

Date: May 02, 2024

To

Listing Department
BSE Limited
20th Floor, P. J. Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 543899 (CUBEINVIT)

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051
Symbol: CUBEINVIT

Sub: Postal Ballot Notice of Cube Highways Trust

Pursuant to the applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended (including any statutory modification(s) or re-enactment thereof for the time being in force) (the “InvIT Regulations”) and subject to other applicable laws and regulations, the Investment Manager on behalf of Cube Highways Trust (the “InvIT”) seeks approval of the Ordinary Unitholders of InvIT on the following matter listed in the Postal Ballot Notice through remote E-voting only.

S. No.	Particulars
1	To approve the proposed acquisition of RoFo SPVs and matters related thereto

We would like to inform you that Cube Highways Fund Advisors Private Limited, the Investment Manager, acting on behalf of InvIT has on May 02, 2024, completed electronic transmission of Postal Ballot Notice to the Ordinary Unitholders of InvIT whose names appear in the records of Depository as on the cut-off date i.e., April 26, 2024.

Pursuant to applicable provisions of the InvIT Regulations and any other applicable laws and regulations, please find enclosed herewith a copy of Postal Ballot Notice dated May 02, 2024. The Postal Ballot Notice is also available on the website of InvIT <https://www.cubehighwaystrust.com/>.

You are requested to take the same on record.

The trading window for dealing in the securities of the Trust will continue to be closed and will open 48 hours after the announcement of the outcome of the Postal Ballot Result, in accordance with the applicable Securities and Exchange Board of India Regulations.

For Cube Highways Fund Advisors Private Limited
(acting in its capacity as the Investment Manager to Cube Highways Trust)

Mridul Gupta
Company Secretary & Compliance Officer

CC:

Axis Trustee Services Limited
The Ruby, 2nd Floor,
29 Senapati Bapat Marg
Dadar West, Mumbai-400028

CUBE HIGHWAYS FUND ADVISORS PRIVATE LIMITED

CIN: U74999DL2021FTC379941

Regd. Office: B-376, UGF, Nirman Vihar, New Delhi - 110092

Corporate Office: Unit No. 1901, 19th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida, U.P-201301

E-mail: - compliance.officer@cubehighways.com, Phone: +91-120-4868300



CUBE HIGHWAYS TRUST

(An infrastructure investment trust registered with the Securities and Exchange Board of India)
Registration Number IN/InvIT/22-23/0022

Principal Place of Business: B-376, UGF, Nirman Vihar, New Delhi-110092

Compliance Officer: Mr. Mridul Gupta

Tel: + 91 120 4868300; **email:** compliance.officer@cubehighways.com

Website: www.cubehighwaystrust.com

POSTAL BALLOT NOTICE

NOTICE is hereby given that pursuant to **Regulation 22** of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and the clarifications, notifications, circulars and guidelines issued thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) (**the "InvIT Regulations"**), the amended and restated trust deed dated March 11, 2024 (referred to as "**Trust Deed**") and pursuant to other applicable laws and regulations, if any, as may be applicable in this regard, the Resolution as set out in this Postal Ballot Notice is proposed to be passed by the Ordinary Unitholders (being, unitholders holding Ordinary Units of the Cube Highways Trust) of Cube Highways Trust ("**InvIT**" or "**Trust**") by way of Postal Ballot by voting through electronic means ("**remote e-voting**").

An explanatory statement pertaining to the proposed Resolution, setting out the material facts and reasons, is annexed to the postal ballot notice for your consideration.

The Board of Directors of Cube Highways Fund Advisors Private Limited ("**Board**"), the Investment Manager of the InvIT ("**Investment Manager**"), has engaged the services of M/s. KFin Technologies Limited ("**KFintech**"), the Registrar and Transfer Agent ("**RTA**") of the InvIT will provide a remote e-voting facility to Ordinary Unitholders.

The Investment Manager, on behalf of InvIT, has appointed Mr. Harish Chawla (Mem. No. F9002 and C.P. No.15492), Partner, M/s. CL & Associates, Practicing Company Secretaries, New Delhi, as the Scrutinizer for conducting the Postal Ballot through a remote e-voting process fairly and transparently.

Only those Ordinary Unitholders identified as on the closure of business hours of 26th day of April, 2024, shall be eligible to vote. The remote e-voting period commences on Friday, May 3rd, 2024, from 9:00 a.m. (IST) and ends on Friday, May 31st, 2024, at 05:00 p.m. (IST).

Ordinary Unitholders are requested to carefully read the e-voting instructions mentioned in the Notes under the section '**Voting through electronic means**' in this Notice.

The Notice of the postal ballot is also available on InvIT's website, www.cubehighwaystrust.com, the BSE Limited website, www.bseindia.com, and the National Stock Exchange of India Limited website, www.nseindia.com.

After scrutinizing the votes cast through remote e-voting, the Scrutinizer will submit its report to the Compliance Officer of the Investment Manager of the InvIT. The last date of Voting, i.e. Friday, May 31st, 2024, shall be the date on which the Resolution would be deemed to have been passed if approved by the requisite majority. The results of the Postal Ballot shall be announced on or before Sunday, June 2nd, 2024. The results and the Scrutinizer's report will be submitted to the BSE Limited and the National Stock Exchange of India Limited. Additionally, the results will be placed on the InvIT website - www.cubehighwaystrust.com and the remote e-voting agency, M/s. KFin Technologies Limited - <https://evoting.kfintech.com>.

PROPOSED RESOLUTION

ITEM NO. 1: TO APPROVE THE PROPOSED ACQUISITION OF ROFO SPVS AND MATTERS RELATED THERETO

To consider and, if thought fit, to pass without modification(s), the following Resolution by way of majority (i.e. where votes cast by the present and voting ordinary unitholders in favour of the Resolution are more than the votes cast against the Resolution) in terms of Regulation 22 of the InvIT Regulations, as amended:

"RESOLVED THAT pursuant to the provisions of Regulations 18, 19, 22 and all other applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, and the notifications, circulars and guidelines issued thereunder ("InvIT Regulations"), and other applicable laws, including any statutory modifications, amendments or re-enactments to each of the foregoing, and applicable notifications, clarifications, circulars, rules and regulations issued by any regulatory, statutory or governmental authority in India from time to time (to the extent applicable), the requisite approvals (if any) of Securities and Exchange Board of India, the stock exchanges, any relevant governmental, statutory or regulatory authorities or third party approvals, if any and subject to such terms and conditions as may be prescribed by any such authority while granting such approvals as may be necessary and subject to the finalisation of the terms for such transaction, and in accordance with the Investment Policy of Cube Highways Trust ("Trust" or "InvIT"), the consent of the Ordinary Unitholders, be and is hereby granted to the InvIT, acting through its trustee, Axis Trustee Services Limited (the "Trustee") and/ or its Investment Manager, Cube Highways Fund Advisors Private Limited ("Investment Manager"), to enter into material related party transaction(s), being the acquisition, in one or more tranches, of upto 100% (one hundred percent) equity shareholding and beneficial ownership of (a) M/s Borgaon Watambare Highways Private Limited (formerly known as DBL Borgaon Watambare Highways Private Limited), (b) M/s Mangalwedha Solapur Highways Private Limited (formerly known as DBL Mangalwedha Solapur Highways Private Limited), (c) M/s Mangloor Highways Private Limited (formerly known as DBL Mangloor Highways Private Limited), (d) M/s KNR Shankarampet Projects Private Limited, (e) M/s KNR Srirangam Infra Private Limited, (f) M/s KNR Tirumala Infra Private Limited and (g) M/s N.A.M. Expressway Limited (collectively referred as "RoFo SPVs") from Cube Highways and Infrastructure Pte. Ltd. ("CH-I") and Cube Highways and Infrastructure III Pte. Ltd. ("CH-III", and along with CH-I, collectively the "Sponsors"), for an aggregate consideration (including repayment of Sponsors debt) at an aggregate consideration of upto Rs. 28,425/- million, payable in one or more tranches, subject to all necessary adjustments including but not limited to on account of movement in working capital, carry cost and other terms and conditions as may be agreed to between the parties and as may be specified in the definitive documentation to be entered for this purpose, the enterprise value of each RoFo SPV as per independent valuer's report is as under:

Sr. No.	Name of RoFo SPV	Enterprise Value (EV) as per EY Report as of Feb 29, 2024*
1	M/s Borgaon Watambare Highways Private Limited (formerly known as DBL Borgaon Watambare Highways Private Limited)	4,439
2	M/s Mangalwedha Solapur Highways Private Limited (formerly known as DBL Mangalwedha Solapur Highways Private Limited)	4,490
3	M/s Mangloor Highways Private Limited (formerly known as DBL Mangloor Highways Private Limited)	3,161
4	M/s KNR Shankarampet Projects Private Limited	4,873
5	M/s KNR Srirangam Infra Private Limited	4,519
6	M/s KNR Tirumala Infra Private Limited	5,918
7	M/s N.A.M. Expressway Limited	24,321
Total		51,720

** implied Equity Value calculated on the basis of EV as per EY report:- Rs. 29,126 Mn*

RESOLVED FURTHER THAT the consent of the Ordinary Unitholders be and is hereby granted for the finalization, execution, modification and amendment by the Board of Directors of the Investment Manager of all documents, agreements, deeds in relation to the acquisition of the issued, subscribed

and paid-up share capital issued by the RoFo SPVs to be entered into between all relevant parties including but not limited to CH-I, CH-III, Investment Manager and/or the Trustee (acting on behalf of, and its capacity as, the Trustee to InvIT).

RESOLVED FURTHER THAT the Board of Directors of the Investment Manager, be and is hereby authorised to negotiate the terms and conditions of the transaction documents including but not limited to provisions on indemnities, representations and warranties and conditions precedents and to settle, finalize, execute, amend or modify and deliver, for and on behalf of the Trust, all definitive agreements and all amendments, addendums and supplemental agreements thereto, on behalf of Trust, and any other ancillary agreements or forms, consent terms, certificates, undertakings or other documents as may be required to be executed in this regard including to appoint any advisers, valuers, experts or other persons and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as it may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as it may deem fit from time to time, to decide and to accept and give effect to such modifications, adjustments, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required, without being required to seek further consent or approval of the ordinary unitholders of the Trust or otherwise to the end and intent that the ordinary unitholders of the Trust shall be deemed to have given their authorisation thereto expressly by the authority of this Resolution, as may be considered necessary and expedient in the interest of Trust and its Unitholders."

For Cube Highways Trust
By Order of the Board
Cube Highways Fund Advisors Private Limited
(as the Investment Manager of Cube Highways Trust)

-Sd/-
Mridul Gupta
Company Secretary and Compliance Officer

Date: May 2, 2024
Place: New Delhi

Principal Place of Business and Contact Details of the Trust

Cube Highways Trust
B-376, UGF, Nirman Vihar, New Delhi-110092
Email: compliance.officer@cubehighways.com
Website: www.cubehighwaystrust.com
Compliance Officer: Mr. Mridul Gupta

Registered and Corporate Office and Contact Details of the Investment Manager

Cube Highways Fund Advisors Pvt. Ltd.
CIN: U74999DL2021FTC379941
Registered office: B-376, UGF, Nirman Vihar, New Delhi-110092
Corporate Office: Unit No. 1901, 19th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida, U.P-201301
Tel: +91 120 4868300
email: compliance.officer@cubehighways.com

NOTES:

- 1.** As per Regulation 22(2)(b) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, for any matter requiring the approval of Ordinary Unitholders, Voting may also be done by postal ballot or electronic mode. Pursuant to this, InvIT is seeking the approval of the Ordinary Unitholders on the proposed Resolution by way of Postal Ballot through remote e-voting.
- 2.** An explanatory statement stating all material facts and the reason for the proposed Resolution is annexed herewith.
- 3.** The Investment Manager, on behalf of Cube Highways Trust ("InvIT"), has engaged the services of M/s. KFin Technologies Limited ("KFinTech"), the Registrar and Transfer Agent ("RTA") of the InvIT will provide a remote e-voting facility to the Ordinary Unitholders. Kindly refer to the notes in this Notice for detailed instructions for remote e-voting.
- 4.** The Postal Ballot Notice is being sent to those Ordinary Unitholders whose names appear in the Register of Beneficial Owners maintained by the Depositories as of the cut-off date, i.e., Friday, April 26th, 2024 ("cut-off date"). Eligible Ordinary Unitholders as of the cut-off date would be entitled to vote, and a person who is not an Ordinary Unitholder as of the cut-off date should treat this Postal Ballot Notice for information purposes only.
- 5.** The Postal Ballot Notice is being sent to the Ordinary Unitholders using their registered /updated/ available email IDs with the InvIT / RTA. The Ordinary Unitholders shall vote through electronic mode only as per the instructions for e-voting provided in the Postal Ballot Notice. Ordinary Unitholders who have not registered their email addresses or have not received any communication regarding this Postal Ballot Notice for any reason whatsoever may obtain the User ID and Password by sending a request to KFinTech (Unit: CUBEINVIT) at einward.ris@kfinotech.com or evoting@kfinotech.com or contact KFinTech at 1800-309-4001 (between 9:00 a.m. to 5:30 p.m.) or contact InvIT at +91 0120-4868300 (on weekdays between 9:00 a.m. to 5:30 p.m. Copy of this Notice is also available on the website of the InvIT at www.cubehighwaystrust.com and may also be accessed from the relevant section of websites of Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited. The Notice is also available on the RTA website, i.e., <https://evoting.kfinotech.com>.
- 6.** The e-voting period commences on Friday, May 3rd, 2024, at 09:00 a.m. (IST) and ends on Friday, May 31st, 2024, at 5:00 p.m. (IST). The e-voting module shall be disabled for Voting thereafter. Once the Unitholder casts a vote on the Resolution (s), the Unitholder shall not be allowed to change it subsequently.
- 7.** Resolutions passed by the Ordinary Unitholders through Postal Ballot are deemed to have been passed as if they had been passed at a general meeting of the Ordinary Unitholders.
- 8.** The Board of Directors of Cube Highways Fund Advisors Private Limited ("Board"), the Investment Manager of the InvIT ("Investment Manager"), has appointed Mr. Harish Chawla (Mem. No. F9002 and C.P. No.15492), Partner, M/s. CL & Associates, Practicing Company Secretaries, New Delhi, as the Scrutinizer for conducting the Postal Ballot through a fair and transparent remote e-voting process.
- 9.** Ordinary Unitholders cannot exercise their vote by proxy on the postal ballot.
- 10.** Resolution(s) passed by the requisite majority of the Ordinary Unitholders through Postal ballot shall be deemed to have been passed as if they had been passed at a General Meeting of the Ordinary Unitholders.
- 11.** Voting by any person who is a related party in such transaction as well as associates of such person(s) shall not be considered on the specific issue.
- 12.** The Resolution(s), if approved, shall be deemed to have been passed on the last date of the e-voting, i.e. Friday, May 31st, 2024.

- 13.** The voting rights of Ordinary Unitholders shall be in proportion to their Ordinary Unitholding of the Ordinary Unit capital of InvIT as on the cut-off date, i.e. Friday, April 26th, 2024.
- 14.** The Scrutinizer will submit his report to the Compliance Officer of the Investment Manager after the completion of scrutiny, and the Compliance Officer will announce the result of the Voting by Postal Ballot within 48 working hours. The report will be displayed on the InvIT website, i.e <https://www.cubehighwaystrust.com/> besides being communicated to the Stock Exchange(s), RTA on the said date.
- 15.** All the material documents referred to in the Explanatory Statement will be available for inspection at the principal place of business of the InvIT during office hours on all working days from the date of dispatch until the last date of e-voting by Postal Ballot i.e. May 31, 2024 or all the documents referred to in the accompanying Notice shall be made available for inspection through electronic mode, on the basis of a request being sent to compliance.officer@cubehighways.com.

16. Voting through electronic means

Details of the process and manner of e-voting are provided below:

Step 1: Access to Depositories' e-voting system in case of Individual Unitholders holding units in demat mode.

Step 2: Access to KFinTech e-Voting system in case of Non-Individual Unitholders holding units in demat mode.

Details on Step 1 are mentioned below:	
1) Login method for remote e-voting for Individual Unitholders holding units in demat mode	
Individual Unitholders holding units in demat mode with NSDL	Individual Unitholders holding units in demat mode with CDSL
<p>1. Existing IDeAS Users:</p> <p>(i) Visit URL: https://eservices.nsd.com</p> <p>(ii) Click on the "Beneficial Owner" icon under "Login" under the 'IDeAS' section.</p> <p>(iii) On the new page, enter your User ID and Password. Post successful authentication, click on "Access to e-Voting".</p> <p>(iv) Click on the company name or e-voting service provider, and you will be redirected to the e-voting service provider's website to cast a vote during the remote e-voting period.</p>	<p>1. Users who have opted for Easi/ Easiest</p> <p>(i) Visit URL: https://web.cdslindia.com/myeasi/home/login Or URL: www.cdslindia.com</p> <p>(ii) Click on New System Myeasi</p> <p>(iii) Login with your registered User ID and Password.</p> <p>(iv) The user will see the e-voting Menu, which will have links to ESP, the KFinTech e-voting portal.</p> <p>(v) Click on the e-voting service provider name to cast your vote.</p>
<p>2. Users not registered for IDeAS e-Services</p> <p>(i) To register, click on link: https://eservices.nsd.com</p> <p>(ii) Select "Register Online for IDeAS" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(iii) Proceed with completing the required fields.</p> <p>(iv) Follow the steps given in point no. 1</p>	<p>2. User not registered for Easi/Easiest</p> <p>(i) The option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>(ii) Proceed with completing the required fields.</p> <p>(iii) Follow the steps given in point no. 1</p>

<p>3. Users may alternatively vote by directly accessing the e-voting website of NSDL</p> <ul style="list-style-type: none"> (i) Open URL: https://www.evoting.nsdl.com/ (ii) Click on the icon "Login", which is available under the 'Shareholder/Member' section. (iii) A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/ OTP, and Verification Code as shown on the screen. (iv) After successful authentication, you will be requested to select the name of the company and the e-voting Service Provider name, i.e., KFintech. (v) After successful selection, you will be redirected to the KFintech e-Voting page, where you can cast your vote during the remote e-Voting period. 	<p>3. Users may alternatively vote by directly accessing the e-voting website of CDSL</p> <ul style="list-style-type: none"> (i) Visit URL: www.cdslindia.com (ii) Provide your demat Account Number and PAN No. (iii) The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. (iv) After successful authentication, the user will be provided with links for the respective ESP, KFintech, where Voting is in progress.
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Important note:

Ordinary Unitholders who are unable to retrieve their User ID/ Password are advised to use the Forgot User ID and Forgot Password options available at the above-mentioned websites.

The helpdesk for Individual unitholders holding units in demat mode for any technical issues related to logging in through Depository, i.e., CDSL and NSDL, is as follows:

Login type	Helpdesk details
Individual Ordinary Unitholders holding securities in Demat mode with CDSL	Unitholders facing any technical issue with a login can contact the CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contact us at 022-23058738 and 22-23058542-43.
Individual Ordinary Unitholders holding securities in Demat mode with NSDL	Unitholders facing any technical issue with login can contact the NSDL helpdesk by sending a request to evoting@nsdl.co.in or call toll-free no.: 1800 1020 990 and 1800 22 44 30.

Details on Step 2 are mentioned below:

2) Login method for Non-individual Unitholders in demat mode

A) Unitholders whose email IDs are registered with Depositories/Depository Participant(s) will receive an email from KFintech, which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- (i) Launch the internet browser by typing the URL: <https://evoting.kfintech.com/>
- (ii) Enter the login credentials (i.e., User ID and Password). In the case of a Demat account, the User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password to cast the vote.
- (iii) After entering these details appropriately, click on "Log in".
- (iv) You will now reach the password change Menu, wherein you are required to change your password mandatorily. The new password shall comprise a minimum of 8 characters with at least one upper case (A- Z), one lower case (a), one numeric value (0-9) and a unique character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details, such as your mobile number, email ID, etc., on the first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to log in again with the new credentials.
- (vi) After a successful login, the system will prompt you to select "EVEN," i.e., "**CUBE HIGHWAYS TRUST,**" and click on "Submit."
- (vii) On the voting page, enter the number of units (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST", or you may partially enter any number in "FOR" and partially "AGAINST", but the total number in "FOR/ AGAINST" taken together shall not exceed your total unitholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Unitholder does not indicate either "FOR" or "AGAINST", it will be treated as "ABSTAIN", and the units held will not be counted under either head.
- (viii) Unitholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.

EXPLANATORY STATEMENT

ITEM NO. 1: TO APPROVE THE PROPOSED ACQUISITION OF ROFO SPVS AND MATTERS RELATED THERETO

Pursuant to the Right of First Offer Agreement ("ROFO Agreement") dated January 2, 2023, executed between Cube Highways and Infrastructure Pte. Ltd. (CH-I) and Cube Highways and Infrastructure III Pte. Ltd. (CH-III) (CH-I and CH-III, collectively referred to as "Sponsors"), the Investment Manager and Axis Trustee Services Pvt. Ltd. (acted in its capacity as Trustee of Cube Highways Trust), CH-1 and CH-3 vide their letters dated September 18, 2023, and September 11, 2023, had provided an invitation to offer to the InvIT for the acquisition and refinancing of below proposed RoFo SPVs:

Sr. No.	Name of RoFo SPV	Seller
1	M/s Bargaon Watambare Highways Private Limited (<i>formerly known as DBL Bargaon Watambare Highways Private Limited</i>)	CH-III
2	M/s Mangalwedha Solapur Highways Private Limited (<i>formerly known as DBL Mangalwedha Solapur Highways Private Limited</i>)	
3	M/s Mangloor Highways Private Limited (<i>formerly known as DBL Mangloor Highways Private Limited</i>)	
4	M/s KNR Shankarampet Projects Private Limited	
5	M/s KNR Srirangam Infra Private Limited	
6	M/s KNR Tirumala Infra Private Limited	
7	M/s N.A.M. Expressway Limited	CH-I

The InvIT, vide its letter dated September 21, 2023 and September 13, 2023, addressed to CH-I and CH-III, respectively, expressed its interest in acquiring these RoFo SPVs from the Sponsors in accordance with the ROFO Agreement. For the acquisition of these RoFo SPVs, the Investment Manager appointed various independent valuers, consultants and advisors to carry out the necessary valuation and due diligence.

The brief details of these RoFo SPVs are as follows:

Name of ROFO SPV	Bargaon Watambare Highways Private Limited (BWHPL)	Mangalwedha Solapur Highways Private Limited (MSHPL)	Mangloor Highways Private Limited (MHPL)	KNR Tirumala Infra Private Limited (KTIPL)	KNR Shankarampet Projects Private Limited (KSPPL)	KNR Srirangam Infra Private Limited (KSIPL)	N.A.M. Expressway Limited
Geographic Stretch	Bargaon-Watambare	Mangalwedha – Solapur	Mangloor to Telangana border	Chittoor-Mallavaram	Ramsanpalli-Mangaloor	Trichy-Kallagam	Narkatpalli to Medarmetta
Asset Type	HAM	HAM	HAM	HAM	HAM	HAM	Build Operate Transfer
Concessions Authority	NHAI	NHAI	NHAI	NHAI	NHAI	NHAI	State Governments
Project Length / Laning	52.0 kms / 4-lane	55.8 kms / 4-lane	48.963 kms / 4-lane	61.128 kms / 6-lane	46.808 kms / 4-lane	38.7 kms / 4-lane	212.86 kms/ 4-lane
States Covered	Maharashtra	Maharashtra	Telangana	Andhra Pradesh	Telangana	Tamil Nadu	Andhra Pradesh and Telangana
PCOD / FCOD	September 2021	Dec 2021	Dec 2021	May 2021/ June 2023	October 2021/June 2022	May 2021/ June 2023	March 2014
Residual Life (years)	12.5	12.7	12.8	12.1	12.5	12.2	16.7

M/s Ernst & Young Merchant Banking Services LLP, bearing IBBI registration number IBB I/RV-E/05/2021/155, has undertaken a full valuation of these RoFo SPVs as of February 29, 2024 and has submitted the valuation report dated April 18, 2024. The detailed valuation report of the RoFo SPVs is provided in **Annexure A**. The Enterprise Valuation of the RoFo SPVs as per the Valuation Report and based on the assumptions mentioned therein is appearing in Annexure A. The Valuation Report is available on the website of InvIT and has also been made available to the BSE Limited and the National Stock Exchange of India Limited.

A summary of the Valuation Report is as under:

Key Valuation Assumptions								
WPI as per technical advisor								
WPI	FY25	FY26	FY27	FY28	FY29-FY36	FY37 onwards		
	5.0%	4.9%	5.2%	4.9%	4.9%-4.0%	4.0%		
Bank rate curve	FY25	FY26	FY27	FY28	FY29	FY30 onwards		
	6.7%	6.4%	6.3%	6.1%	6.1%	6.0%		
Traffic Assumptions Based on independent traffic consultant report								
Base year (FY25) O&M Cost	BWHPL	MSHPL	MHPL	KTIPL	KSPPL	KSIPL	HAM	NAMEL
	Valuation Model							
	189	200	194	198	212	160	1153	536
	Technical Consultant (including prospective PM fee)							
	118	127	109	143	110	107	713	481
Expenses considered are higher than technical study based on InvIT's estimates								
Major Maintenance In line with the report of independent technical consultant								
WACC Assumptions								
Discount rate				HAM		NAMEL		
	Cost of Equity			13.2%		13.7%		
	Cost of debt			8.2%		8.2%		
	Effective tax rate			25.2%		19.8%		
	Post tax cost of debt			6.1%		6.6%		
	Debt/Equity			70:30		40:60		
	WACC			8.2%		10.8%		
As InvIT will have debt capacity available, InvIT can fund acquisition with higher leverage.								

In accordance with Regulation 2(1)(zv) of the InvIT Regulations, the Seller of the Project SPVs, being CH-I and CH-III (collectively, the "Sellers" or "Sponsors") are related parties of the InvIT. Regulation 19(3) of the InvIT Regulations states that an approval from the Unitholders is required to be obtained (in terms of Regulation 22 of the InvIT Regulations) prior to entering into a transaction with any related party if the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets exceeds 5% (five per cent) of the value of the InvIT assets, and voting by any person

who is a related party in such transaction as well as associates of such person(s) shall not be considered on the specific issue. The transaction will be executed on an arm's length basis.

The Board of Directors of the Investment Manager, on the recommendation of the Audit Committee, has approved the aforesaid acquisition and related party transactions on April 25, 2024, and has noted that the same is at arm's length. Information in respect of the proposed related party transaction is as follows:

Name of the Related Parties	Cube Highways and Infrastructure Pte. Ltd. (CH-I) and Cube Highways and Infrastructure III Pte. Ltd. (CH-III)
Relationship with InvIT	Sponsors of the InvIT
Monetary value of the transaction	<p>An aggregate consideration (including repayment of Sponsors debt) of upto Rs. 28,425/- million, payable in one or more tranches, subject to all necessary adjustments including but not limited to on account of movement in working capital, carry cost and other terms and conditions as may be agreed between the parties and specified in the definitive documentation to be entered into for this purpose.</p> <p>The same shall be funded through internal accruals and mix of debt, or in such other manner as the board of directors of the Investment Manager may determine, subject to necessary approvals and applicable law.</p>
Material Terms of the Arrangement and any other Relevant/ Important Information	<p>Material Terms: Transfer of 100% equity shares of RoFo SPVs for cash in one or more tranches as per the definitive agreements to be executed.</p> <p>Consideration The valuation date considered for the transaction is as of March 31, 2024. The base value (i.e. transaction value excluding cash and Net Working Capital) for HAM Portfolio and NAMEL will be increased by 11% p.a. ("Carry") from the period beginning April 1, 2024, until the actual closing date (Closing Date). The Carry will apply on each tranche for the corresponding period starting April 1, 2024, until the respective Closing Date of such tranche.</p> <p>Subject to satisfaction or waiver of all the conditions precedent to the transaction, the InvIT and the Sellers will undertake the closure of the transaction in one or more tranches. The consideration is payable as per the terms of the Share Purchase Agreements to be executed.</p>

The aforesaid acquisition is in line with the investment strategy of the Trust and is expected to be yield accretive for the Ordinary Unitholders. The HAM assets will add to the revenue stability of the InvIT portfolio, while NAMEL has strong traffic fundamentals with favorable network dynamics.

The acquisition is subject to approval of the Ordinary Unitholders of InvIT, approval of the relevant governmental and regulatory authorities and certain other third parties, as may be required and the provisions of share purchase agreements and other definitive documentation (including completion of customary condition precedents by the Sponsors prior to acquisition).

None of the directors except Mr. Sandeep Lakhanpal and Mr. Chirdeep Singh Bagga and/or key managerial personnel or their relatives are interested in the proposed Resolution.

The Board of Directors of Investment Manager recommends the Resolution as set out in Item No. 1 of the Notice for your approval with the requisite majority (i.e. where votes cast by the present and voting ordinary unitholders in favour of the Resolution are more than the votes cast against the Resolution).

Valuation of Specified Assets

For Cube Highways Fund Advisors Private Limited

Reliance Restricted

18 April 2024



Building a better
working world



**Ernst & Young Merchant Banking
Services LLP**

14th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar West,
Mumbai - 400 028, India

Reliance Restricted

**Cube Highways Fund Advisors Private Limited
(acting as the Investment Manager of Cube Highways Trust)
Attention: Mr. Vinay Sekar**

CEO

Unit no. 1901, 19th floor, Tower B, World trade tower,
Plot no. C-1, Sector 16, Noida, UP-201301

Report on Enterprise Valuation of Specified Assets

18 April 2024

Dear Mr. Sekar,

In accordance with instructions of Cube Highways Fund Advisors Private Limited (“Client” or “You”), Ernst and Young Merchant Banking Services LLP (“EY”) have performed the work set out in our Engagement Letter dated 09 October 2023 (“Engagement Agreement”). We are pleased to present the following Report (“Report”) in connection with the enterprise valuation of Specified Assets as at 29 February 2024 (“Valuation Date”).

It may be noted that for carrying out the valuation, we have relied upon information provided by the management of Cube Highways Fund Advisors Private Limited (“Management”). We have been given to understand that the information provided is correct and accurate and that the Management was duly authorized to provide us the same.

Purpose of our Report and restrictions on its use

We understand that Cube Highways Trust (“CHT” or “Trust” or “InvIT”) is proposing to acquire seven Specified Assets (defined later) from Sponsors of the InvIT (“Proposed Transaction”). In this regard, valuation of the Specified Assets is required as at Valuation Date for internal management analysis, disclosures to unit holders if required, any corporate action and/or regulatory filings as per SEBI InvIT Regulations (“Purpose”).

The Report was prepared solely for the above Purpose and should not be used or relied upon for any other purpose including for filing with any statutory/regulatory authority, except as stated above. The Report and its contents may not be quoted, referred to or shown to any other parties except as provided in the Engagement Agreement.

We accept no responsibility or liability to any person other than to the Client, or to such party to whom we have agreed in writing to accept a duty of care in respect of the Report, and accordingly if such other persons choose to rely upon any of the contents of the Report, they do so at their own risk.

**Ernst & Young Merchant Banking
Services LLP**

14th Floor, The Ruby,
29 Senapati Bapat Marg,
Dadar West,
Mumbai - 400 028, India

Nature and scope of the services

The nature and scope of the services, including the basis and limitations, are detailed in the Engagement Agreement. The contents of our Report have been reviewed by the Client, who have confirmed to us the factual accuracy of the Report.

Whilst each part of our Report may address different aspects of the work we have agreed to perform, the entire Report should be read for a full understanding of our findings and advice.

Our work commenced on 06 March 2024 and was completed on 18 April 2024. Our Report does not take account of events or circumstances arising after Valuation Date and we have no responsibility to update the Report for such events or circumstances. If you have any questions or require additional information, please do feel free to contact us.

Yours faithfully



Navin Vohra

Partner

Membership No. IBBI/RV/05/2018/10206

Ernst & Young Merchant Banking Services LLP

Registration No. IBBI/RV-E/05/2021/155

Date: 18 April 2024

Report No. EYMBS/RV/2024-25/004

Table of contents

1	Valuation Summary	5
2	Statement of Limiting Conditions	12
3	Background of the SPVs	15
4	Valuation Analysis	32
5	Appendix	45

1

Valuation Summary

Engagement Background	6
Purpose and Scope of valuation	7
Sources of information	8
Valuation Results / Conclusion	9
Procedures Adopted	10

Engagement Background

- ▶ Cube Highways Trust (“CHT” or “Trust” or “InvIT”) is registered as an infrastructure investment trust with Securities and Exchange Board of India (“SEBI”) pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“the SEBI InvIT Regulations”).
- ▶ The InvIT is proposing to acquire seven Specified Assets from Sponsors (defined below) of the InvIT, which are Singapore based entities. These assets are involved in operating and managing road assets under concession agreements with NHAI and/or respective State Governments. Hereinafter, the following road assets are collectively referred to as “Specified Assets” or “Valuation Subjects” or “SPVs”
 1. Borgaon Watambare Highways Private Limited (“BWHPL”)
 2. Mangalwedha Solapur Highways Private Limited (“MSHPL”)
 3. Mangloor Highways Private Limited (“MHPL”)
 4. KNR Tirumala Infra Private Limited (“KTIPL”)
 5. KNR Srirangam Infra Private Limited (“KSIPL”)
 6. KNR Shankarampet Projects Private Limited (“KSPPL”)
 7. N.A.M. Expressway Limited (“NAMEL”)
- ▶ Assets 1-6 are operating under the Hybrid Annuity Model and are hereinafter collectively referred to as “HAM Assets”. NAMEL operates under the Build Operate and Transfer (“BOT”) model.
- ▶ HAM assets are proposed to be acquired from Cube Highways and Infrastructure III Pte Limited (“CH-III”) and NAMEL is proposed to be acquired from Cube Highways and Infrastructure Pte Limited (“CHIPL”) (CH-III and CHIPL are “Sponsors” of the InvIT). The Sponsors of the InvIT invest in highway projects and select infrastructure sectors in India.

Purpose and Scope of valuation

- ▶ We understand that Cube Highways Trust is proposing to acquire seven Specified Assets from Sponsors of the InvIT (“Proposed Transaction”). In this regard, valuation of the Specified Assets is required as at Valuation Date for internal management analysis, disclosures to unit holders if required, any corporate action and/or regulatory filings as per SEBI InvIT Regulations (“Purpose”).
- ▶ Valuation Date: 29 February 2024
- ▶ The Client has requested EY to undertake the valuation of the Specified Assets in its capacity as Registered Valuer for the aforementioned Purpose.
- ▶ EY is registered under Insolvency and Bankruptcy Board of India with registration number: IBBI/RV-E/05/2021/155 valid from 1 November 2021 under Securities or Financial Assets Category to act in the capacity as Registered Valuer.
- ▶ The scope of Valuation is to perform valuation of Specified Assets for the aforementioned Purpose as at 29 February 2024 based on latest available balance sheet date.

Sources of Information

- ▶ The following sources of information have been utilized in conducting the valuation exercise:
- ▶ **SPV specific information** – The following information, as provided by the Management, have inter-alia been used in the valuation:
 - ▶ Audited financials (balance sheet and profit and loss account along with schedules and notes to accounts including auditors' report but excluding director's report) of HAM Assets from FY22 to FY23 and of NAMEL from FY20 to FY23
 - ▶ Provisional financials (balance sheet and profit and loss account along with schedules) of the SPVs for the 11 months period ended 29 February 2024
 - ▶ Financial projections of the SPVs from 1 March 2024 till the end of their respective concession periods, including underlying assumptions (It includes forecasts of profit and loss statements, major maintenance expenditures and working capital requirements)
 - ▶ Concession agreements entered into between the SPVs and the respective concessioning authorities.
 - ▶ Traffic assessment report for NAMEL and technical assessment reports by independent consultants for each of the SPVs.
 - ▶ Latest Annuity letters for all the HAM assets
 - ▶ Background information regarding the SPVs provided through emails or during discussions
- ▶ Besides the above listing, there may be other information provided by the Management which may not have been perused by EY in any detail, if not considered relevant for the defined scope.
- ▶ **Industry and economy information:** EY has relied on publicly available information, proprietary databases subscribed to by EY or its member firms, and discussions with the Management for analysing the industry and the competitors:
- ▶ In addition to the above, EY has also obtained such other information and explanations from the Management as were considered relevant for the purpose of the valuation.
- ▶ It may be mentioned that the Management have been provided an opportunity to review factual information in the draft Report and confirm with Management of the respective SPVs as part of EY's standard practice to make sure that factual inaccuracies/omissions/etc. are avoided in the final Report.

Valuation Results / Conclusion

Valuation Summary			
SPV	Base EV (₹ mn)	Deferred consideration* (₹ mn)	Adjusted EV (₹ mn)
BWHPL	4,353	86	4,439
MSHPL	4,193	297	4,490
MHPL	3,088	73	3,161
KTIPL	5,916	2	5,918
KSIPL	4,378	140	4,519
KSPPL	4,853	20	4,873
Total HAM assets	26,781	618	27,399
NAMEL	24,321	-	24,321
Total	51,102	618	51,720

Income approach, specifically Discounted Cash Flow (DCF) method has been considered for arriving at enterprise value of the SPVs basis the business plan provided by the Management.

Net Asset Value (NAV): Asset values are generally not a true indicator of the future distributable cash flow and have been presented in Appendix 3 for information purpose only.

The valuation is based on unaudited financials of the Company for 11 months period ended 29 February 2024. A detailed discussion on the appropriateness of use of valuation methods has been given in Section: Valuation Analysis.

This Report should be read in its entirety but especially in conjunction with the 'Statement of limiting conditions'.

*Deferred consideration represents the amount that is receivable from NHAI as on the Valuation Date. These amounts include pending GST claims, receivables due to Change in Law "CIL", withheld annuities and descoping related receivables. As informed by the Management, the timeline / probability of these claims being realised are not known. Given the above, we have not considered them in the computation of the base Enterprise Value and have separately added these in computation of Adjusted Enterprise value. We understand that these amounts will be paid to Cube Highways and Infrastructure III Pte Limited by CHT as deferred consideration, when they are received from NHAI (to be paid within a period not exceeding eighteen months from the date of the transfer agreement, subject to receipt of such amounts from NHAI, as agreed between CH-III and CHT).

Identity of the Valuer and Disclosure of Valuer's Interest or Conflict

Identity of the valuer:

Name of entity registered	Ernst & Young Merchant Banking Services LLP
Registration Number	IBBI/RV-E/05/2021/155
Registration valid from	01 November 2021

Disclosure of Valuer's Interest or Conflict

- ▶ EY does not have any interest in the business of the SPVs. EY is neither associated with nor carrying out any relationship with the Client, except carrying out valuation service. Accordingly, there is no conflict of interest for carrying out the valuation.
- ▶ The information provided by the Management have been appropriately reviewed in carrying out the valuation. Sufficient time and information was provided to us to carry out the valuation.

Procedures Adopted

Procedures adopted in carrying out the valuation:

- ▶ Requested and received financial and qualitative information of the business from its management;
- ▶ Discussions with the Management concerning:
 - ▶ the nature and operations of the SPVs including historical financial performance;
 - ▶ the assumptions and the basis of key assumption used by the Management
 - ▶ business plan, future performance estimates, or budgets for the consolidated business including scenarios, if applicable;
- ▶ Analysed the industry, as well as the economic and competitive environments in which the SPVs operate; and
- ▶ Performed valuation analysis of the SPVs using Internationally accepted valuation methodology to arrive at the valuation.

Valuation Standards:

- ▶ Valuation was carried out as per the International Valuation Standards, 2022 (“IVS”) published by International Valuation Standards Council.
- ▶ In accordance with IVS 104 Bases of Value, a valuer must select the appropriate basis of value when valuing a business or business interest. Fair value was considered as appropriate Bases of Value as per IVS 104.
- ▶ Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The Fair Value referred elsewhere in the Report is same as Market Value as defined above.
- ▶ For the purpose of this valuation, the valuation is based on ‘Going Concern’ premise.

Inspections and Investigations undertaken:

- ▶ We have analysed audited financials of HAM assets from FY22 to FY23 and of NAMEL from FY20 to FY23, provided by Management.
- ▶ We also held discussions with the Management concerning: (i) the nature and operations of the SPVs including historical financial performance (ii) the assumptions and the basis of key assumptions used in the forecast.
- ▶ Site visits were conducted by the EY team to assess the operating condition of the road assets

2

Statement of Limiting Conditions

Statement of Limiting Conditions

- ▶ Provision of valuation opinions and consideration of the issues described herein are areas of our regular valuation practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.
- ▶ The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the valuation date. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the Valuation Date.
- ▶ This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the Client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this report.
- ▶ While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.
- ▶ The valuation has been performed based on the provisional standalone balance sheet for respective SPVs provided by Management for 11 months period ended 29 February 2024 and audited financials for earlier years.
- ▶ In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.
- ▶ The Client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.
- ▶ EY is not aware of any contingency, commitment or material issue which could materially affect the SPVs' economic environment and future performance and therefore, the Fair Value of the SPVs.
- ▶ We do not provide assurance on the achievability of the results forecast by the management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of management.
- ▶ The Report assumes that the SPVs comply fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the SPVs will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet provided to us.
- ▶ The valuation analysis and result are governed by concept of materiality.

Statement of Limiting Conditions

- ▶ It has been assumed that the required and relevant policies and practices have been adopted by the SPVs and would be continued in the future.
- ▶ The fee for the Report is not contingent upon the results reported.
- ▶ The figures in the tables in this report may not sum or cross cast, due to rounding differences
- ▶ We owe responsibility only to the client that has appointed us under the terms of the engagement letters. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person.
- ▶ The actual transacted value achieved may be higher or lower than our estimate of value (or value range of value) depending upon the circumstances of the transaction (for example the competitive bidding environment), the nature of the business (for example the purchaser's perception of potential synergies). The knowledge, negotiating ability and motivation of the buyers and sellers will also affect the transaction value achieved. Accordingly, our valuation conclusion will not necessarily be the value at which actual transaction will take place.
- ▶ We have also relied on data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context.

3

Background of the SPVs

Borgaon Watambare Highways Private Limited	16
Mangalwedha Solapur Highways Private Limited	18
Mangloor Highways Private Limited	20
KNR Tirumala Infra Private Limited	22
KNR Srirangam Infra Private Limited	24
KNR Shankarampet Projects Private Limited	26
N.A.M. Expressway Limited	28

Background of the SPVs

Borgaon Watambare Highways Private Limited (“BWHPL”)

Borgaon Watambare Highways Private Limited (“BWHPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on May 10, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Sangli to Solapur (Package-II: Borgaon to Watambare) section (from existing Ch. km. 219.956 to Ch. 272.394/Design Ch. km. 224.000 to km. 276.000) of NH166 in the State of Maharashtra on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Maharashtra
Concessioneing authority	NHAI
Highway and lane configuration	NH-166 four lane
Project type	HAM
Length (km)	52.0 Km
PCOD	September 2021
Construction Period	730 days
Concession Period (Operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMBSELLP personnel on 12 October 2023

Background of the SPVs

Historical Financial Information – Balance sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	1	3	22
Receivable under SCA	2,741	2,368	2,356
Investments	-	523	138
Current assets			
Inventories	1	3	20
Trade receivables	442	614	98
Balance with Government Authorities	494	238	143
Cash and bank balances	448	259	550
Current tax asset	1	64	134
Other current assets	5	14	9
	1,391	1,191	955
Current liabilities and provisions			
Trade payables	42	28	76
Provisions	0	0	1
Other current liabilities	133	49	2
	175	77	78
Net current assets (NCA)	1,216	1,115	876
Deferred tax asset	-	75	39
Loan funds			
Term loans - Banks	24	-	-
Listed NCDs	3,351	3,377	3,135
OCDs	637	515	-
	4,012	3,892	3,135
Net worth	(53)	192	296
Represented by			
Equity	2	2	2
Securities premium	491	491	491
Other equity	(546)	(301)	(197)
Total	(53)	192	296

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	107	298	307
Finance income on annuity	123	241	174
Total Revenue	230	538	481
Operating expenses	(30)	(68)	(118)
Repair and routine maintenance	(1)	(51)	(43)
Operating EBITDA	200	420	320
Depreciation and amortisation	(0)	(0)	(0)
EBIT	200	420	320
Finance costs	(315)	(283)	(249)
PBT	(116)	136	71
Other income	3	34	69
Change of scope	1	-	-
Contract Receipts (Utility)	(9)	0	-
Tax	-	75	(36)
PAT	(120)	245	104

Source: Management

Background of the SPVs

Mangalwedha Solapur Highways Private Limited (“MSHPL”)

Mangalwedha Solapur Highways Private Limited (“MSHPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on May 10, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Sangli to Solapur (Package-IV: Mangalwedha to Solapur) section (from existing Ch. km. 314.969 to Ch. 370.452/Design Ch. km. 321.600 to km. 378.100) of NH166 in the State of Maharashtra on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Maharashtra
Concessioneing authority	NHAI
Highway and lane configuration	NH166 four lane
Project type	HAM
Length (km)	55.8 Km
PCOD	December 2021
Construction period	730 days
Concession period (operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMSLLP personnel on 12 October 2023

Background of the SPVs

Historical Financial Information – Balance sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	1	3	30
Receivable under SCA	3,150	2,711	2,173
Investments	-	-	127
Current assets			
Inventories	1	3	17
Trade receivables	67	144	321
Balance with Government Authorities	528	315	202
Cash and bank balances	476	744	277
Current tax asset	1	72	111
Other current assets	5	16	14
	1,078	1,294	942
Current liabilities and provisions			
Trade payables	50	58	45
Provisions	0	0	1
Other current liabilities	150	40	97
	200	99	143
Net current assets (NCA)	878	1,195	799
Deferred tax asset	-	36	13
Loan funds			
Listed NCDs	3,291	3,153	2,956
OCDs	744	673	-
	4,035	3,826	2,956
Net worth	(6)	119	186
Represented by			
Equity	2	2	2
Securities premium	541	541	541
Other equity	(550)	(424)	(356)
Total	(6)	119	187

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	80	241	334
Finance income on annuity	71	269	179
Total Revenue	151	510	513
Operating expenses	(36)	(71)	(151)
Repair and routine maintenance	(1)	(34)	(76)
Operating EBITDA	114	404	285
Depreciation and amortisation	(0)	(0)	(0)
EBIT	114	404	285
Finance costs	(260)	(212)	(259)
PBT	(146)	192	27
Other income	25	33	44
Contract Receipts (Utility)	20	1	20
Extra-ordinary/non-recurring income/expenses	(51)	(136)	-
Tax	-	36	(23)
PAT	(152)	126	67

Source: Management

Background of the SPVs

Mangloor Highways Private Limited (“MHPL”)

Mangloor Highways Private Limited (“MHPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on May 9, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Mangloor to Telangana/Maharashtra border section (Existing km. 91.350 to 140.873/Design km. 86.788 to km. 135.751) of NH161 in the State of Telangana under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Telangana
Concessioneing authority	NHAI
Highway and lane configuration	NH161 four lane
Project type	HAM
Length (km)	48.963 Km
PCOD	December 2021
Construction period	730 days
Concession period (operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMBSLLP personnel on 11 October 2023

Background of the SPVs

Historical Financial Information – Balance sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	1	1	13
Receivable under SCA	2,450	2,058	1,580
Investments	-	-	159
Current assets			
Inventories	1	4	11
Trade receivables	0	175	481
Balance with Government Authorities	408	211	177
Cash and bank balances	335	532	241
Current tax asset	2	62	115
Other current assets	18	21	16
	764	1,006	1,042
Current liabilities and provisions			
Trade payables	22	49	70
Provisions	0	0	0
Other current liabilities	109	2	84
	131	51	155
Net current assets (NCA)	634	955	888
Deferred tax asset	-	58	51
Loan funds			
Listed NCDs	2,831	2,791	2,606
OCDs - CH III	461	364	157
	3,291	3,155	2,763
Net worth	(207)	(83)	(72)
Represented by			
Equity	4	4	4
Securities premium	325	325	325
Other equity	(536)	(412)	(401)
Total	(207)	(83)	(72)

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	43	212	292
Finance income on annuity	55	211	133
Total Revenue	98	423	426
Operating expenses	(30)	(103)	(110)
Repair and routine maintenance	(1)	(44)	(144)
Operating EBITDA	67	275	172
Depreciation and amortisation	(0)	(0)	(0)
EBIT	67	275	171
Finance costs	(216)	(179)	(201)
PBT	(149)	96	(30)
Other income	0	21	45
Construction income (net of cost)	-	0	-
Contract Receipts (Utility)	7	0	2
Extra-ordinary/non-recurring income/expenses	(27)	(51)	-
Tax	-	58	(7)
PAT	(169)	124	11

Source: Management

Background of the SPVs

KNR Tirumala Infra Private Limited (“KTIPL”)

KNR Tirumala Infra Private Limited (“KTIPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on May 9, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Chittoor to Mallavaram section (from existing km. 158.000 to km. 41.800/Design km. 0.000 to km. 61.128) of NH140 in the State of Andhra Pradesh under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Andhra Pradesh
Concessioneing authority	NHAI
Highway and lane configuration	NH140 six lane
Project type	HAM
Length (km)	61.128 Km
PCOD	May 2021
Construction period	910 days
Concession period (operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMB SLLP personnel on 9 October 2023

Background of the SPVs

Historical Financial Information – Balance Sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	2	6	6
Receivable under SCA	5,790	4,745	3,868
Investments	-	-	341
Current assets			
Inventories	1	2	3
Trade receivables	173	123	30
Balance with Government Authorities	596	320	49
Cash and cash equivalents	419	1,168	1,477
Current tax asset	86	100	114
Other current assets	76	124	123
	1,351	1,837	1,797
Current liabilities and provisions			
Trade payables	153	114	27
Provisions	0	1	1
Provision for MMR	94	-	-
Other current liabilities	171	15	31
	418	131	59
Net current assets (NCA)	933	1,706	1,738
Deferred tax asset	-	-	-
Loan funds			
Term loans	4,809	99	24
Listed NCDs	-	5,155	4,687
OCDs	886	323	-
	5,695	5,577	4,711
Deferred tax liability	-	182	117
Net worth	1,030	698	1,126
Represented by			
Equity	716	716	716
Other equity	314	(18)	410
Total	1,030	698	1,126

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	55	261	290
Finance income on annuity	868	23	305
Total Revenue	923	284	595
Operating expenses	(175)	(81)	(91)
Repair and routine maintenance	(2)	(26)	(26)
Operating EBITDA	745	177	478
Depreciation and amortisation	(0)	(1)	(1)
EBIT	745	176	477
Finance costs	(372)	(463)	(323)
PBT	373	(287)	154
Other income	110	136	209
Extra-ordinary/non-recurring income/expenses	(721)	-	-
Tax	-	(182)	65
PAT	(238)	(333)	428

Source: Management

Background of the SPVs

KNR Srirangam Infra Private Limited (“KSIPL”)

KNR Srirangam Infra Private Limited (“KSIPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on April 11, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Trichy to Kallagam section (from km. 0.000 to km. 38.700) of NH227 in the State of Tamil Nadu under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Tamil Nadu
Concessioneing authority	NHAI
Highway and lane configuration	NH227 four lane
Project type	HAM
Length (km)	38.70 Km
PCOD	May 2021
Construction period	730 days
Concession period (operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMBSELLP personnel on 9 October 2023

Background of the SPVs

Historical Financial Information – Balance Sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	-	5	9
Receivable under SCA	3,948	3,193	2,698
Investments	-	-	269
Current assets			
Inventories	-	-	2
Trade receivables	149	129	89
Deposit with Government Authorities	384	309	181
Cash and bank balances	161	524	485
Current tax asset	94	58	72
Other current assets	46	7	9
	833	1,028	837
Current liabilities and provisions			
Trade payables	293	67	23
Provisions	-	0	0
Provision for MMR	28	-	-
Other current liabilities	122	1	56
	443	69	79
Net current assets (NCA)	390	959	759
Loan funds			
Term loans	2,933	3,151	2,902
OCDs	-	347	-
	2,933	3,499	2,902
Deferred tax liability	-	166	166
Net worth	1,405	493	667
Represented by			
Equity	481	481	481
Instruments of equity in nature	301	-	-
Other equity	623	12	186
Total	1,405	493	667

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	33	141	243
Finance income on annuity	541	312	212
Total Revenue	574	452	455
Operating expenses	(43)	(70)	(77)
Repair and routine maintenance	-	(3)	(22)
Pre-MMR Operating EBITDA	532	379	356
Provision for Major maintenance expenses	(28)	-	-
Operating EBITDA	504	379	356
Depreciation and amortisation	-	(0)	(1)
EBIT	504	379	355
Finance costs	(183)	(266)	(275)
PBT	321	113	79
Other income	31	43	95
Extra-ordinary/non-recurring income/expenses	(0)	(602)	-
Tax	-	(166)	-
PAT	352	(611)	174

Source: Management

Background of the SPVs

KNR Shankarampet Projects Private Limited (“KSPPL”)

KNR Shankarampet Projects Private Limited (“KSPPL”) was incorporated under the provisions of the Companies Act, 2013 in India. The SPV has entered into a Concession Agreement on May 9, 2018 with the National Highways Authority of India ('NHAI') for the development, maintenance and management for a stretch of National Highway from Ramsanpalle village to Mangloor village section (from existing km. 44.757 to km. 91.350/Design km. 39.980 to km. 86.788) of NH161 in the State of Telangana under Bharatmala Pariyojana on Hybrid Annuity Mode (HAM).

Particulars	Details
State	Telangana
Concessioneing authority	NHAI
Highway and lane configuration	NH161 four lane
Project type	HAM
Length (km)	46.808 Km
PCOD	October 2021
Construction period	730 days
Concession period (operation period)	15 years
Concession end	FY37

The pictures of the Asset are shown below



Note: Site visit conducted by EYMSLLP personnel on 11 October 2023

Background of the SPVs

Historical Financial Information – Balance Sheet

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Net block of fixed assets (NFA)	1	6	8
Receivable under SCA	4,841	4,394	3,799
Investments	-	-	86
Current assets			
Inventories	1	2	9
Trade receivables	6	51	28
Balance with Government Authorities	510	402	244
Cash and bank balances	124	593	328
Current tax assets	57	73	160
Other current assets	50	18	11
	748	1,140	782
Current liabilities and provisions			
Trade payables	44	39	24
Provisions	0	1	1
Provision for MMR	106	-	-
Other current liabilities	178	34	25
	328	74	50
Net current assets (NCA)	421	1,066	732
Loan funds			
Term loans	3,873	3,878	3,702
OCDs - CH III	769	842	58
	4,641	4,720	3,760
Deferred tax liability	-	222	222
Net worth	621	523	641
Represented by			
Equity	521	521	521
Other equity	100	2	120
Total	621	523	641

Source: Management

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Provisional
Number of months	12	12	11
Revenue from operations			
O&M Income	24	213	246
Finance income on annuity	586	395	286
Total Revenue	610	607	532
Operating expenses	(16)	(84)	(97)
Repair and routine maintenance	(23)	(39)	(53)
Pre-MMR Operating EBITDA	571	484	382
Provision for Major maintenance expenses	(106)	-	-
Operating EBITDA	465	484	382
Depreciation and amortisation	(0)	(1)	(1)
EBIT	465	483	381
Finance costs	(257)	(418)	(373)
PBT	208	65	8
Other income	116	130	110
Extra-ordinary/non-recurring income/expenses	(682)	(72)	-
Tax	-	(222)	-
PAT	(359)	(99)	118

Source: Management

Background of the SPVs

N.A.M. Expressway Limited (“NAMEL”)

N.A.M. Expressway Limited (“NAMEL”) is a company limited by shares, domiciled in India and was incorporated under the provisions of the erstwhile companies Act 1956 on June 15, 2010 as a Special Purpose Vehicle. It is an interstate route connecting southeastern Telangana with northern Andhra Pradesh. It connects the towns of Narketpally (Nalagonda district, Telangana) and Medarametla (Bapatla district, Andhra Pradesh). Its is a 212.9-km four-lane toll road which forms a part of the state highway SH-2 (New SH36 in Andhra Pradesh (AP)). There are three toll plazas, namely, Madgulapally (TP1), Tummalacheruvu (TP2), and Elchuru (TP3) in the increasing order of their distance from Hyderabad.

Particulars	Details
State	Telangana & Andhra Pradesh
Concessioneing authority	Government of Andhra Pradesh
Project type	Design, Build, Finance, Operate and Transfer (DBFOT)
Highway and lane configuration	SH-2 (New SH36) four lane
Toll plazas	TP1: Madgulapally TP2: Tummalacheruvu TP3: Elchuru
Length (km)	TP1: 71.62 Km TP2: 70.62 Km TP3: 70.62 Km
Commencement of operations	January 2011
Concession period	24 years
Concession end	FY35
Revised Concession end (due to variation in traffic)	FY40

The pictures of the Asset are shown below



Note: Site visit conducted by EYMBSELLP personnel on 11 October 2023

Background of the SPVs

Historical Financial Information – Profit and Loss Statement

Currency: ₹ mn	Mar20	Mar21	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Audited	Audited	Provisional
Number of months	12	12	12	12	11
Revenue from operations					
Revenue from toll collection	1,806	1,743	1,981	2,543	2,462
Other operating income	122	176	6	-	-
Net revenue	1,928	1,918	1,987	2,543	2,462
Operating expenses	(163)	(170)	(275)	(297)	(327)
Repair and routine maintenance	(157)	(135)	(111)	(77)	(122)
Pre-MMR Operating EBITDA	1,609	1,614	1,601	2,169	2,012
Provision for Major maintenance expenses	(99)	(204)	(262)	(380)	(1,010)
Operating EBITDA	1,509	1,410	1,339	1,789	1,002
Depreciation and amortisation	(313)	(256)	(256)	(424)	(359)
EBIT	1,197	1,154	1,082	1,365	643
Finance costs	(1,849)	(1,838)	(1,737)	(2,003)	(2,012)
PBT	(652)	(683)	(655)	(638)	(1,369)
Other income	65	59	94	60	119
Tax	(494)	81	(162)	(121)	-
PAT	(1,082)	(544)	(723)	(700)	(1,249)

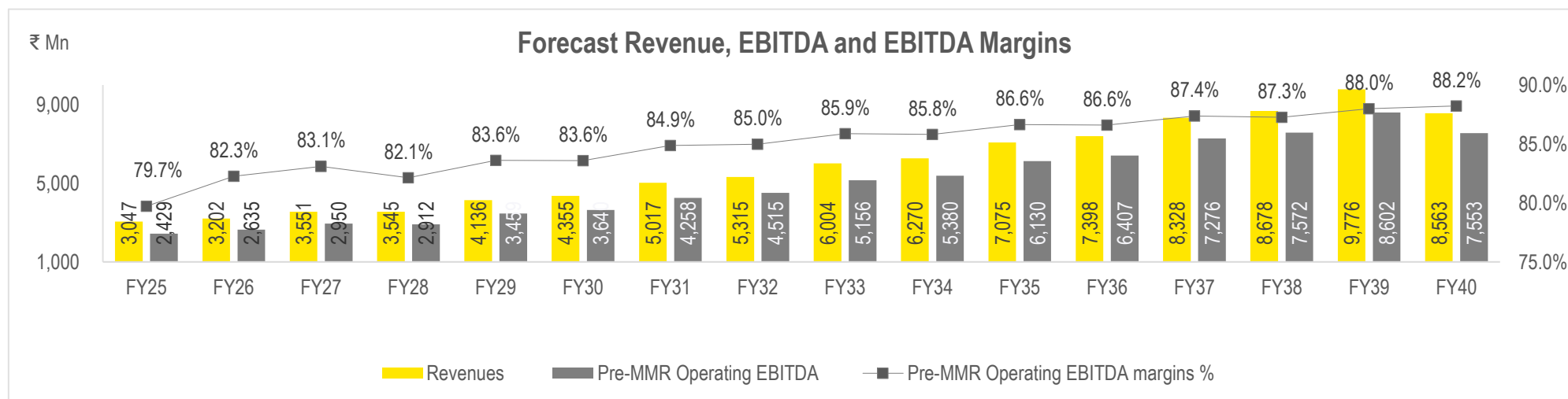
Source: Management

- ▶ Toll revenue has grown at a CAGR of 12.1% from FY20 to FY23 on account of steady increase in traffic volume across the 3 toll plazas for all categories of vehicles and inflation of toll rates.
 - ▶ FY21 saw a decline in revenue primarily due to decrease in traffic caused by the onset of the COVID19 pandemic.
 - ▶ This was followed by a rapid recovery in FY22 which has continued in FY23 and FY24 YTD, mainly driven by Car / Jeeps / Vans (“CJV”), which accounted for ~52% of the traffic volumes in FY23.
 - ▶ The significant volume of CJVs is due to passenger traffic from Hyderabad to Nalgonda and Mirayalguda for work, medical, and educational needs.
- ▶ Historically, NAMEL has achieved an average EBITDA margin of ~83%, where operating expenses mainly include employee benefit expenses, toll and operation expenses and repair and maintenance of carriageway.

Background of the SPVs

Prospective Financial Information – Profit and Loss Statement

- ▶ The Management forecasts increase in revenue from all 3 toll plazas over forecast period on account of
 1. **Steady growth in traffic volume:** Traffic volume in the forecast period is projected basis independent traffic studies received by the Management. Primary traffic growth drivers include factors such as population growth, increased industrialisation, greater vehicle ownership and increase in per capita income. CJV and MAV classes of vehicles are expected to increase due to an increase in cement industry-related traffic and a positive trajectory of construction activities in nearby regions. Nearby developments in the form of the Hyderabad-Vijaywada 6-laning and Pidugurulla bypass construction are also expected to be major traffic drivers.
 2. **Toll rates:** Based on the Concession Agreement (“CA”) and the gazetted toll notification, base toll rates increase every two years based on WPI-linked inflation. For the projected period, actual toll rates from FY23 have been forecasted to increase every 2 years, by the applicable WPI linked inflation.
- ▶ In the forecast period, NAMEL is expected to achieve an average Pre-MMR EBITDA margin of ~85%. Key operating expenses include:
 1. **Operation and Maintenance (O&M) expenses:** O&M expenses consist of operating expenditure, admin expenses, employee costs, CHATAAPL related expenses, insurance costs, one-time expenses and other miscellaneous expenses. Base operating expenditure has been forecasted by the management at a rate of INR 0.42 mn per lane per km. These expenses have been inflated by the WPI factor over the forecast period.
 2. **Routine maintenance:** Routine maintenance expenses mainly include repairs and maintenance expenses. Base RM expense of INR 0.11 mn per lane per km has been estimated by the Management, which is also expected to increase basis WPI linked inflation over the projected period.



Source: Management

Background of the SPVs

Historical Financial Information – Balance sheet

Currency: ₹ mn	Mar20	Mar21	Mar22	Mar23	Feb24
Audited/unaudited/forecast	Audited	Audited	Audited	Audited	Provisional
Net block of fixed assets (NFA)	16,679	16,701	16,622	16,284	15,993
Investments	-	273	0	695	860
Current assets					
Inventories	10	4	7	22	11
Trade receivables	3	4	11	9	28
Cash and bank balances	1,394	762	1,712	1,358	1,292
Advance tax	23	9	11	13	18
Other current assets	109	136	217	301	355
	1,538	915	1,959	1,703	1,705
Current liabilities and provisions					
Trade payables	119	163	78	84	138
Provisions	3	8	6	6	5
Provision for MMR	483	203	414	681	1,055
Other current liabilities	29	23	19	20	12
	634	397	517	791	1,211
Net current assets (NCA)	904	518	1,442	912	494
Loan funds					
Term loans	6,123	4,802	5,007	4,965	4,755
NCDs - International Finance Corporation	4,722	4,556	4,485	4,433	4,338
NCDs - Cube Highways and Infrastructure Pte Ltd	6,000	7,864	8,786	9,414	10,357
OCDs - Cube Highways and Infrastructure Pte Ltd	600	756	833	702	768
	17,445	17,979	19,112	19,513	20,218
Deferred tax liability	947	865	1,028	1,149	1,149
Net worth	(808)	(1,352)	(2,076)	(2,771)	(4,020)
Represented by					
Equity	2,335	2,335	2,335	2,335	2,335
Reserves and surplus	(3,143)	(3,687)	(4,411)	(5,106)	(6,355)
Total	(808)	(1,352)	(2,076)	(2,771)	(4,020)

Source: Management

- ▶ As on the Valuation Date, fixed assets primarily include the Concession Agreement, which has been capitalised in the books of NAMEL as an intangible asset.
- ▶ Current assets and current liabilities mainly include operating working capital items such as trade receivables and trade payables, security deposits, advances and statutory dues payable.
- ▶ As informed by the Management, there will be no need for any additional working capital requirement during the projected period, and hence a release of working capital has been considered in the last year of concession.
- ▶ Loan funds include:
 - ▶ Term loans from banks,
 - ▶ Non-Convertible Debentures (“NCDs”) from International Finance Corporation
 - ▶ NCDs from Cube Highways and Infrastructure Pte Ltd;
 - ▶ Optionally Convertible Debentures (“OCDs”) from Cube Highways and Infrastructure Pte Ltd.
- ▶ As per the information received from the Management, we understand that the NCDs and OCDs will be fully repaid at book value, and the loan will be refinanced from the Trust as part of the Proposed Transaction. Hence, these have been considered as part of gross debt.

4

Valuation Analysis

Valuation methods used / not used	33
Discounted cash flows method	34

Valuation Methodology

- ▶ To determine the Fair Value of enterprise, three traditional approaches can be considered namely, Income, Market and Cost Approaches.
- ▶ For this valuation, we have considered the International Valuation Standards (“IVS”) and have adopted a definition of Market Value as given in IVS 104, “Market Value is the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The Fair Value referred elsewhere in the Report is same as Market Value as defined above
- ▶ The following methods have been considered for determination of Fair Value of the SPVs as at the Valuation Date:

Methodology	Weights	Remarks
Income Approach – Discounted Cash Flows Method	100.0%	<ul style="list-style-type: none"> ▶ DCF method is considered to be one of the most scientific methods of valuation. The SPVs have a definite concession period and estimable cash flows for the entire length of the concession. We have therefore relied on the DCF method, using the financial projections provided to us.
Market Approach – Comparable Companies’ Multiple Method	-	<ul style="list-style-type: none"> ▶ There are no listed companies that are comparable to the SPVs in terms of concession period, type or region.
Market Approach – Comparable Transactions’ Multiple Method	-	<ul style="list-style-type: none"> ▶ We did not find any transactions in comparable companies / businesses for which information is available in public domain. ▶ Accordingly, CCM / CTM methods have not been considered for the valuation analysis.
Cost Approach – Net Asset Value Method	-	<ul style="list-style-type: none"> ▶ Asset values are generally not a true indicator of the future distributable cash flow / the profit generating ability of a business. NAVs of the SPVs have been computed and presented for information only.

Discounted cash flows method

Income based approach

- ▶ Free Cash Flow to Firm approach under DCF method has been considered to determine the enterprise value of the SPVs.
- ▶ The business plan covers explicit forecast period from 1 March 2024 till the end of the life of the concession period of the respective SPVs.

Calculation of Cost of equity

- ▶ For the estimation of the cost of equity for NAMEL, the capital asset pricing model (“CAPM”) is applied. According to the CAPM, cost of equity consists of a risk-free interest rate and a risk premium. The risk premium is calculated by multiplying the market risk premium by the beta-factor, a company-specific measure of the systematic risk of an equity investment in a company.
- ▶ Hybrid Annuity Model (“HAM”) Projects have a relatively much stable annuity structure as compared to BOT Projects and do not have traditional risk factors such as traffic risk etc. There are currently no major listed companies which could be considered comparable to the HAM Projects. Additionally, given the risk profile of such assets is majorly influenced by the movement in bank rates, we have used the built-up approach to arrive at the cost of equity for such assets. We have applied a 5.0% risk premium on the cost of debt to adequately account for the risk associated with the cash flows.

Discount Rate

- ▶ The application of the income approach requires the determination of an appropriate discount rate at which future cash flows are discounted to their present value as of the Valuation Date.
- ▶ To calculate the discount rate, cost of equity, cost of debt and the capital structure have to be determined based on market data of the group of market participants. As discussed, for the estimation of the cost of equity, the capital asset pricing model and built-up method have been applied.
- ▶ WACC is computed to be 8.2% for HAM assets and 10.8% for NAMEL. Refer Appendix 2 for determination of WACC.

Mid-Year Discounting Convention

- ▶ EY DCF approach assumes that the cash flows occur evenly during each of the measurement period (and not at the end of the year); therefore the discounting rate is adjusted to value the cash flows at midpoint of the measurement period.

Calculation for WACC

$$\text{WACC} = W_E * R_E + W_D * R_D$$

where:

W_E = Value of equity/value of total capital, E/E+D

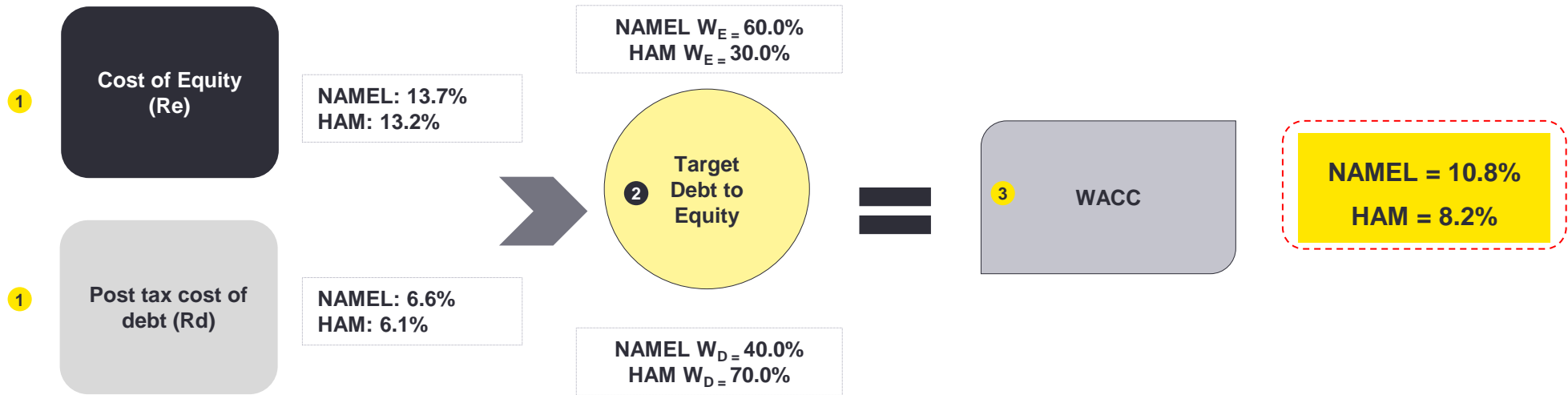
R_E = Cost of equity

W_D = Value of interest-bearing debt/value of total capital, D/E+D

R_D = After-tax cost of interest-bearing debt

Discounted cash flows method

Determination of WACC



1 Refer Appendix 2 for determination of cost of equity and post-tax cost of debt

2 The debt equity ratio of 70:30 is considered for HAM assets and 40:60 for NAMEL basis the expected debt to capital structure of the SPVs.

3 Refer Appendix 2 for a detailed computation of WACC

Discounted cash flows method

Forecast assumptions

► Key underlying assumptions as provided by the Management are as follows:

Operating Revenue - NAMEL

Operating revenue for NAMEL consists of income from toll operations. Income from toll operations has been computed based on traffic and toll assumptions estimated as per the following based on the Traffic Study Report of the independent consultant appointed by Management. The traffic study was completed by the independent consultant in December 2023. Management has relied upon the traffic study report dated December 2023 for longer term traffic growth estimates. Toll rate computation includes forecasts of macro-economic factors such as Wholesale Price Index (WPI). WPI is projected based on Management estimates.

Operating Revenue – HAM Assets

Operating revenue for HAM Assets consists of construction income; annuity receipts; finance income on Balance Completion Cost; and operation and maintenance income from NHAI. These income receipts have been adjusted by the Management for applicable GST rates; and any claims/ reimbursements pertaining to change in law (i.e., any change in applicable GST rates). The income from these sources has been estimated as per the following:

1. Construction income: As per the respective Concession Agreements, each SPV is entitled to receive 40% of the Bid Project Cost (“BPC”) of the asset adjusted for the price index multiple as on date of achievement of the construction milestone as construction income. The said income has already been received as on Valuation Date by each of the SPVs from NHAI as agreed upon in the Concession Agreements in 5 equal instalments upon achievement of the construction milestones.
2. Annuity receipts: The remaining 60% portion of the BPC (hereinafter referred to as Balance Completion Cost “BCC”) adjusted for the price index multiple is to be received by the SPVs in biannual instalments commencing from the Commercial Operations Date (“COD”) over the remaining life of the Concession period as per the annuity schedules laid out in the respective Concession Agreements.
3. Finance income: In addition to the above, the SPVs are also entitled to receive interest on the BCC along with the Annuity receipts. The interest would be calculated on reducing balance method at a rate equivalent to 3.0% plus the prevailing Bank Rate. The Management's projections indicate that the long-term Bank Rate is anticipated to gradually decrease from a current rate of 6.75% to a long-term rate of 6.0% over the concession period.
4. Operation and maintenance income: All O&M expenses over the Concession period will be borne by the SPVs, and they shall receive biannual O&M payments from NHAI along with the annuity receipts. The payments shall be received as per the amounts specified in the respective Concession Agreements adjusted for the price index multiple.

Discounted cash flows method

Operational Expenditure

Operational expenditure include base operating expenditure, admin expenses, employee costs, CHATAAPL related expenses, insurance costs, one-time expenses and other miscellaneous expenses. These expenses are estimated by the Management over the Concession Period.

Routine and Major maintenance expenses

Routine maintenance expenses have been estimated by the Management over the Concession period. Periodic maintenance expenses are costs that are incurred to bring the road asset back to an earlier condition or to keep the road asset operating at its present condition. MMR expenditures have been projected basis estimates shared by independent technical consultants.

Depreciation and Amortization

The concession agreement has been recognised as an intangible asset in the books of NAMEL and HAM assets. The said intangible asset has been amortized on revenue-weighted basis for NAMEL and written down value for HAM assets over the respective period of concession. Since depreciation and amortization is a non-cash expenditure, it has been added back to arrive at the net cash flows.

Working Capital

The working capital movement has been considered basis discussions with Management, given the consistent operational demands inherent in managing toll road assets within the HAM / BOT framework. GST input credit as on the Valuation date has been adjusted by any GST amount payable on the annuity receivables. Release of working capital has been considered at the end of the Concession period as the project life comes to an end.

Taxes

Income taxes are estimated considering, as appropriate, applicable tax regime, brought forward losses, unabsorbed depreciation, MAT credit, tax depreciation/ amortisation policy being followed by SPVs.

Discounted cash flows method

Valuation of BWHPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Sep36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	6
Total Annuity		568	970	922	905	883	870	853	839	825	808	788	754	743	370
Operating expenses		(16)	(368)	(250)	(263)	(277)	(270)	(283)	(335)	(361)	(376)	(392)	(409)	(400)	(170)
EBITDA		552	602	672	642	606	600	570	504	464	432	395	344	343	200
Depreciation and amortisation		(17)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(100)
EBIT		535	394	464	434	398	392	362	296	256	224	187	136	135	100
Tax expense		-	-	(3)	(123)	(127)	(62)	(130)	(130)	(124)	(119)	(112)	(101)	-	(39)
Debt free net income		535	394	461	311	272	330	231	166	132	105	75	35	135	61
Add: Depreciation and amortisation		17	208	208	208	208	208	208	208	208	208	208	208	208	100
(Increase)/ Decrease in net working capital		0	45	90	-	-	-	-	-	-	-	-	-	-	2
Add: Provision for Major maintenance		-	51	51	51	51	51	51	78	78	78	78	78	78	-
Less: Major maintenance expenses		-	-	-	-	-	(287)	(16)	-	-	-	-	-	(470)	-
Debt free cash flow		552	697	809	570	530	301	474	452	418	391	361	322	(49)	163
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		550	666	714	464	399	209	305	268	229	198	169	139	(19)	60
Present value for explicit period	4,353														
Enterprise value	4,353														

*End of concession as on 23-Sep-36

Enterprise Value of BWHPL as per DCF method is estimated to be ₹4,353 mn

Discounted cash flows method

Valuation of MSHPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Nov36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	8
Total Annuity		-	1,118	1,003	983	959	944	926	911	896	879	861	825	808	755
Operating expenses		(17)	(490)	(265)	(278)	(292)	(285)	(299)	(357)	(384)	(401)	(418)	(435)	(425)	(248)
EBITDA		(17)	628	739	705	667	659	627	554	512	478	443	390	383	506
Depreciation and amortisation		(18)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(140)
EBIT		(34)	418	528	494	456	448	417	343	301	267	232	179	172	366
Tax expense		-	-	(28)	(129)	(135)	(68)	(141)	(142)	(136)	(131)	(125)	(114)	-	(97)
Debt free net income		(34)	418	500	365	321	380	275	202	165	136	107	65	172	269
Add: Depreciation and amortisation		18	211	211	211	211	211	211	211	211	211	211	211	211	140
(Increase)/ Decrease in net working capital		(0)	37	74	-	-	-	-	-	-	-	-	-	-	28
Add: Provision for Major maintenance		-	53	53	53	53	53	53	86	86	86	86	86	86	-
Less: Major maintenance expenses		-	-	-	-	-	(304)	(17)	-	-	-	-	-	(515)	-
Debt free cash flow		(17)	719	838	629	585	341	523	498	462	433	404	362	(47)	437
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		(17)	686	739	513	441	237	336	296	253	220	189	157	(19)	162
Present value for explicit period	4,193														
Enterprise value	4,193														

*End of concession as on 29-Nov-36

Enterprise Value of MSHPL as per DCF method is estimated to be ₹4,193 mn

Discounted cash flows method

Valuation of MHPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Dec36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	9
Total Annuity		-	932	843	826	807	795	780	768	756	742	727	698	652	666
Operating expenses		(16)	(514)	(295)	(308)	(321)	(313)	(326)	(356)	(382)	(397)	(412)	(429)	(420)	(267)
EBITDA		(16)	418	548	518	486	482	454	412	374	345	315	269	232	399
Depreciation and amortisation		(14)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(127)
EBIT		(30)	248	379	349	316	312	285	242	204	175	145	99	62	272
Tax expense		-	-	(42)	(104)	(108)	-	(96)	(112)	(106)	(102)	(97)	(87)	-	(24)
Debt free net income		(30)	248	336	245	208	312	188	130	98	73	48	12	62	248
Add: Depreciation and amortisation		14	170	170	170	170	170	170	170	170	170	170	170	170	127
(Increase)/ Decrease in net working capital		0	38	77	-	-	-	-	-	-	-	-	-	-	1
Add: Provision for Major maintenance		-	90	90	90	90	90	90	96	96	96	96	96	96	-
Less: Major maintenance expenses		-	-	-	-	-	(513)	(28)	-	-	-	-	-	(574)	-
Debt free cash flow		(16)	546	673	505	468	59	420	395	363	338	314	278	(247)	376
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		(16)	522	594	411	353	41	270	235	199	172	147	120	(99)	139
Present value for explicit period															3,088
Enterprise value															3,088

*End of concession as on 30-Dec-36

Enterprise Value of MHPL as per DCF method is estimated to be ₹3,088 mn

Discounted cash flows method

Valuation of KTIPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	May36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	1
Total Annuity		-	1,368	1,374	1,339	1,306	1,279	1,253	1,228	1,204	1,176	1,143	1,089	1,039	564
Operating expenses		(16)	(398)	(361)	(373)	(387)	(379)	(392)	(429)	(454)	(469)	(485)	(502)	(494)	(43)
EBITDA		(16)	970	1,013	966	920	900	861	799	749	707	657	587	545	521
Depreciation and amortisation		(25)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(33)
EBIT		(42)	665	709	661	615	595	556	495	445	402	353	282	241	488
Tax expense		-	-	(123)	(199)	(208)	-	(208)	(216)	(210)	(205)	(196)	(181)	-	(37)
Debt free net income		(42)	665	586	462	407	595	348	278	234	198	157	102	241	452
Add: Depreciation and amortisation		25	305	305	305	305	305	305	305	305	305	305	305	305	33
(Increase)/ Decrease in net working capital		0	38	76	-	-	-	-	-	-	-	-	-	-	123
Add: Provision for Major maintenance		-	153	153	153	153	153	153	165	165	165	165	165	165	-
Less: Major maintenance expenses		-	-	-	-	-	(869)	(47)	-	-	-	-	-	(987)	-
Debt free cash flow		(16)	1,161	1,119	919	864	183	758	747	704	667	626	571	(277)	608
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		(16)	1,108	987	749	651	128	488	444	386	338	293	247	(111)	225
Present value for explicit period	5,916														
Enterprise value	5,916														

*End of concession as on 09-May-36

Enterprise Value of KTIPL as per DCF method is estimated to be ₹5,916 mn

Discounted cash flows method

Valuation of KSIPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	May36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	2
Total Annuity		-	1,104	949	927	906	890	873	858	843	826	805	770	767	371
Operating expenses		(13)	(223)	(212)	(224)	(235)	(231)	(242)	(275)	(295)	(308)	(322)	(336)	(331)	(49)
EBITDA		(13)	881	736	703	671	659	632	583	548	518	483	434	436	322
Depreciation and amortisation		(19)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(37)
EBIT		(32)	654	508	475	443	431	404	355	320	290	255	206	208	285
Tax expense		-	-	(62)	(136)	(141)	(86)	(145)	(144)	(140)	(135)	(129)	(118)	(35)	(69)
Debt free net income		(32)	654	446	340	302	345	259	211	180	155	127	88	173	216
Add: Depreciation and amortisation		19	228	228	228	228	228	228	228	228	228	228	228	228	37
(Increase)/ Decrease in net working capital		0	24	48	-	-	-	-	-	-	-	-	-	-	71
Add Provision for Major maintenance		-	43	43	43	43	43	43	56	56	56	56	56	56	-
Less: Major maintenance expenses		-	-	-	-	-	(244)	(13)	-	-	-	-	-	(338)	-
Debt free cash flow		(13)	948	764	610	573	372	517	495	464	439	411	372	120	324
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		(13)	905	674	497	432	259	332	294	255	223	192	161	48	120
Present value for explicit period	4,378														
Enterprise value	4,378														

*End of concession as on 29-May-36

Enterprise Value of KSIPL as per DCF method is estimated to be ₹4,378 mn

Discounted cash flows method

Valuation of KSPPL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Oct36*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	6
Total Annuity		-	1,290	1,137	1,074	1,050	1,029	1,011	992	975	956	935	896	862	835
Operating expenses		(18)	(331)	(325)	(338)	(351)	(341)	(355)	(389)	(417)	(433)	(450)	(468)	(458)	(195)
EBITDA		(18)	960	812	737	699	688	656	602	558	523	486	429	404	640
Depreciation and amortisation		(22)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(135)
EBIT		(40)	697	549	473	436	425	393	339	295	259	222	165	141	505
Tax expense		-	-	(78)	(134)	(144)	(10)	(150)	(155)	(150)	(146)	(140)	(128)	-	(144)
Debt free net income		(40)	697	470	339	292	415	242	184	145	114	83	37	141	362
Add: Depreciation and amortisation		22	263	263	263	263	263	263	263	263	263	263	263	263	135
(Increase)/ Decrease in net working capital		-	53	107	-	-	-	-	-	-	-	-	-	-	46
Add: Provision for Major maintenance		-	102	102	102	102	102	102	110	110	110	110	110	110	-
Less: Major maintenance expenses		-	-	-	-	-	(580)	(31)	-	-	-	-	-	(661)	-
Debt free cash flow		(18)	1,115	942	704	657	200	576	558	518	487	456	411	(147)	542
Discount rate (%)		8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23	8.23
Present value factor- Mid year discounting		1.00	0.95	0.88	0.82	0.75	0.70	0.64	0.59	0.55	0.51	0.47	0.43	0.40	0.37
Present value debt free cash flow		(18)	1,065	831	574	495	139	370	331	284	247	214	178	(59)	200
Present value for explicit period	4,853														
Enterprise value	4,853														

*End of concession as on 04-Oct-36

Enterprise Value of KSPPL as per DCF method is estimated to be ₹4,853 mn

Discounted cash flows method

Valuation of NAMEL as per DCF Method

Currency: ₹ mn	Notes	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Mar37	Mar38	Mar39	Feb40*
Number of months		1	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	10
Net revenue		254	3,047	3,202	3,551	3,545	4,136	4,355	5,017	5,315	6,004	6,270	7,075	7,398	8,328	8,678	9,776	8,563
Operating expenses		(74)	(618)	(568)	(601)	(633)	(678)	(714)	(759)	(799)	(848)	(890)	(945)	(992)	(1,053)	(1,106)	(1,174)	(1,009)
EBITDA		180	2,429	2,635	2,950	2,912	3,459	3,640	4,258	4,515	5,156	5,380	6,130	6,407	7,276	7,572	8,602	7,553
Depreciation and amortisation		(80)	(493)	(527)	(584)	(583)	(681)	(716)	(825)	(874)	(988)	(1,032)	(1,164)	(1,217)	(1,370)	(1,428)	(1,608)	(1,409)
EBIT		99	1,935	2,108	2,366	2,329	2,778	2,924	3,432	3,641	4,168	4,348	4,966	5,189	5,905	6,145	6,994	6,145
Tax expense		(17)	(300)	(330)	(318)	(311)	(390)	(428)	(516)	(550)	(645)	(673)	(781)	(820)	(1,659)	(1,450)	(1,992)	(1,756)
Debt free net income		83	1,636	1,778	2,048	2,017	2,388	2,496	2,916	3,091	3,523	3,675	4,185	4,369	4,247	4,694	5,001	4,388
Add: Depreciation and amortisation		80	493	527	584	583	681	716	825	874	988	1,032	1,164	1,217	1,370	1,428	1,608	1,409
(Increase)/ Decrease in net working capital		-	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	239
Less: Additional capex		-	(240)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Major maintenance expenses		-	(183)	(1,314)	-	(1,068)	(573)	-	(524)	-	(906)	-	-	(1,348)	-	(1,125)	-	-
Debt free cash flow		163	1,725	991	2,632	1,533	2,496	3,213	3,217	3,966	3,605	4,706	5,349	4,238	5,617	4,998	6,610	6,036
Discount rate (%)		10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83	10.83
Present value factor- Mid year discounting		1.00	0.94	0.85	0.77	0.69	0.62	0.56	0.51	0.46	0.41	0.37	0.34	0.30	0.27	0.25	0.22	0.20
Present value debt free cash flow		162	1,624	842	2,018	1,060	1,557	1,809	1,634	1,817	1,490	1,756	1,800	1,287	1,539	1,236	1,474	1,215
Present value for explicit period	24,321																	
Enterprise value	24,321																	

*End of concession as on 01-Feb-40

Enterprise Value of NAMEL as per DCF method is estimated to be ₹24,321 mn

5

Appendix

Appendix 1: Prospective Financial Information	46
Appendix 2: Determination of WACC	55
Appendix 3: Net asset value method	57

Appendix 1: Prospective financial information

► The prospective profit and loss statements of BWHPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Sep36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	6
Total Annuity														
Annuity income	163	345	367	389	413	438	465	494	524	556	586	604	657	330
O&M Income	19	38	40	42	45	47	49	51	53	55	57	59	62	32
Finance income on annuity	313	590	539	498	452	414	369	326	281	233	183	130	74	22
GST inflow / (outflow)	74	(4)	(24)	(25)	(27)	(28)	(30)	(32)	(34)	(36)	(38)	(39)	(50)	(14)
Total Annuity	568	970	922	905	883	870	853	839	825	808	788	754	743	370
Operating expenses	(13)	(156)	(165)	(176)	(187)	(200)	(212)	(224)	(237)	(250)	(264)	(279)	(295)	(150)
Repair and routine maintenance	(3)	(33)	(35)	(37)	(39)	(20)	(21)	(33)	(46)	(48)	(50)	(51)	(27)	(20)
Other one time expenses	-	(129)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	552	652	723	692	657	650	620	582	542	510	474	423	421	200
Provision for Major maintenance expenses	-	(51)	(51)	(51)	(51)	(51)	(51)	(78)	(78)	(78)	(78)	(78)	(78)	-
Operating EBITDA	552	602	672	642	606	600	570	504	464	432	395	344	343	200
Depreciation and amortisation	(17)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(208)	(100)
EBIT	535	394	464	434	398	392	362	296	256	224	187	136	135	100

Source: Management

*End of concession as on 23-Sep-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of MSHPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Nov36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	8
Total Annuity														
Annuity income	-	362	384	408	433	460	487	517	550	582	618	637	686	712
O&M Income	-	38	40	42	45	47	49	51	53	55	57	59	62	32
Finance income on annuity	-	654	603	558	509	467	421	376	328	278	225	169	110	48
GST inflow / outflow	-	63	(24)	(26)	(27)	(29)	(31)	(32)	(35)	(37)	(39)	(40)	(50)	(38)
Total Annuity	-	1,118	1,003	983	959	944	926	911	896	879	861	825	808	755
Operating expenses	(14)	(164)	(173)	(184)	(197)	(210)	(222)	(235)	(249)	(263)	(278)	(294)	(310)	(218)
Repair and routine maintenance	(3)	(36)	(38)	(40)	(42)	(22)	(23)	(36)	(50)	(52)	(54)	(56)	(29)	(30)
Other one time expenses	-	(236)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	(17)	682	792	758	720	713	681	640	597	564	529	476	468	506
Provision for Major maintenance expenses	-	(53)	(53)	(53)	(53)	(53)	(53)	(86)	(86)	(86)	(86)	(86)	(86)	-
Operating EBITDA	(17)	628	739	705	667	659	627	554	512	478	443	390	383	506
Depreciation and amortisation	(18)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(211)	(140)
EBIT	(34)	418	528	494	456	448	417	343	301	267	232	179	172	366

Source: Management

*End of concession as on 29-Nov-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of MHPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Dec36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	9
Total Annuity														
Annuity income	-	302	320	340	360	383	406	431	458	485	515	531	572	593
O&M Income	-	545	503	465	425	389	351	313	274	232	187	141	92	40
Finance income on annuity	-	38	40	42	45	47	49	51	53	55	57	59	62	32
GST inflow / outflow	-	47	(20)	(21)	(22)	(24)	(25)	(27)	(28)	(30)	(32)	(33)	(73)	1
Total Annuity	-	932	843	826	807	795	780	768	756	742	727	698	652	666
Operating expenses	(13)	(156)	(166)	(177)	(189)	(201)	(214)	(226)	(239)	(253)	(267)	(282)	(298)	(236)
Repair and routine maintenance	(3)	(38)	(39)	(40)	(42)	(22)	(22)	(34)	(47)	(48)	(50)	(51)	(26)	(31)
Other one time expenses	-	(230)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	(16)	508	638	609	576	572	544	507	470	441	410	364	328	399
Provision for Major maintenance expenses	-	(90)	(90)	(90)	(90)	(90)	(90)	(96)	(96)	(96)	(96)	(96)	(96)	-
Operating EBITDA	(16)	418	548	518	486	482	454	412	374	345	315	269	232	399
Depreciation and amortisation	(14)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(170)	(127)
EBIT	(30)	248	379	349	316	312	285	242	204	175	145	99	62	272

Source: Management

*End of concession as on 30-Dec-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of KTIPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	May36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	1
Total Annuity														
Annuity income	-	525	558	592	629	667	708	751	798	845	891	918	1,000	502
O&M Income	-	27	28	29	31	32	33	35	36	38	39	41	42	22
Finance income on annuity	-	831	829	761	693	629	564	496	428	355	278	197	113	34
GST inflow / outflow	-	(15)	(41)	(43)	(46)	(49)	(52)	(55)	(58)	(62)	(65)	(67)	(115)	6
Total Annuity	-	1,368	1,374	1,339	1,306	1,279	1,253	1,228	1,204	1,176	1,143	1,089	1,039	564
Operating expenses	(13)	(161)	(170)	(181)	(193)	(206)	(218)	(230)	(244)	(258)	(272)	(287)	(304)	(38)
Repair and routine maintenance	(3)	(37)	(38)	(40)	(41)	(21)	(22)	(34)	(46)	(47)	(49)	(50)	(26)	(4)
Other one time expenses	-	(48)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	(16)	1,123	1,166	1,118	1,072	1,053	1,014	964	914	871	822	751	710	521
Provision for Major maintenance expenses	-	(153)	(153)	(153)	(153)	(153)	(153)	(165)	(165)	(165)	(165)	(165)	(165)	-
Operating EBITDA	(16)	970	1,013	966	920	900	861	799	749	707	657	587	545	521
Depreciation and amortisation	(25)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(305)	(33)
EBIT	(42)	665	709	661	615	595	556	495	445	402	353	282	241	488

Source: Management

*End of concession as on 09-May-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of KSIPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	May36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	2
Total Annuity														
Annuity income	-	353	375	398	423	448	476	505	536	568	599	617	672	337
O&M Income	-	39	41	43	45	47	49	52	54	56	58	60	63	33
Finance income on annuity	-	604	556	511	465	423	379	334	288	239	187	132	76	23
GST inflow / (outflow)	-	108	(24)	(26)	(27)	(29)	(31)	(32)	(34)	(36)	(38)	(40)	(43)	(22)
Total Annuity	-	1,104	949	927	906	890	873	858	843	826	805	770	767	371
Operating expenses	(11)	(133)	(141)	(152)	(162)	(172)	(183)	(193)	(204)	(216)	(228)	(241)	(255)	(44)
Repair and routine maintenance	(2)	(27)	(28)	(29)	(30)	(16)	(16)	(25)	(35)	(36)	(37)	(38)	(20)	(5)
Other one time expenses	-	(20)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	(13)	924	779	746	714	702	674	639	604	574	540	491	492	322
Provision for Major maintenance expenses	-	(43)	(43)	(43)	(43)	(43)	(43)	(56)	(56)	(56)	(56)	(56)	(56)	-
Operating EBITDA	(13)	881	736	703	671	659	632	583	548	518	483	434	436	322
Depreciation and amortisation	(19)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(228)	(37)
EBIT	(32)	654	508	475	443	431	404	355	320	290	255	206	208	285

Source: Management

*End of concession as on 29-May-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of KSPPL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Oct36*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12	12	12	12	12	6
Total Annuity														
Annuity income	-	398	421	448	475	505	535	568	603	640	678	700	753	782
O&M Income	-	38	40	42	45	47	49	51	53	55	57	59	62	32
Finance income on annuity	-	720	669	615	563	513	464	412	360	305	247	185	121	53
GST inflow / (outflow)	-	135	6	(31)	(33)	(35)	(37)	(39)	(41)	(44)	(47)	(48)	(74)	(31)
Total Annuity	-	1,290	1,137	1,074	1,050	1,029	1,011	992	975	956	935	896	862	835
Operating expenses	(14)	(171)	(181)	(192)	(204)	(216)	(229)	(242)	(256)	(271)	(286)	(302)	(319)	(173)
Repair and routine maintenance	(3)	(41)	(42)	(44)	(45)	(23)	(24)	(37)	(51)	(52)	(54)	(55)	(29)	(23)
Other one time expenses	-	(17)	-	-	-	-	-	-	-	-	-	-	-	-
Pre-MMR Operating EBITDA	(18)	1,062	914	838	801	790	758	713	668	633	596	539	514	640
Provision for Major maintenance expenses	-	(102)	(102)	(102)	(102)	(102)	(102)	(110)	(110)	(110)	(110)	(110)	(110)	-
Operating EBITDA	(18)	960	812	737	699	688	656	602	558	523	486	429	404	640
Depreciation and amortisation	(22)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(263)	(135)
EBIT	(40)	697	549	473	436	425	393	339	295	259	222	165	141	505

Source: Management

*End of concession as on 04-Oct-36

Appendix 1: Prospective financial information

► The prospective profit and loss statements of NAMEL as provided by the Management are summarised in the table below:

Currency: ₹ mn	Mar24	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	1	12	12	12	12	12	12	12	12
Net revenue									
Revenue from toll collection	254	2,715	3,047	3,202	3,551	3,545	4,136	4,355	5,017
Net revenue	254	2,715	3,047	3,202	3,551	3,545	4,136	4,355	5,017
Operating expenses	(74)	(437)	(444)	(473)	(502)	(531)	(572)	(605)	(647)
Repair and routine maintenance	-	(86)	(92)	(95)	(99)	(102)	(106)	(109)	(113)
Pre-MMR Operating EBITDA	180	2,192	2,429	2,635	2,950	2,912	3,459	3,640	4,258
Provision for Major maintenance expenses	0	(1,010)	(221)	(221)	(547)	(547)	(547)	(477)	(477)
Operating EBITDA	180	1,182	2,208	2,414	2,403	2,365	2,912	3,163	3,781
Depreciation and amortisation	(80)	(440)	(493)	(527)	(584)	(583)	(681)	(716)	(825)
EBIT	100	742	1,715	1,887	1,819	1,782	2,231	2,447	2,955

Source: Management

Currency: ₹ mn	Mar32	Mar33	Mar34	Mar35	Mar36	Mar37	Mar38	Mar39	Feb40*
Audited/unaudited/forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Number of months	12	12	12	12	12	12	12	12	10
Net revenue									
Revenue from toll collection	5,315	6,004	6,270	7,075	7,398	8,328	8,678	9,776	8,563
Net revenue	5,315	6,004	6,270	7,075	7,398	8,328	8,678	9,776	8,563
Operating expenses	(683)	(729)	(767)	(818)	(862)	(919)	(967)	(1,032)	(886)
Repair and routine maintenance	(116)	(119)	(123)	(126)	(130)	(134)	(138)	(143)	(123)
Pre-MMR Operating EBITDA	4,515	5,156	5,380	6,130	6,407	7,276	7,572	8,602	7,553
Provision for Major maintenance expenses	(494)	(477)	(494)	(494)	(494)	-	(494)	-	-
Operating EBITDA	4,021	4,679	4,885	5,636	5,912	7,276	7,078	8,602	7,553
Depreciation and amortisation	(874)	(988)	(1,032)	(1,164)	(1,217)	(1,370)	(1,428)	(1,608)	(1,409)
EBIT	3,147	3,691	3,854	4,472	4,695	5,905	5,650	6,994	6,145

Source: Management

*End of concession as on 01-Feb-40

Appendix 1: Prospective financial information

- The operating working capital position of the SPVs as on the Valuation Date are tabulated below:

Currency: ₹ mn	BWHPL	MSHPL	MHPL	KTIPL	KSIPL	KSPPL
Reported NCA	876	799	888	1,738	759	732
Less: Cash and cash equivalents	(550)	(277)	(241)	(1,477)	(485)	(328)
Less: GST ITC set off	(103)	(86)	(66)	(23)	(131)	(197)
Less: Deferred consideration classified under trade receivables	(86)	(297)	(73)			
Less: Withheld amount not expected to be received			(392)			
Operating NCA	137	139	116	237	143	206

Currency: ₹ mn	NAMEL
Reported NCA	494
Less: Cash and cash equivalents	(1,292)
Add: Provisions for MMR	1,055
Operating NCA	257

Operating NCA as on the Valuation Date:

Operating NCA has been computed by adjusting the reported NCA as on the Valuation Date. Cash and cash equivalents have been excluded in the computation, GST ITC balances are expected to be utilized in the next annuity receipt, and hence the annuity amounts have been computed net off these balances.

Deferred consideration represents the amount that is receivable from NHA as on the Valuation Date. This amount includes pending GST claims, receivables due to Change in Law "CIL", withheld annuities and descoping related receivables.

- **BWHPL, MSHPL and MHPL:** These deferred considerations have been recognized as part of trade receivables. Hence, we have excluded the same from the trade receivables while computing the operating NCA for these SPVs.
- **KTIPL, KSIPL and KSPPL:** These deferred considerations have not been recognized in the financials and shall be recognized upon receipt. Hence, no adjustment has been made to the trade receivables while computing the operating NCA for the same for these SPVs.

As mentioned earlier, due to the uncertainty of the timing and probability of realising the deferred consideration amounts, they have been added separately in the computation of Adjusted Enterprise Value.

Amount withheld by NHA for deficiencies and recovery of excess payments have been classified under trade receivables in the provisional financials for MHPL. As informed by the Management, this amount has been adjusted in the latest Balance completion cost for MHPL, and no receivable is expected against the same. Hence, this amount has been subtracted while computing the operating NCA.

Projected Working Capital:

Basis discussions with the Management, we understand that there will be no additional working capital requirement for the SPVs given the nature of the assets and the industry they operate in. Movement in working capital mainly includes refund of advance tax assets, which are expected to be received by FY26. Further, working capital release has been considered at the end of the concession period.

Appendix 1: Prospective financial information

► The forecast major maintenance expenses of the SPVs as provided by the Management are tabulated below:

SPV	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Sep36
BWHPL	-	-	-	-	-	287	16	-	-	-	-	-	470	-
MSHPL	-	-	-	-	-	304	17	-	-	-	-	-	515	-
MHPL	-	-	-	-	-	513	28	-	-	-	-	-	574	-
KTIPL	-	-	-	-	-	869	47	-	-	-	-	-	987	-
KSIPL	-	-	-	-	-	244	13	-	-	-	-	-	338	-
KSPPL	-	-	-	-	-	580	31	-	-	-	-	-	661	-

Source: Management

SPV	Mar24	Mar25	Mar26	Mar27	Mar28	Mar29	Mar30	Mar31	Mar32	Mar33	Mar34	Mar35	Mar36	Mar37	Mar38	Mar39	Feb40
NAMEL	-	183	1,314	-	1,068	573	-	524	-	906	-	-	1,348	-	1,125	-	-

Source: Management

Appendix 2: Determination of WACC – HAM Assets

Cost of equity

Particulars	Notes	Value
Debt borrowing rate (%)	a	8.2
Additional risk premium (%)	b	5.0
Cost of equity capital (%)		13.2

Cost of debt

Particulars	Notes	Value
Debt borrowing rate (%)	c	8.2
Expected income tax rate (%)	d	25.2
After-tax cost of debt (%)		6.1

WACC

Particulars	Weights	Value
Cost of debt (%)	70.0	4.3
Cost of equity (%)	30.0	4.0
WACC		8.2

Notes

- Based on the expected debt borrowing rate of the SPVs
- We have applied a 5.0% premium on the cost of debt to adequately account for the risk associated with the cash flows, such as fluctuations in the bank rates etc.
- Based on the expected debt borrowing rate of the SPVs
- Based on the applicable corporate tax rate to the SPVs

Appendix 2: Determination of WACC – NAMEL

Cost of equity

Particulars	Notes	Value
Risk-free rate (%)	a	7.0
Beta	b	0.88
Equity market risk premium (%)	c	7.0
Additional risk premium (%)	d	0.5
Cost of equity capital (%)		13.7

Cost of debt

Particulars	Notes	Value
Debt borrowing rate (%)	e	8.2
Expected income tax rate (%)	f	19.8
After-tax cost of debt (%)		6.6

WACC

Particulars	Weights	Value
Cost of debt (%)	40.0	2.6
Cost of equity (%)	60.0	8.2
WACC		10.8

Currency: ₹ mn	Equity beta(g)	Market capitalisation	Net debt (h)	Enterprise value	Debt-equity ratio based on 3 year average	Effective tax rate (%)	Unlevered beta based on 3 year debt-equity	Relevered beta based on 3 year debt-equity ratio
Ashoka Buildcon Limited	1.2	52,942	15,515	68,458	123.5	25.2	0.63	0.97
MEP Infrastructure Developers Limited	1.9	3,009	(2,775)	235	343.0	25.2	0.53	0.82
IRB Infrastructure Developers Limited	1.8	397,624	113,310	510,934	171.7	25.2	0.81	1.24
Bharat Road Network Limited	1.2	7,421	12,648	20,069	368.1	25.2	0.33	0.51
Average	1.6				251.6		0.58	0.88

Notes

- Based on the prevailing YTM of Government Bonds with 10 years residual maturity (rounded) as at the Valuation Date
- Refer Beta table
- Based on EY understanding of prevailing market risk premium in India
- Additional risk premium of 0.5% has been considered basis operational and regulatory risk factors associated with NAMEL, considering it is a state highway concession agreement
- Based on the expected debt borrowing rate of the SPVs
- Based on the effective tax rate of the SPV
- Based on 3 years weekly beta for period ended 29 February 2024
- Net debt includes gross debt net of surplus cash and bank balances, investments, capital work-in-progress and net deferred tax @50% as per latest available financials

Appendix 3: Net asset value method

- The table below presents the Net asset value of BWHPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		22
Receivables under SCA		2,356
Investments		138
Current assets		
Inventories	20	
Trade receivables	98	
Balance with Government Authorities	143	
Cash and bank balances	550	
Current tax asset	134	
Other current assets	9	
	955	
Current liabilities and provisions		
Trade payables	76	
Provisions	1	
Other current liabilities	2	
	78	
Net current assets (NCA)		876
Deferred tax assets		39
Loan funds		
Listed NCDs	3,135	
		3,135
Net equity value		296
Add: gross debt		3,135
Less: balances of cash and cash equivalents		(550)
Less: investments		(138)
Enterprise value		2,743

Source: Management

Appendix 3: Net asset value method

- The table below presents the Net asset value of MSHPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		30
Receivables under SCA		2,173
Investments		127
Current assets		
Inventories	17	
Trade receivables	321	
Balance with Government Authorities	202	
Cash and bank balances	277	
Current tax asset	111	
Other current assets	14	
	942	
Current liabilities and provisions		
Trade payables	45	
Provisions	1	
Other current liabilities	97	
	143	
Net current assets (NCA)		799
Deferred tax assets		13
Loan funds		
Listed NCDs	2,956	
		2,956
Net equity value		186
Add: gross debt		2,956
Less: balances of cash and cash equivalents		(277)
Less: investments		(127)
Enterprise value		2,738

Source: Management

Appendix 3: Net asset value method

- ▶ The table below presents the Net asset value of MHPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		13
Receivables under SCA		1,580
Investments		159
Current assets		
Inventories	11	
Trade receivables	481	
Balance with Government Authorities	177	
Cash and bank balances	241	
Current tax asset	115	
Other current assets	16	
	1,042	
Current liabilities and provisions		
Trade payables	70	
Provisions	0	
Other current liabilities	84	
	155	
Net current assets (NCA)		888
Deferred tax assets		51
Loan funds		
Listed NCDs	2,606	
OCDs - CH III	157	
		2,763
Net equity value		(72)
Add: gross debt		2,763
Less: balances of cash and cash equivalents		(241)
Less: investments		(159)
Enterprise value		2,291

Source: Management

Appendix 3: Net asset value method

- The table below presents the Net asset value of KTIPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		6
Receivables under SCA		3,868
Investments		341
Current assets		
Inventories	3	
Trade receivables	30	
Balance with Government Authorities	49	
Cash and cash equivalents	1,477	
Current tax asset	114	
Other current assets	123	
	1,797	
Current liabilities and provisions		
Trade payables	27	
Provisions	1	
Other current liabilities	31	
	59	
Net current assets (NCA)		1,738
Loan funds		
Term loans	24	
Listed NCDs	4,687	
		4,711
Deferred tax liability		117
Net equity value		1,126
Add: gross debt		4,711
Less: balances of cash and cash equivalents		(1,477)
Less: investments		(341)
Enterprise value		4,019

Source: Management

Appendix 3: Net asset value method

- ▶ The table below presents the Net asset value of KSIPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		9
Receivables under SCA		2,698
Investments		269
Current assets		
Inventories	2	
Trade receivables	89	
Deposit with Government Authorities	181	
Cash and bank balances	485	
Current tax asset	72	
Other current assets	9	
	837	
Current liabilities and provisions		
Trade payables	23	
Provisions	0	
Other current liabilities	56	
	79	
Net current assets (NCA)		759
Loan funds		
Term loans	2,902	
		2,902
Deferred tax liability		166
Net equity value		667
Add: gross debt		2,902
Less: balances of cash and cash equivalents		(485)
Less: investments		(269)
Enterprise value		2,815

Source: Management

Appendix 3: Net asset value method

- ▶ The table below presents the Net asset value of KSPPL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		8
Receivables under SCA		3,799
Investments		86
Current assets		
Inventories	9	
Trade receivables	28	
Balance with Government Authorities	244	
Cash and bank balances	328	
Current tax assets	160	
Other current assets	11	
	782	
Current liabilities and provisions		
Trade payables	24	
Provisions	1	
Other current liabilities	25	
	50	
Net current assets (NCA)		732
Deferred tax assets		-
Loan funds		
Term loans	3,702	
OCDs - CH III	58	
		3,760
Deferred tax liability		222
Net equity value		641
Add: gross debt		3,760
Less: balances of cash and cash equivalents		(328)
Less: investments		(86)
Enterprise value		3,988

Source: Management

Appendix 3: Net asset value method

- The table below presents the Net asset value of NAMEL as at 29 February 2024:

Currency: ₹ mn	Feb24	Feb24
Net block of fixed assets		15,993
Investments		860
Current assets		
Inventories	11	
Trade receivables	28	
Cash and bank balances	1,292	
Advance tax	18	
Other current assets	355	
	1,705	
Current liabilities and provisions		
Trade payables	138	
Provisions	5	
Provision for MMR	1,055	
Other current liabilities	12	
	1,211	
Net current assets (NCA)		494
Loan funds		
Term loans	4,755	
NCDs - International Finance Corporation	4,338	
NCDs - Cube Highways and Infrastructure Pte Ltd	10,357	
OCDs - Cube Highways and Infrastructure Pte Ltd	768	
		20,218
Deferred tax liability		1,149
Net equity value		(4,020)
Add: gross debt		20,218
Less: balances of cash and cash equivalents		(1,292)
Less: investments		(860)
Enterprise value		14,046

Source: Management

