE AAA;Stable” in respect of the proposed public Issue of NCDs.
27. Credit rating letter dated October 10, 2022 by CARE Ratings Limited assigning a rating of “CARE AAA;Stable” in respect of the proposed public Issue of NCDs.
28. Credit rating letter dated September 20, 2022 by India Ratings and Research Private Limited assigning a rating of “PROVISIONAL IND AAA/Stable” in respect of the proposed public Issue of NCDs.
29. Credit rating letter dated October 10, 2022 by India Ratings and Research Private Limited assigning a rating of “IND AAA/Stable” in respect of the proposed public Issue of NCDs.
30. Letter dated September 29, 2022, bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/OW/2022/50583/1 from SEBI granting us an exemption in terms of the strict enforcement of Regulation 28(4) and Clause 2.2.8 of the Schedule I of SEBI ILNCS Regulations.
31. Investment management agreement dated October 21, 2020, entered between the Trustee (on behalf of the Trust) and the Investment Manager.
32. The concession agreements, each dated March 30, 2021 (round 1) and September 26, 2022 (round 2), entered into by the Project SPV with NHAI.
33. The Project SPV Facility Agreements each dated September 30, 2022, entered into amongst the Trust (acting through the Trustee), the Investment Manager and the Project SPV.
34. Loan agreement dated September 29, 2021, entered into amongst the Trust, State Bank of India, Axis Bank Limited and Bank of Maharashtra.
35. The Project SPV Escrow Agreements each dated October 10, 2022, entered into amongst the State Bank of India (as the Escrow Bank), Trust (as lender’s representative), the National Highways Authority of India and the Project SPV.
36. The Project SPV Substitution Agreements each dated October 10, 2022, entered into amongst the National Highways Authority of India, Trust (as lender’s representative), and the Project SPV.
37. The Project SPV Supplementary Escrow Agreements each dated October 10, 2022, entered into amongst the State Bank of India (as the Escrow Bank), Trust (as lender’s representative), and the Project SPV.
38. The Project SPV Deed of Hypothecation each dated October 10, 2022, entered into amongst the Trust (acting through the Trustee) and the Project SPV.
39. Loan agreement dated October 10, 2022, entered into amongst the Trust, State Bank of India and Investment Manager.
40. Trademark license agreement dated September 26, 2022, entered into between the Sponsor and the Trustee.
41. Transitional support agreement dated September 26, 2022, entered into into amongst the Sponsor, Project Manager and the Project SPV in relation to the Target Toll Roads.

42. The Valuation Report dated August 30, 2022, issued by the Valuer, which sets out their opinion as to the fair enterprise value of the Project SPV as on July 31, 2022.
43. Report titled “*Report on Roads and Highways*” released in Mumbai by CRISIL Research in September 2022.
44. Traffic Report titled “*Project Drone – T&R DD report_2.0_29082022*” dated August 2022 by Steer Davies Gleave India Private Limited.
45. Traffic Report titled “*CRISIL Traffic Report – Assessment and projection of traffic and revenue for Shivpuri-Jhansi section of NH-27*” released in Mumbai by CRISIL Research in July 2022.
46. Traffic Report titled “Traffic Study for Kothakota-Kurnool section of NH-44 in the state of Telangana & Andhra Pradesh”, “Traffic Study for Chittorgarh-Kota section of NH-27 in the state of Rajasthan”, “Traffic Study for Abu road-Swaroopganj and Abu road-Palanpur sections of NH-27 in the state of Rajasthan and Gujarat” and “Traffic Study for Kagal-Belgaum section of NH-4 in the state of Maharashtra and Karnataka” dated May 25, 2022 and dated August 12, 2022.
47. The due diligence certificate from Debenture Trustee dated September 30, 2022.
48. The due diligence certificate from the Lead Managers dated October 11, 2022 filed with SEBI.
49. In-principle listing approval dated October 10, 2022, issued by NSE.
50. In-principle listing approval dated October 10, 2022, issued by BSE.

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

The Investment Manager further certifies that all the statements and disclosures in this Prospectus are material, true, correct, complete, not misleading and adequate in order to enable the Investors to make a well-informed decision. The Investment Manager hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus and the attachments thereto is true, correct and complete and is as per the original records maintained by the Sponsor subscribing to the Trust Deed.

The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Balasubramanyam Sriram
Chairman and Independent Director

Place: Chennai

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Suresh Goyal
Managing Director and Chief Executive Officer

Place: Delhi

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

N.R.V.V.M.K. Rajendra Kumar
Nominee Director

Place: Delhi

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Mahavir Parsad Sharma
Independent Director

Place: Delhi

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Shailendra Roy
Independent Director

Place: Delhi

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Shri Amit Kumar Ghosh
Nominee Director

Place: Delhi

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

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The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Kavita Saha
Non-sponsor Director

Place: Toronto, Canada

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

The Investment Manager further certifies that all the statements and disclosures in this Prospectus are material, true, correct, complete, not misleading and adequate in order to enable the Investors to make a well-informed decision. The Investment Manager hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus and the attachments thereto is true, correct and complete and is as per the original records maintained by the Sponsor subscribing to the Trust Deed.

The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Bruce Ross Crane
Non-sponsor Director

Place: Toronto, Canada

Date: October 11, 2022

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be).

The Investment Manager further certifies that all the statements and disclosures in this Prospectus are material, true, correct, complete, not misleading and adequate in order to enable the Investors to make a well-informed decision. The Investment Manager hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

Furthermore, all the monies received under this Issue shall be used only for the purposes and objects indicated in this Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Prospectus and the attachments thereto is true, correct and complete and is as per the original records maintained by the Sponsor subscribing to the Trust Deed.

The Investment Manager further certifies that this Prospectus does not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Prospectus does not contain any misstatements.

For **National Highways Infra Investment Managers Private Limited**

Pradeep Singh Kharola
Independent Director

Place: Delhi

Date: October 11, 2022

DECLARATION

The Trustee declares and certifies that all relevant provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Prospectus is contrary to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, as amended, the Securities Contracts (Regulation) Act, 1956, and rules made thereunder, the Securities Contracts (Regulations) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992 and all rules, regulations, circulars including the Master Circular and guidelines issued by the GoI or SEBI (as the case may be). The Trustee further certifies that all the statements and disclosures in this Prospectus are material, true, correct, not misleading and adequate in order to enable the Investors to make a well informed decision.

For **IDBI Trusteeship Services Limited**

Authorised Signatory

Date: October 11, 2022

Place: New Delhi