FINAL OFFER DOCUMENT
Dated May 12, 2017
Book Built Issue

IRB InvIT Fund

(An irrevocable trust set up under the Indian Trusts Act, 1882, and registered as an infrastructure investment trust with the Securities and Exchange Board of India)

Registered Office: IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai – 400 072, Maharashtra, India.
SEBI Registration Number: IN/InvIT/15-16/0001; **Tel**: 022 6640 4299; **Fax**: 022 6640 4274; **E-mail**: info@irbinvit.co.in; **Website:** www.irbinvit.co.in
Contact Person: Mr. Urmil Shah, Compliance Officer

SPONSOR IRB INFRASTRUCTURE DEVELOPERS LIMITED	INVESTMENT MANAGER IRB INFRASTRUCTURE PRIVATE LIMITED

INITIAL PUBLIC OFFER OF 449,779,291 UNITS (THE "UNITS") REPRESENTING AN UNDIVIDED BENEFICIAL INTEREST IN THE IRB INVIT FUND (THE "TRUST") CONSISTING OF A FRESH ISSUE OF 421,568,627 UNITS, AT A PRICE OF RS. 102 PER UNIT, AGGREGATING TO RS. 43,000.00 MILLION BY THE TRUST (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 28,210,664 UNITS, AGGREGATING TO RS. 2,877.49 MILLION, BY IRB INFRASTRUCTURE DEVELOPERS LIMITED (THE "SPONSOR"), MODERN ROAD MAKERS PRIVATE LIMITED, ARYAN TOLL ROAD PRIVATE LIMITED, ATR INFRASTRUCTURE PRIVATE LIMITED AND IDEAL ROAD BUILDERS PRIVATE LIMITED (COLLECTIVELY, THE "SELLING UNITHOLDERS") (THE "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "ISSUE").

IRB INFRASTRUCTURE PRIVATE LIMITED (THE "INVESTMENT MANAGER"), IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS (THE "GCBRLMS") AND THE BOOK RUNNING LEAD MANAGER (THE "BRLM"), AND THE TRUSTEE, HAS, PURSUANT TO THE RETENTION OF OVERSUBSCRIPTION AMOUNTING TO 9.70% OF THE ISSUE SIZE, ISSUED 43,640,709 UNITS, AGGREGATING TO RS. 4,451.35 MILLION (THE "OVERSUBSCRIPTION", AND TOGETHER WITH THE ISSUE, THE "TOTAL ISSUE") IN ACCORDANCE WITH THE INVIT REGULATIONS (AS DEFINED HEREIN).

THE TOTAL ISSUE CONSISTS OF 493,420,000 UNITS AT A PRICE OF RS. 102 PER UNIT, AGGREGATING TO RS. 50,328.84 MILLION. THE TOTAL ISSUE CONSTITUTES AT LEAST 25% OF THE TOTAL OUTSTANDING UNITS ON A POST-ISSUE BASIS IN TERMS OF REGULATION 14(1A) OF THE INVIT REGULATIONS.

The Issue is being made through the Book Building Process and in compliance with the InvIT Regulations, wherein not more than 75% of the Issue was available for allocation on a proportionate basis to Institutional Bidders, out of which the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, allocated up to 60% of the Institutional Bidder Category to Anchor Investors and Strategic Investors on a discretionary basis in accordance with the InvIT Regulations. Further, not less than 25% of the Issue was available for allocation on a proportionate basis to Other Bidders, in accordance with the InvIT Regulations, subject to valid Bids received at or above the Issue Price. For details, see "*Issue Procedure*" on page 465.

RISKS IN RELATION TO THE FIRST ISSUE

This being an initial public offer of the Units, there has been no formal market for the Units. The Issue Price (as defined herein) should not be taken to be indicative of the market price of the Units after the Units are listed. No assurance can be given regarding an active or sustained trading in the Units or regarding the price at which the Units will be traded after listing.

GENERAL RISKS

Investment in Units involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of the Trust Group (as defined herein) and the Issue, including the risks involved. The Units have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Final Offer Document. Specific attention of the investors is invited to the section entitled "*Risk Factors*" on page 17.

INVESTMENT MANAGER'S, SPONSOR'S AND OTHER SELLING UNITHOLDERS' ABSOLUTE RESPONSIBILITY

The Investment Manager and the Sponsor, jointly and severally, having made all reasonable inquiries, accept responsibility for and confirm that this Final Offer Document contains all information with regard to the Trust Group and the Issue, which is material in the context of the Issue, that the information contained in this Final Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Final Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each of the other Selling Unitholders, severally and not jointly, accepts responsibility for and confirms only the statements specifically confirmed or undertaken by such Selling Unitholders in this Final Offer Document, to the extent of the information specifically pertaining to such Selling Unitholders and the respective proportion of the Units being sold by such Selling Unitholders through the Offer for Sale.

LISTING

The Units offered through the Offer Document are proposed to be listed on the Stock Exchanges. The 'in-principle' approvals of the BSE and the NSE for the listing of the Units have been received pursuant to their letters dated December 29, 2016, and December 30, 2016, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be NSE.

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

IDFC BANK	CREDIT SUISSE	ICICI Securities
IDFC Bank Limited Naman Chambers, C-32, G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051, Maharashtra, India **Tel:** +91 22 6622 2600; **Fax:** +91 22 6622 2501 **E-mail:** irbinvit.ipo@idfcbank.com **Investor grievance e-mail:** mb.ig@idfcbank.com **Website:** www.idfcbank.com **Contact Person:** Mr. Akshay Bhandari **SEBI Registration No.:** MB/INM000012250	**Credit Suisse Securities (India) Private Limited** 9F/10F, Ceejay House, Plot F, Dr. Annie Besant Road, Worli, Mumbai 400 018, Maharashtra, India **Tel:** +91 22 6777 3777; **Fax:** +91 22 6777 3820 **E-mail:** list.irbinvitfund@credit-suisse.com **Investor grievance e-mail:** list.irbinvitfund@credit-suisse.com **Website:** www.credit-suisse.com **Contact Person:** Mr. Rachit Sabharwal **SEBI Registration No.:** INM000011161	**ICICI Securities Limited** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India **Tel:** +91 22 2288 2460; **Fax:** +91 22 2282 6580 **E-mail:** irb.invit@icicisecurities.com **Investor grievance e-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Mr. Prem D'Cunha / Mr. Govind Khetan **SEBI Registration No.:** INM000011179

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE ISSUE
IIFL Holdings Limited 10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India **Tel:** +91 22 4646 4600; Fax: +91 22 2493 1073 **E-mail:** irbinvit.ipo@iiflcap.com **Investor Grievance e-mail:** ig.ib@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Mr. Gaurav Singhvi/Mr. Sachin Kapoor **SEBI Registration No.:** INM000010940	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, India **Tel:** +91 40 6716 2222; **Toll Free No.:** 1-800-3454001; **Fax:** +91 40 2343 1551 **E-mail:** einward.ris@karvy.com **Investor Grievance Email:** support@karvy.com **Website:** https://karisma.karvy.com **Contact Person:** Mr. M Murali Krishna **SEBI Registration No.:** INR000000221

BID/ ISSUE PROGRAMME

BID/ISSUE OPENED ON*	Wednesday, May 3, 2017	BID/ISSUE CLOSED ON	Friday, May 5, 2017

** The Anchor Investor and Strategic Investor Bid/Issue Period was one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations i.e. May 2, 2017.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Final Offer Document uses certain definitions and abbreviations which, unless the context otherwise indicates, implies or requires, shall have the meanings as provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended from time to time.

General Terms

Term	Description
Trust / IRB InvIT Fund / Fund / InvIT	IRB InvIT Fund, an irrevocable trust set up under the Trusts Act and registered as an infrastructure investment trust under the InvIT Regulations
Trust Group	The Trust and the Project SPVs
We / us / our	Unless the context otherwise requires or implies, the Trust Group

Trust Related Terms

Term	Description
Auditors / Trust's Auditors	The auditors of the Trust, namely Suresh Surana & Associates LLP, Chartered Accountants
Combined Financial Statements	The combined financial statements of the Project SPVs, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS, and the related notes, schedules and annexures thereto, as of and for the Fiscals 2014, 2015 and 2016, and the nine month period ended December 31, 2016
Deed of Right of First Offer and Right of First Refusal / ROFO/ROFR Deed	The deed of right of first offer and right of first refusal dated May 9, 2017, among the Sponsor, the Investment Manager and the Trust (acting through the Trustee)
Formation Transactions	The transactions pursuant to which the Trust has acquired the shareholding of the Selling Unitholders in the Project SPVs in consideration for Units issued to the Selling Unitholders after the Bid/Issue Closing Date and prior to Allotment in the Issue
Future Assets Agreement	The future assets agreement dated May 9, 2017, among the Sponsor, the Investment Manager and the Trust (acting through the Trustee)
Indenture of Trust	The indenture of trust dated October 16, 2015, as executed by the Sponsor and the Trustee to settle the IRB InvIT Fund, and as amended *vide* the deed of amendment dated February 17, 2017
Infrastructure Assets	The infrastructure assets held by the Trustee in the name of the Trust for the benefit of the Unitholders, whether directly or through a Project SPV in accordance with the InvIT Regulations, and includes all rights, interests and benefits arising from and incidental to ownership of such assets
Investment Manager	The investment manager, namely IRB Infrastructure Private Limited
Investment Management Agreement	The investment management agreement dated March 3, 2016, executed between the Trustee (acting on behalf of the Trust) and the Investment Manager for managing and administering the Trust, in accordance with the InvIT Regulations
Initial Road Assets	The toll road assets owned, operated and maintained by the Project SPVs
Parties to the Trust	The Sponsor, the Investment Manager, the Project Manager and the Trustee
Project Implementation Agreement(s)	The project implementation agreements entered into by the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager, with each of the Project SPVs, which set out the obligations of the Project Manager with respect to execution of the project undertaken by such Project SPV, in accordance with the InvIT Regulations
Project Entities	The entities through which the Sponsor operates its various road infrastructure projects
Project Manager	The project manager, namely Modern Road Makers Private Limited

Term	Description
Project SPVs	Former Project Entities, which currently form part of the initial portfolio of the Trust, namely the following: i) IRB Surat Dahisar Tollway Private Limited; ii) IDAA Infrastructure Private Limited; iii) IRB Jaipur Deoli Tollway Private Limited; iv) IRB Tumkur Chitradurga Tollway Private Limited; v) IRB Talegaon Amravati Tollway Private Limited; and vi) M.V.R. Infrastructure and Tollways Private Limited.
Share Purchase Agreement(s)	The share purchase agreements, each dated May 9, 2017, entered into by the Trustee (on behalf of the Trust), the Investment Manager and the various Selling Unitholders, with each of the Project SPVs, in relation to the transfer of the equity shares held by the Selling Unitholders in such Project SPVs, in consideration for Units issued to the Selling Unitholders.
Sponsor	The sponsor of the Trust, namely IRB Infrastructure Developers Limited
Technical Consultant	Traffic Consultant
Traffic Consultant	GMD Consultants
Traffic Reports / Technical Reports	The technical reports prepared by the Traffic Consultant with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs, each dated March 2017
Trustee	The trustee, namely IDBI Trusteeship Services Limited
Trust Assets	The assets of the Trust, including the Infrastructure Assets and other assets held by the Trustee in the name of the Trust for the benefit of the Unitholders, and includes all rights, interests and benefits arising from and incidental to the ownership of such assets
Trust Fund	The aggregate of capital contributions received from the Unitholders and any additions, accretions or reduction, and shall include securities, investments and Trust Assets of any kind whatsoever to which the same may be converted or varied from time to time, unutilized portion of any reserves created out of accretions, but does not include the initial settlement by the Sponsor and accretions thereto.
Trust Documents	The Indenture of Trust, the Investment Management Agreement, the Project Implementation Agreements, the Deed of Right of First Offer and Right of First Refusal, the Future Assets Agreement, the Share Purchase Agreements, any other agreement entered into by the Trustee and/or the Investment Manager with respect to the Trust and/or the Units, the Sponsor, the Draft Offer Document, the Offer Document and this Final Offer Document
Unitholder(s)	Investor(s) who holds Unit(s) of the Trust
Unit(s)	Unit(s) issued by the Trust representing an undivided beneficial interest and rights in the Trust
Valuers	The valuers of the Trust Assets and the Trust, namely Walker Chandiok & Co LLP, Chartered Accountants

Project SPVs

Term	Description
IDAAIPL	IDAA Infrastructure Private Limited
IJDTPL	IRB Jaipur Deoli Tollway Private Limited
ISDTPL	IRB Surat Dahisar Tollway Private Limited
ITATPL	IRB Talegaon Amravati Tollway Private Limited
ITCTPL	IRB Tumkur Chitradurga Tollway Private Limited
MITPL	M.V.R. Infrastructure And Tollways Private Limited

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, issue and transfer of the Units pursuant to the Issue to the successful Bidders

Term	Description
Allottee	The successful Bidder to whom the Units are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder, who has been or is to be Allotted Units after the Basis of Allotment has been finalized by the Investment Manager, the GCBRLMs and the BRLM, in consultation with the Designated Stock Exchange
Anchor Investor(s)	An Institutional Bidder, who applied under the Anchor Investor Portion, with a minimum Bid of Rs. 100 million, in accordance with the requirements specified in the InvIT Regulations, the Offer Document and this Final Offer Document
Anchor Investor and Strategic Investor Allocation Price	Rs. 102 per Unit, being the price at which Units were allocated to Anchor Investors and Strategic Investors in terms of the Offer Document and this Final Offer Document, which was decided by the Investment Manager in consultation with the GCBRLMs and the BRLM
Anchor Investor and Strategic Investor Application Form	Form used by an Anchor Investor or a Strategic Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Offer Document and this Final Offer Document
Anchor Investor and Strategic Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date i.e. May 2, 2017, on which Bids by Anchor Investors and Strategic Investors were submitted and allocation to Anchor Investors and Strategic Investors was completed
Anchor Investor Portion	Up to 60% of the Institutional Bidder Category, which may be allocated by the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, to Anchor Investors and Strategic Investors on a discretionary basis
Anchor Investor and Strategic Investor Issue Price	Rs. 102, being the price at which the Units will be Allotted to Anchor Investors and Strategic Investors in terms of the Offer Document and this Final Offer Document. The Anchor Investor and Strategic Investor Issue Price has been decided by the Investment Manager in consultation with the GCBRLMs and the BRLM.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Any Bidder in this Issue who submitted a Bid through the ASBA process, excluding Anchor Investors and Strategic Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Offer Document and this Final Offer Document
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts, Public Issue Accounts and Refund Account have been opened, in this case being HDFC Bank Limited, ICICI Bank Limited and IDFC Bank Limited.
Basis of Allotment	Basis on which the Units will be Allotted to successful Bidders under the Issue and which is described in the section "*Issue Procedure*" on page 465
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor or a Strategic Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor and Strategic Investor Bid/Issue Period by Anchor Investors or Strategic Investors, pursuant to the submission of Anchor Investor and Strategic Investor Application Forms, to subscribe to or purchase the Units at a price within the Price Band, including all revisions and modifications thereto as permitted under the InvIT Regulations in terms of the Offer Document and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of a Bid in the Issue

Term	Description
Bid cum Application Form	Anchor Investor and Strategic Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors and Strategic Investors, May 5, 2017
Bid/Issue Opening Date	Except in relation to Anchor Investors and Strategic Investors, May 3, 2017
Bid/Issue Period	May 3, 2017, to May 5, 2017.
Bid Lot	A minimum of 10,000 Units, and in multiples 5,000 Units
Bidder(s)	Any prospective investor who made a Bid pursuant to the terms of the Offer Document and the Bid cum Application Form
Bidding Centres	Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, in terms of which this Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders could submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges i.e. www.bseindia.com and www.nseindia.com
BRLM / Book Running Lead Manager	The book running lead manager to the Issue, namely IIFL Holdings Limited.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Units sent to Anchor Investors and Strategic Investors, who have been allocated Units, after the Anchor Investor and Strategic Investor Bid/Issue Period
Cap Price	Rs. 102 per Unit
Collecting Depository Participant / CDP	A depository participant, as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP Locations.
Credit Suisse	Credit Suisse Securities (India) Private Limited
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders could submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.
Designated Date	Date on which funds were transferred from the Escrow Accounts and instructions were given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, to the Public Issue Accounts or the Refund Account, as appropriate, in terms of the Offer Document and this Final Offer Document. The aforesaid instructions and transfers were issued/executed only after finalization of Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries	Members of the Syndicate, sub-syndicate members, SCSBs, Registered Brokers, CDPs and RTAs, who were authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders could submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.
Designated Stock Exchange	NSE
Draft Offer Document / DoD	The Draft Offer Document dated September 7, 2016, issued in accordance with the InvIT Regulations, which did not contain complete particulars, including the number of Units, the price at which the Units will be Allotted and the size of the Issue
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Offer Document constituted an invitation to subscribe to or purchase the Units
Escrow Accounts	Account opened with the Escrow Collection Banks and in whose favour the Anchor Investors and the Strategic Investors transferred money through NEFT/RTGS/direct credit or through cheques drawn on the respective Escrow Collection Bank in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated April 20, 2017, entered into among Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholders, the GCBRLMs, the BRLM, the Trustee, the Registrar to the Issue, the Escrow Collection Banks, the Public Issue Account Banks and the Refund Bank for, *inter alia*, the collection of the Bid Amounts from the Anchor Investors and Strategic Investors and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
Escrow Collection Banks	HDFC Bank Limited, ICICI Bank Limited and IDFC Bank Limited
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Final Offer Document	This Final Offer Document dated May 12, 2017, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Floor Price	Rs. 100 per Unit
Fresh Issue	The fresh issue of 421,568,627 Units aggregating to Rs. 43,000.00 million by the Trust
GCBRLMs / Global Co-ordinators and Book Running Lead Managers	The global co-ordinators book running lead managers to the Issue, namely IDFC Bank Limited, Credit Suisse Securities (India) Private Limited and ICICI Securities Limited
IDFC / IDFC Bank	IDFC Bank Limited
IIFL	IIFL Holdings Limited
Institutional Bidder Category	Portion of the Issue (including the Anchor Investor Portion) being not more than 75% of the Issue, which was available for allocation to Institutional Bidders (including Anchor Investors and Strategic Investors), subject to valid Bids received at or above the Issue Price
Institutional Investor	Institutional investor, as defined under Regulation 106X of the ICDR Regulations, which currently means (i) Qualified Institutional Buyers (as defined under the ICDR Regulations); (ii) family trusts with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements; (iii) systemically important NBFCs registered with the RBI, with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements; and (iv) intermediaries registered with the SEBI, with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements

Term	Description
Institutional Bidder	An Institutional Investor who made a Bid pursuant to the terms of the Offer Document and the Bid cum Application Form
I-Sec	ICICI Securities Limited
Issue	Initial public offer of 449,779,291 Units, comprising the Fresh Issue and the Offer for Sale, aggregating to Rs. 45,877.49 million with the option to retain the Oversubscription
Issue Agreement	The agreement dated September 7, 2016, among the Trust (acting through the Trustee), the Investment Manager, the Trustee, the Selling Unitholders, the GCBRLMs and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	Rs. 102 per Unit, being the final price at which Units will be Allotted to successful Bidders in terms of the Offer Document. The Issue Price was decided by the Investment Manager in consultation with the GCBRLMs and the BRLM on the Pricing Date.
Issue Proceeds	The gross proceeds of the Issue pursuant to the Fresh Issue and the Offer for Sale
Listing Agreement	The listing agreement to be entered into by the Trust (through its Trustee) and the Investment Manager with each of the Stock Exchanges
Net Proceeds	Proceeds of the Fresh Issue less the Trust's share of the Issue expenses
Non-Resident	A person resident outside India as defined under FEMA and includes NRIs, FIIs and FPIs
Other Bidder(s)	All Bidders that are not Institutional Bidders (excluding Strategic Investors that are not Institutional Bidders but are participating in the Anchor Investor Portion)
Other Bidder Category	Portion of the Issue being not less than 25% of the Issue, which was available for allocation on a proportionate basis to Other Bidders, subject to valid Bids received at or above the Issue Price
Offer Document	The offer document dated April 20, 2017, issued in accordance with the InvIT Regulations, which did not have complete particulars of the price at which the Units will be offered, including the addendum dated May 3, 2017.
Offer for Sale	Offer for sale of 28,210,664 Units, aggregating to Rs. 2,877.49 million by the Selling Unitholders in terms of the Offer Document
Oversubscription	The fresh issue of 43,640,709 Units pursuant to the retention of oversubscription of 9.70% of the Issue size, aggregating to Rs. 4,451.35 million in accordance with the InvIT Regulations
Oversubscription Proceeds	Proceeds of the Oversubscription
Price Band	Price Band of a minimum price of Rs. 100 per Unit (Floor Price) and the maximum price of Rs. 102 per Unit (Cap Price). The Price Band and the minimum Bid Lot was decided by the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and BRLM, and was announced at least five Working Days prior to the Bid/Issue Opening Date, on the website of the Trust, the Sponsor and the Investment Manager, and was made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which the Investment Manager, in consultation with the GCBRLMs and the BRLM, finalised the Issue Price i.e. May 7, 2017
Public Issue Accounts	Accounts opened with the Public Issue Account Banks to receive monies from the Escrow Accounts and the ASBA Accounts on the Designated Date
Public Issue Account Banks	Banks with whom the Public Issue Accounts for collection of Bid Amounts from the Escrow Accounts and ASBA Accounts have been opened, in this case being HDFC Bank Limited, ICICI Bank Limited and IDFC Bank Limited.

Term	Description
QIB(s) / Qualified Institutional Buyer(s)	Qualified institutional buyer(s), as defined under Regulation 2(1)(zd) of the ICDR Regulations, which currently means: i) a mutual fund, VCF, AIF and FVCI registered with SEBI; ii) an FPI other than Category III FPI registered with SEBI; iii) a public financial institution as defined in section 4A of the Companies Act, 1956; iv) a scheduled commercial bank; v) a multilateral and bilateral development financial institution; vi) a state industrial development corporation; vii) an insurance company registered with the IRDAI; viii) a provident fund with minimum corpus of Rs. 250 million; ix) a pension fund with minimum corpus of Rs. 250 million; x) national investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the gazette of India; xi) insurance funds set up and managed by army, navy or air force of the Union of India; and xii) insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Escrow Collection Bank with whom Refund Account have been opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, in this case being HDFC Bank Limited.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and sub-Syndicate members, and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar / Registrar to the Issue	The registrar to the Issue, in this case being Karvy Computershare Private Limited
Registrar Agreement	The agreement dated September 7, 2016, entered into among the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholders and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrars and Share Transfer Agents or RTAs	Registrars and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations
Revision Form	Form used by the Bidders to modify the quantity of the Units or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. Bidders can only make upward revisions in their Bids.
SCSBs / Self Certified Syndicate Banks	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Selling Unitholder(s)	IRB Infrastructure Developers Limited (the Sponsor), Modern Road Makers Private Limited (the Project Manager), Aryan Toll Road Private Limited, ATR Infrastructure Private Limited and Ideal Road Builders Private Limited.
Share and Unit Escrow Agent	Share and Unit escrow agent appointed pursuant to the Share and Unit Escrow Agreement, namely Karvy Computershare Private Limited.
Share and Unit Escrow Agreement	The agreement dated April 20, 2017, entered into between the Trust (acting through its Trustee), the Investment Manager, the Trustee, the Selling Unitholders, the Share and Unit Escrow Agent and IDFC Bank Limited (acting in its capacity as a global co-ordinator and book running lead manager) in connection with, *inter alia*, the deposit of the equity shares of the Project SPVs by the Selling Unitholders, the deposit of the Units issued pursuant to the Formation Transactions, debit of the Units offered in the Offer for Sale for the credit of such Units to the demat account of the Allottees

Term	Description
Specified Locations	Bidding centres where the Syndicate accepted Bid cum Application Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time.
Stock Exchanges	BSE and NSE
Strategic Investor(s)	Strategic investor(s), as defined under Regulation 2(1)(zza) of the InvIT Regulations, which currently means (i) an infrastructure finance company registered with the RBI as a NBFC, (ii) a scheduled commercial bank, (iii) an international multilateral financial institution, (iv) a systemically important NBFC registered with RBI, and (v) FPIs, who together invest not less than five per cent of the total Issue Size or such other amount as may be specified by the SEBI from time to time.
Syndicate Agreement	The agreement dated April 20, 2017, entered into among the GCBRLMs, the BRLM, the Syndicate Members, the Trust (acting through the Trustee), the Investment Manager, the Trustee and the Selling Unitholders in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, in this case being Bajaj Share and Stock Brokers Private Limited, IDFC Securities Limited, India Infoline Limited and Sharekhan Limited.
Syndicate or Members of the Syndicate	Collectively, the GCBRLMs, the BRLM and the Syndicate Members
Syndicate SCSB Branches	In relation to Bids (other than Bids by Anchor Investors and Strategic Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time.
Total Issue	The Issue, together with the Oversubscription
Underwriters	The GCRBLMs, the BRLM and the Syndicate Members
Underwriting Agreement	The agreement among the Trust (acting through the Trustee), the Investment Manager, the Trustee, the Selling Unitholders and the Underwriters dated May 12, 2017
Working Day(s)	"Working Day", shall mean all days, other than (i) the second and fourth Saturdays of the month, Sundays, or a public holiday, (ii) on which commercial banks in Mumbai are closed for business, provided that with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, (excluding Saturdays, Sundays and public holidays), on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Units on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and excluding days on which commercial banks in Mumbai are closed for business.

Technical/Industry Related Terms/Abbreviations

Term	Description
APRDC	Andhra Pradesh Road Development Corporation
BOT	Build-Operate-Transfer
CCEA	Cabinet Committee on Economic Affairs
DBFOT	Design-Build-Finance-Operate-Transfer
EPC	Engineering Procurement and Construction
ETC	Electronic Toll Collection
GSRDC	Gujarat State Road Development Corporation
IRC	Indian Roads Congress
LCV	Light Commercial Vehicle
MoRTH	Ministry of Road Transport and Highways
MSRDC	Maharashtra State Road Development Corporation Limited

Term	Description
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
O&M	Operation and Maintenance
PCU	Passenger Car Unit
PPP	Public Private Partnership
PWD(s)	Public Works Department(s)
SPV	Special Purpose Vehicle

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment fund(s) as defined in and registered under the AIF Regulations
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting standards issued by the ICAI
Associate	An associate, as defined under the InvIT Regulations
BSE	BSE Limited
Category III FPIs	FPIs who are registered as "Category III foreign portfolio investors" under the FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder's beneficiary account
Companies Act	Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Debenture Trustees Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father / husband, investor status, occupation and bank account details
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPU	Earnings per Unit
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors, as defined in and registered under the FPI Regulations
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year

Term	Description
FPI(s)	Foreign portfolio investors, as defined in and registered under the FPI Regulations
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FVCI(s)	Foreign venture capital investors, as defined in and registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GoI / Government	Government of India
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Intermediaries Regulations	The Securities and Exchange Board of India (Intermediaries) Regulations, 2008
IRDAI	Insurance Regulatory and Development Authority of India
Income Tax Act/ I.T. Act	The Income Tax Act, 1961
Ind-AS	Indian Accounting Standards
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, and the guidelines issued thereunder, including circulars no. CIR/IMD/DF/55/2016 dated May 11, 2016, CIR/IMD/DF/114/2016 dated October 20, 2016, and CIR/IMD/DF/127/2016 dated November 29, 2016, issued by SEBI and such other amendments or circulars issued by SEBI from time to time
IPO	Initial Public Offering
IST	Indian Standard Time
Km	Kilometres
LLP Act	The Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax
Mutual Fund(s)	Mutual fund(s) as defined in and registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NAV	Net asset value
NBFC	Non Banking Financial Company
NDCF(s)	Net Distributable Cash Flow(s)
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NRO	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
Pension Fund	Pension fund, as defined in and registered under the Pension Fund Regulatory and Development Authority Act, 2013
PF	A provident fund under the EPF Act, and shall have the meaning ascribed to such term in the FEMA Regulations
PFRDA	Pension Fund Regulatory and Development Authority
RBI	Reserve Bank of India
Rs. / Rupees / INR	Indian Rupees

Term	Description
Registration Act	Registration Act, 1908
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
State Government	The government of a state in India
STT	Securities transaction tax
Trusts Act	Indian Trusts Act, 1882
UK	United Kingdom
U.S. / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. QIBs	"qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
USD / US$	United States Dollars
VCF	Venture capital funds, as defined in and registered under the VCF Regulations
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

Notwithstanding the foregoing, terms in the sections "Statement of Tax Considerations / Benefits", "Summary of the Concession Agreements" and "Financial Statements" on pages 109, 184 and 289, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Final Offer Document, unless otherwise specified.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Final Offer Document are to the Republic of India and all references to the "U.S." or the "United States" are to the United States of America.

Financial Data

Unless stated otherwise, the financial data included in this Final Offer Document is derived from the Combined Financial Statements, which are prepared in accordance with the requirements of the InvIT Regulations and Ind-AS. The summary financial statements of the Sponsor and the Investment Manager, which are included in this Final Offer Document, have been prepared in accordance with Indian GAAP and the Companies Act. The Combined Financial Statements are included in the section "*Financial Statements*", on page 289. Further, the summary financial statements of the Sponsor and the Investment Manager are included in the section "*Summary Financial Information*", on page 57.

In this Final Offer Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures and percentage figures in decimals have been rounded off to two decimals, and accordingly there may be consequential changes in this Final Offer Document.

The financial year for the Trust, the Sponsor, the Investment Manager and the Project SPVs, commences on April 1 and ends on March 31 of the next year, so all references to a particular financial year or fiscal year, unless stated otherwise, are to the 12-month period ended on March 31 of that year.

There are significant differences between Ind-AS, Indian GAAP, U.S. GAAP and IFRS. The reconciliation of the financial information to IFRS or U.S. GAAP financial information has not been provided. Further, no reconciliation of the financial information from Ind-AS to Indian GAAP or from Indian GAAP to Ind-AS has been provided. The Investment Manager has not attempted to explain those differences or quantify their impact on the financial data included in this Final Offer Document, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data.

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

Unless otherwise indicated, any percentage amounts, as set forth in this Final Offer Document, including in the sections "*Risk Factors*", "*The Trust's Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 145 and 348, respectively, have been calculated on the basis of the Combined Financial Statements, prepared in accordance with the InvIT Regulations and Ind-AS, and the summary financial statements of the Sponsor and the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act.

Historically, the audited standalone financial statements of the Project SPVs for the financial years ended March 31, 2014, March 31, 2015 and March 31, 2016, have been prepared in accordance with Indian GAAP and the Companies Act by the auditors of the respective Project SPVs. However, for the purposes of the Combined Financial Statements, such audited standalone financial statements have been converted and prepared in accordance with Ind-AS for the periods commencing from April 1, 2013.

Further, the audited standalone financial statements of each of the Project SPVs for the nine-month period ended December 31, 2016, have been prepared in accordance with Ind-AS and the Companies Act, considering a transition date of April 1, 2015, and have been audited by the respective auditors of such Project SPVs. However, for the purpose of preparation of the Combined Financial Statements, such audited standalone financial statements of the Project SPVs have been adjusted considering a transition date of April 1, 2013.

Currency and Units of Presentation

All references to:

i) "Rupees" or "Rs." Or "INR" are to Indian Rupees, the official currency of the Republic of India; and
ii) "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

Certain numerical information in this Final Offer Document has been presented in "million" and "billion" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar (in Rupees per U.S. Dollar):

Period	Period End	Average	High	Low
Fiscal				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
Month Ended				
April 30, 2017	64.22	64.51	65.04	64.00
March 31, 2017	64.84	65.88	66.85	64.84
February 28, 2017	66.74	67.08	67.65	66.72
January 31, 2017	67.81	68.08	68.23	67.79
December 31, 2016	67.95	67.90	68.37	67.43
November 30, 2016	68.53	67.63	68.72	66.43

Source: www.rbi.org.in
Notes:
i. The above figures are based on the RBI reference rates.
ii. In case the period end is a public holiday, the previous calendar day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Final Offer Document has been obtained or derived from the technical reports prepared by GMD Consultants (the "**Traffic Consultant**") with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs (the "**Traffic Reports**"), which are commissioned reports, and publicly available information as well as other Government and industry publications and sources. The Investment Manager has commissioned the Traffic Reports, included in this Final Offer Document as **Annex C**, to provide an independent estimation of the projected traffic volumes with respect to the underlying road projects operated by the Project SPVs, which is based on historical data and certain assumptions.

Industry as well as Government publications generally state that information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry data used in this Final Offer Document is reliable, it has not been independently verified by the GCBRLMs, the BRLM, the Investment Manager, the Selling Unitholders and/or the Trustee or any of their respective affiliates/advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section "*Risk Factors*" on page 17. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD-LOOKING STATEMENTS AND FINANCIAL PROJECTIONS

This Final Offer Document contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "will", "will continue", "will pursue", "seek to" or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

In accordance with the InvIT Regulations, the projections of revenue, operating cash flows and profits of the Trust over the next three financial years (the "**Revenue, Profit and Cash Flow Projections**"), have been included as **Annex B** herewith. The Revenue, Profit and Cash Flow Projections should be read together with the underlying assumptions and notes thereto. Further, the Valuation Report, included as **Annex A** herewith, is based on certain projections and accordingly, should be read together with the assumptions and notes thereto. The Traffic Reports, included as **Annex C** herewith, include projections/estimates in relation to O&M expenses and traffic growth, and accordingly, should be read in conjunction with the notes and assumptions thereto.

All forward-looking statements and financial projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements or financial projections due to risks or uncertainties associated without expectations with respect to, but not limited to, regulatory changes pertaining to the infrastructure sector in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion plans, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the infrastructure sector. Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

(a) our ability to successfully complete the debt financing transactions;

(b) the business and investment strategy of the Trust;

(c) expiry or termination of the Project SPVs' respective concession agreements;

(d) extension or early termination of the Project SPVs' concession agreements depending upon the actual levels of traffic, in accordance with the terms of the respective Project SPV's concession agreements;

(e) estimated financial and operational information regarding, and the future development and economic performance of, the Trust;

(f) future earnings, cash flow and liquidity;

(g) potential growth opportunities;

(h) financing plans;

(i) the competitive position and the effects of competition on the Trust's investments;

(j) development of competing roads with respect to the roads where the Project SPVs operate;

(k) the general transportation industry environment and traffic growth; and

(l) regulatory changes and future Government policy relating to the transportation industry in India.

For further discussion on factors that could cause actual results to differ from expectations, see the sections "*Risk Factors*", "*Industry Overview*", "*The Trust's Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 138, 145 and 348, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements and financial projections reflect current views as of the date of this Final Offer Document and are not a guarantee of future performance or returns to investors. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. In accordance with the InvIT Regulations, the assumptions underlying the Revenue, Profit and Cash Flow Projections included as **Annex B** herewith have been certified by the Auditors.

Although the Investment Manager believes the assumptions upon which these forward-looking statements and financial projections are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements and financial projections based on these assumptions could be incorrect. Neither the Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs, the BRLM nor any of their affiliates/advisors, have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. The Investment Manager, the Selling Unitholders and the Trustee will ensure that the investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

There can be no assurance that the expectations reflected in the forward-looking statements and financial information will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and financial projections and not to regard such statements to be a guarantee or assurance of the Trust Group's future performance or returns to investors.

SECTION II – RISK FACTORS

An investment in the Units involves risks. There has been no public offering of Units by an infrastructure investment trust in India. Prospective investors should carefully consider all the information in this Final Offer Document, including the risks and uncertainties described below, before making an investment in the Units. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections headed "The Trust's Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 145, 289 and 348, respectively, as well as the other information contained in this Offer Document. The risks and uncertainties described in this section may not be the only risks and uncertainties the Trust currently faces. Additional risks and uncertainties not presently known to the Trustee or the Investment Manager, or that the Trustee or the Investment Manager currently deem immaterial, may arise or may adversely affect our business, financial condition, cash flows and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business prospects, results of operations, cash flows and financial condition could suffer, the price of the Units could decline and prospective investors may lose all or part of their investments. Unless otherwise stated in the relevant risk factors set forth below, the Trustee and the Investment Manager are not in a position to specify or quantify the financial or other risks mentioned herein.

This Final Offer Document also contains forward-looking statements (including Revenue, Profit and Cash Flow Projections) that involve risks, uncertainties and assumptions. The actual results of the Trust Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Final Offer Document.

Investors should be aware that the price of the Units, and the income from them, may be subject to volatility. If any of the risks described below occurs, our business and prospects could be materially and adversely affected, the trading price of the Units could decrease and investors could lose all or part of their original investment.

In making an investment decision, prospective investors must rely upon their own examinations and the terms of the Total Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Trust Group. Furthermore, unless the context otherwise requires, the financial information used in this section is derived from the Trust's Combined Financial Statements prepared under Ind-AS.

Risks Related to our Organization and the Structure of the Trust

1. The completion of the transactions contemplated by the debt financing documentation are subject to certain closing and other conditions that may prevent us from providing debt financing to the Project SPVs.

Pursuant to the terms of the concession agreements entered into by the Project SPVs, the consent of the NHAI is required to make additions to, amend or replace any of the financing agreements entered into with the existing lenders of the Project SPVs, if such addition, replacement, or amendment has or may have the effect of imposing or increasing any financial liability of the NHAI. The Project SPVs intend to refinance a certain portion of their outstanding indebtedness with the Trust. Refinancing is permitted under the concession agreements, and we do not believe that the proposed refinancing of the existing loans of the Project SPVs will increase or impose any additional financial liability on the NHAI. The NHAI, however, has not specifically reviewed or approved the proposed refinancing, and there can be no assurance that the NHAI will not interpret any change to the terms and conditions of the Project SPVs' outstanding indebtedness that results from the proposed refinancing as increasing or adding to the NHAI's financial liability towards the Project SPVs.

Furthermore, the concession agreements require the submission to the NHAI, for its review and comments, all project agreements (including financing arrangements) to which the Project SPVs are a party prior to entry, amendment or replacement of such agreements, even if such agreements do not affect the financial liability or obligation of the NHAI. The Project SPVs have submitted such drafts to the NHAI. Further, the utilisation of the Net Proceeds by the Trust is not subject to monitoring by any independent agency.

Further, any inability of the Trust to complete the debt financing transactions in the manner described in this Final Offer Document or the replacement of debt in the manner described in "*Use of Proceeds*" section may adversely impact the ability of the Trust to make distributions to Unitholders in the manner described in this Final Offer Document or at all. In the event the Trust is unable to complete the debt financing transactions in the manner

described in this Final Offer Document, you will be unable to rely on the Revenue, Profit and Cash Flow Projections or evaluate the manner in which we propose to invest the Net Proceeds on the economic merits of such investments. Such event may materially and adversely affect the ability of the Trust to make distributions to the Unitholders.

2. ***The debt financing proposed to be provided by the Trust to each of the Project SPVs comprises of certain unsecured, interest-free and interest-bearing loans as well as loans that will be secured by a subordinate charge on (i) the cash flows deposited in the escrow account and (ii) the escrow account of such Project SPV. The payment obligations of the respective Project SPVs in relation to such debt financing will be subordinated to all existing and future obligations of the Project SPVs towards any secured senior lenders.***

The debt financing proposed to be provided by the Trust to each of the Project SPVs comprises certain unsecured, interest-free and interest-bearing loans (the "**Unsecured Trust Financing**"), as well as loans that will be secured by a charge on (i) the cash flows deposited in the escrow account and (ii) the escrow account of such Project SPV, which shall be subordinated to the charge created to secure the debt owed to the senior lenders of the respective Project SPVs (the "**Secured Trust Financing**").

All payment obligations of the Project SPVs to the Trust under the Unsecured Trust Financing and the Secured Trust Financing are proposed to be serviced from the balance amounts remaining in the escrow accounts maintained by each Project SPV as mandated under the relevant concession agreements, after the payment of, among other things, all taxes due, all expenses in connection with the construction of the project, operations and maintenance expenses, including expenses for repair works, payment of concession fees, debt service payments to senior lenders (as defined under the relevant concession agreements), negative grants payable to the NHAI, reimbursement of expenditure incurred by the NHAI, any payments and damages due and payable and any reserve requirements set forth in the financing agreements, as defined in the relevant concession agreements (the "**Surplus Cash Flows**"). Accordingly, any reduction in the cash flows of the Project SPVs or any unanticipated increase in any of the payments to be made by the Project SPVs from the escrow accounts may result in a decrease in the Surplus Cash Flows, which may materially and adversely impact the ability of the Project SPVs to meet their payment obligations to the Trust in relation to the Unsecured Trust Financing and the Secured Trust Financing. Further, the receivables of each Project SPV (including the Surplus Cash Flows) are secured in favour of the existing senior lenders to the extent of the amounts payable to such senior lender pursuant to the terms of their respective financing arrangements and restrictive covenants under the financing arrangements with such senior lenders and the concession agreements prevent the Project SPVs from opening new bank accounts, and accordingly, the Project SPVs are not permitted to transfer the Surplus Cash Flows (as they arise) to a separate bank account in the name of the Project SPV that can be charged in favour of the Trust. We expect such receivables to remain secured in favour of the senior lenders until all amounts outstanding under such financing arrangements are paid in their entirety to the senior lenders. If an event were to occur under such financing arrangements such that all amounts outstanding under such financing arrangements were to become immediately due and payable, all, or substantially all, of the Surplus Cash Flows may be utilised in satisfying such payment obligations, thereby materially and adversely affecting the ability of such Project SPVs to meet their payment obligations to the Trust. Any adverse impact on any receivables payable to the Trust under such debt financing will materially and adversely affect the Trust's ability to make distributions to the Unitholders. Further, if the relevant concession agreement is terminated, the Surplus Cash Flows together with the termination payments deposited in the relevant escrow account will be applied towards the payment of the amounts outstanding to the senior lenders prior to the payment of the amounts outstanding under the Unsecured Trust Financing and the Secured Trust Financing. Accordingly, such amounts may be insufficient to repay all amounts outstanding under the Unsecured Trust Financing and the Secured Trust Financing.

Any inability on the part of any of the Project SPVs to meet their payment obligations to the Trust may adversely impact the ability of the Trust to make distributions to the Unitholders in the manner described in this Final Offer Document or at all.

Further, the Unsecured Trust Financing and the Secured Trust Financing may be classified as "deposits" under the Companies Act, 2013 and the rules and regulations made thereunder, each as amended. The Project SPVs propose to undertake additional obligations in relation to such deposits, as applicable, including, among other things, the creation of a cash reserve of not less than 15% of the amount of the deposits maturing during a financial year and the immediately succeeding financial year, the appointment of a security trustee for secured deposits and obtaining deposit related insurance. Compliance with such regulations would require the Project SPVs to incur additional expenditure, and may adversely impact the Surplus Cash Flows available to the Project SPV to service the Secured Trust Financing and the Unsecured Trust Financing.

3. ***Any payment by the Project SPVs, including in an event of termination of the relevant concession agreement, is subject to a mandatory escrow arrangement which restricts their flexibility to utilise the available funds.***

The escrow arrangements mandated under the concession agreements require all monies that are received by each Project SPV, including funds constituting the financing package, the fees collected from the operation of the Initial Road Assets and any termination payments received from the NHAI, to be deposited in an escrow account and utilised only in accordance with the order prescribed under the escrow agreement. The consent of the NHAI is required to amend the order of outflow of payments from such escrow account. The escrow arrangements typically prioritise the payment of all taxes due, followed by payment of expenses in connection with the construction of the project, operation and maintenance expenses including expenses for repair works, payment of concession fees, debt service payments, negative grant payable to the NHAI, reimbursement of expenditure incurred by the NHAI, any payments and damages due and payable and any reserve requirements set forth in any financing agreements. For details of the escrow arrangements, please see the section headed "*Summary of the Concession Agreements*" on page 184 of this Final Offer Document.

With respect to withdrawals on termination, the escrow arrangements typically prioritise the payment of all taxes due, followed by the payment of 90% of debt due to senior lenders (excluding subordinated debt), the payment of any outstanding concession fee, the payment of damages in relation to the concession, retentions and payments arising out of liability for any defects, the remainder of debt due, subordinated debt, operation and maintenance expenses and any other payments under the concession agreement, after which the balance may be withdrawn by the Project SPVs for their own purposes. The Unsecured Trust Financing will be classified as subordinated debt and Equity under the concession agreements. Accordingly, the ability of the Trust to access such termination payments in relation to the Unsecured Trust Financing will be subordinated to the discharge of all obligations towards the senior lenders and the payment of, among other things, any outstanding concession fees and damages. Further, if the NHAI does not classify the Trust as a senior lender and does not classify the Secured Trust Financing as debt due to a senior lender, the Trust will not be classified as a senior lender and accordingly the classification of the Secured Trust Financing will not be considered as a debt due to a senior lender, the Secured Trust Debt will also be classified as subordinated debt and the ability of the Trust to access such termination payments in relation to the Secured Trust Debt will be subordinated to the discharge of all obligations towards the senior lenders and the payment of, among other things, any outstanding concession fees and damages. Any shortfall in the termination payments received from the NHAI may prevent us from recovering our investments or returns in the relevant Project SPVs adequately or at all.

The Trust is not a party to, or a third party beneficiary under, the escrow agreements entered into by the Project SPVs and does not have any enforceable rights under such escrow agreements, including any right to instruct the escrow agent to make any payments, which may adversely affect the ability of the Trust to recover amounts to it. For details of the escrow arrangements, please see the section headed "*Summary of the Concession Agreements*" on page 184 of this Final Offer Document.

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

The SEBI issued the InvIT Regulations with effect from September 26, 2014. The regulations have been amended pursuant to a notification dated November 30, 2016 and supplemented with additional guidelines on May 11, 2016 and circulars dated October 20, 2016 and November 29, 2016.

Because the regulatory framework governing infrastructure investment trusts in India comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts, including, but not limited to, follow-on offers of Units, including preferential allotments, rights and bonus issues, the dissolution and delisting of infrastructure investment trusts and the liabilities of Unitholders, have not yet been issued or adopted or are the subject matter of consultation papers. For example, trust units may not be classified as "securities" under the Securities Contract Regulation Act, 1956, as amended, and infrastructure investment trusts are not "companies" or "bodies corporate" within the meaning of various SEBI regulations. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeover, insider trading and fraudulent and unfair trade practices) to the Trust is unclear. Further, it is unclear whether certain categories of investors that are currently permitted to invest in equity shares offered by Indian companies, may also invest in the Units in the Total Issue. Further, the SEBI FPI

Regulations specify that an offshore derivate instrument may be issued overseas by an FPI against "securities" held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitised debt instruments, as its underlying. Accordingly, the issuance of offshore derivative instruments overseas by FPIs against Units may not be permitted as Units may not be classified as "securities".

Infrastructure investment trusts operate in a new and relatively unclear regulatory environment. Changes to the structure of the issue, changes to agreements entered into or proposed to be entered into in connection with the Issue, cost increases, fines, legal fees or business interruptions may result from changes to regulations, from new regulations, from new interpretations by courts or regulators of existing regulations or from stricter enforcement practices by regulatory authorities of existing regulations. In addition, new costs may arise from audit, certification and/or self-assessment standards required to maintain compliance with new and existing InvIT Regulations. Such changes in regulation, interpretation and enforcement may render it economically infeasible to continue conducting business as an infrastructure investment trust or otherwise have a material, adverse effect on our business, financial condition and results of operations.

Because we will operate in a new and relatively unclear regulatory environment, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations will affect infrastructure investment trusts and the infrastructure sector in India, and no assurance can be given that the regulatory system will not change in a way that will impair our ability to comply with the regulations, conduct our business, compete effectively or make distributions. Failure to comply with changes in laws, regulations and standards may have a material, adverse effect on our business, financial condition, results of operations and prospects.

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

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in completed and revenue-generating infrastructure projects, such as the Project SPVs. In addition, we must not invest more than 10% of the value of our assets in under-construction infrastructure projects. If these conditions are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year with Unitholder approval). Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have a material, adverse effect on our business, financial condition and results of operations.

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

Walker Chandiok & Co LLP has been appointed as the independent valuers (the "**Valuers**") to undertake independent appraisals of the Project SPVs. The Valuers have issued a report (the "**Valuation Report**"), included in **Annex A** to this Final Offer Document, which sets out their opinion as to the fair enterprise value of the Project SPVs as on March 31, 2017. In order to issue their Valuation Report, the Valuers based their assumptions regarding the traffic volume, toll rates, operation and maintenance costs, amortization, debt repayments and non-cash net working capital projections on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager, and which reflects current expectations and views regarding future events and, therefore, necessarily involves known and unknown risks and uncertainties. Please see the Valuation Report included in Annex A to this Final Offer Document for a more detailed description of all assumptions relied upon in the preparation thereof. The Valuation Report contains forecasts, projections and other "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to in these forward-looking statements involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements.

The Valuation Report is not an opinion on the commercial merits and structure of the Trust or the Project SPVs, nor is it an opinion, expressed or implied, as to the future trading price of the Units in or the financial condition of the Trust upon listing. The Valuation Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Trust or the Project SPVs or an investment in the Trust or the Units. The Valuation Report is not based on a comprehensive review of the business, operational or financial condition of the Project SPVs and, accordingly, makes no representation or warranty, expressed or implied, in this regard. The Valuation Report does not confer rights or remedies upon investors or any other person, and does not constitute and should not be construed as any form of assurance as to the financial condition or future performance

of the Trust or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsor, the Investment Manager, the Project Manager, the Trust, the GCBRLMs or the BRLM. Further, we cannot assure you that the valuation prepared by the Valuers reflects the true value of the net future revenues of the Project SPVs or that other valuers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the Project SPVs' assets. The Valuation Report has not been updated since the date of its issue, does not take into account any subsequent developments and should not be considered as a recommendation by the Sponsor, the Investment Manager, the Project Manager, the Trust or the GCBRLMs or the BRLM or any other party that any person should take any action based on the Valuation Report. Accordingly, investors should not rely on the Valuation Report in making an investment decision to purchase Units in the Trust.

7. We have referred to the data derived from Traffic Reports commissioned from the Traffic Consultant, which are based on certain bases, estimates and assumptions that are subjective in nature and may not be accurate.

We have appointed GMD Consultants, an independent third-party research agency, as our traffic consultant (the "**Traffic Consultant**") to forecast the traffic volumes and operations and maintenance expenses for the Project SPVs' projects and to prepare traffic reports on the Initial Road Assets, which are set out in **Annex C** to this Final Offer Document (the "**Traffic Reports**"). The Traffic Reports are subject to various limitations and are based upon certain bases, estimates and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager. The Traffic Reports reflect current expectations and views regarding future events, and therefore, necessarily involve known and unknown risks and uncertainties. The Traffic Reports contain forecasts, projections and other "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties, including population growth, gross domestic product growth, vehicle ownership rates, per capita income, agricultural output and fuel consumption. The future events referred to in the Traffic Reports involve risks, uncertainties and other factors which may cause the actual traffic volumes to be materially different from any future traffic volumes expressed or implied by the Traffic Reports. There can be no assurance that the bases, estimates and assumptions adopted by the Traffic Consultant for the purposes of preparing the Traffic Reports will prove to be accurate. If any of these bases or assumptions is incorrect, future traffic volumes for the Initial Road Assets could be materially different from those that are set forth in the Traffic Reports and this Final Offer Document.

8. Certain of the Project SPVs have experienced losses in prior years and any losses in the future could adversely affect our business, financial condition and results of operations, our ability to make distributions to the Unitholders and the trading price of our Units.

Certain of the Project SPVs have experienced losses in prior years. For the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016, the Project SPVs' net loss on a combined historical basis was Rs. 475.42 million, Rs. 1,237.78 million, Rs. 763.63 million and Rs. 130.49 million, respectively, primarily due to depreciation and amortisation expenses and finance costs. Under the Companies Act, 2013, companies that do not generate "distributable profits" are not permitted to pay dividends to their shareholders. Accordingly, any Project SPVs that fails to generate such distributable profits will not be permitted to pay dividends to the Trust. Any losses in the future could adversely affect our business, financial condition and results of operations, our ability to make distributions and the trading price of the Units.

9. We may not be able to make distributions to Unitholders or the level of distributions may fall.

The Trust's distributions will be based on the NDCF available for distribution and not on whether the Trust makes an accounting profit or loss. The InvIT Regulations provide that not less than 90% of NDCF of each Project SPV are required to be distributed to the Trust in proportion of its holding in each of the Project SPVs subject to applicable provisions of the Companies Act. Not less than 90% of NDCF of the Trust shall be distributed to the Unitholders. Such distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration. For more details, see the section headed "*Distribution Policy – Distribution Policy of the Trust*" on page 257 of this Final Offer Document.

The Trust will substantially rely on the receipt of interest, dividends, principal repayments and buy back of shares (net of applicable taxes and expenses) from the Project SPVs in order to make distributions to Unitholders. The distributions to Unitholders will be in the form of dividends, interest, buyback of Units and any other means permitted by law. There can be no assurance or guarantee that the Trust will have sufficient distributable or realised profits or surplus in any future period to make distributions every six months in any amount or at all. The

ability of the Project SPVs to pay dividends, make interest payments and repay shareholder loans may be affected by a number of factors including, among other things:

- their respective businesses and financial positions;
- insufficient cash flows received from the assets;
- applicable laws and regulations, which may restrict the payment of dividends by the Project SPVs;
- operating losses incurred by the Project SPVs in any financial year;
- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto; and
- the terms of agreements, including any concession agreements or financing agreements, to which they are, or may become, a party.

Further, the method of calculation of NDCF is subject to change. Any change in the applicable laws in India or elsewhere (including, for example, tax laws and foreign exchange controls) may limit the Trust's ability to pay or maintain distributions to Unitholders. For example, under current laws and regulations, dividends that may be paid by the Project SPVs to the Trust will be exempt from the dividend distribution tax. No assurance can be given that such dividends will remain exempt from the dividend distribution tax. Furthermore, no assurance can be given that the Trust will be able to pay or maintain the levels of distributions or that the level of distributions will increase over time, or that future acquisitions will increase the Trust's distributable free cash flow to Unitholders. Any reduction in, or elimination or taxation of, payments of distributions could materially and adversely affect the market price of the Units.

In addition, the financing agreements entered into by Project SPVs with certain banks and financial institutions contain certain restrictive covenants, including, but not limited to, requirements that they obtain consent from the lenders prior to making any dividend payments to the Trust. Any failure to obtain such consents in a timely manner or at all would impede our ability to make distributions to Unitholders on a regular basis or at all, which could materially and adversely affect the market price of the Units.

10. We expect to derive a substantial amount of our revenues from the operation of the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project and the Bharuch–Surat NH 8 Project. Any factors adversely affecting these projects could have a material, adverse effect on our business, financial condition and results of operations.

The Surat–Dahisar NH 8 Project in the states of Maharashtra and Gujarat's contributed, net of revenue share, 39.09%, 35.05%, 34.74% and 32.31% of the total income of the Project SPVs on a combined historical basis for the financial years 2014, 2015, 2016 and for the nine months ended December 31, 2016, respectively. The Tumkur–Chitradurga NH 4 Project in the state of Karnataka contributed, net of revenue share, 22.19%, 20.55%, 20.65% and 21.55 % of the total income of the Project SPVs on a combined historical basis for the financial years 2014, 2015, 2016 and for the nine months ended December 31, 2016, respectively. The Bharuch–Surat NH 8 Project in the state of Gujarat contributed 22.90%, 20.93%, 19.90% and 21.90% of the total income of the Project SPVs on a combined historical basis for the financial years 2014, 2015, 2016 and for the nine months ended December 31, 2016, respectively. We expect to derive 34.22%, 33.80% and 33.41% of the total income (net of revenue share) of the Trust Group for Projection Years 2018, 2019 and 2020, respectively, from the operation of the Surat–Dahisar NH 8 Project; 21.74%, 21.88% and 22.01% of the total income (net of revenue share) of the Trust Group for Projection Years 2018, 2019 and 2020, respectively, from the operation of the Tumkur–Chitradurga NH 4 Project; and 19.99%, 20.16% and 20.14%, respectively, of the total income (net of revenue share) of the Trust Group for Projection Years 2018, 2019 and 2020, respectively, from the operation of the Bharuch–Surat NH 8 Project. As of December 31, 2016, the concessions of the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project, and the Bharuch–Surat NH 8 Project had residual periods of approximately 4.14 years, 20.43 years and 5.01 years, respectively. Any closure of these toll roads, any termination of the concession agreements for these projects, any governmental action negatively affecting the concession, any economic recession particularly affecting the area concerned, any natural disaster or any natural event that may adversely affect the volume of traffic on these toll roads would have a significant material, adverse effect on our business, financial condition and results of operations and our ability to make distributions to Unitholders.

11. The consents obtained from the lenders in relation to the Formation Transactions impose certain obligations on the Trust, including the creation of a pledge over a portion of the equity shares held by the

Trust in each Project SPV and the provision of certain guarantees. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the Trust's ability to continue to own a majority of each of the Project SPVs, its cash flows and its ability to make distributions to Unitholders.

The consents obtained from the lenders in relation to the Formation Transactions impose certain obligations on the Trust. Such obligations include the creation of a pledge over a portion of the equity shares held by the Trust in each Project SPV, the reset of certain interest rates and the payment of certain one-time upfront processing charges for the review and modification of the loans, among others. In addition, the Trust is obligated to provide certain guarantees and shortfall undertakings. Consents from certain lenders also specify conditions including, *inter-alia*, (i) prepayment of at least 50% of their loans; (ii) that the management of the Trust and maintenance and operation of the roads should be from the IRB group; (iii) that the servicing of the Secured Trust Financing and the Unsecured Trust Financing will be subject to compliance with the restricted payment conditions specified in the financing agreements of the respective Project SPVs; and (iv) that the Indenture must not contain any onerous clauses detrimental to the interest of the senior lenders. Please see the section headed "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" on page 372 for further details of such obligations. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the Trust's ability to continue to own a majority of each of the Project SPVs, its cash flows and its ability to make distributions to Unitholders.

Risks Related to Our Business and Industry

12. Our failure to extend applicable concession agreements or our inability to identify and acquire new road assets that generate comparable or higher revenue, profits or cash flows than the Project SPVs may have a material adverse impact on our business, financial condition and results of operations and our ability to make distributions.

The concession agreements of the Project SPVs stipulate a limited concession period. Certain concession agreements provide that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period may be extended or reduced, respectively, by the NHAI according to a formula specified in the agreement. The table below sets forth the details of the Project SPVs' concession periods.

Project SPV	Project	Initial concession period	Commencement of concession period	End of concession period with no reduction or extension	Possible end of concession period with extension due to projected traffic shortfalls (1)	Residual concession period as of December 31, 2016 with no extension or reduction
ISDTPL	Surat–Dahisar NH 8	12 years	February 20, 2009	February 19, 2021	January 2022	4.14 years
ITCTPL	Tumkur– Chitradurga NH 4	26 years	June 4, 2011	June 3, 2037(2)	N/A	20.43 years
IDAAIPL	Bharuch–Surat NH 8	15 years	January 2, 2007	January 1, 2022	N/A	5.01 years
IJDTPL	Jaipur–Deoli NH 12	25 years	June 14, 2010	June 13, 2035	September 2037	18.45 years
MITPL	Omalur– Salem– Namakkal NH 7	20 years	August 14, 2006	August 13, 2026	N/A	9.62 years
ITATPL	Talegaon– Amravati NH 6	22 years	September 3, 2010	September 2, 2032	January 2037	15.67 years

Notes:

(1) This is the most likely extension date estimated in the relevant Traffic Reports based on the terms of the concession agreements and the projections made by the Traffic Consultant.

(2) ITCTPL's concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. According to projections in the Traffic Reports, we believe that the traffic volume on the target date will exceed the target traffic volume by 10,078 PCUs, which, according to the Traffic Reports, may warrant a reduction in the concession period of approximately 2.6 years. However, because NHAI may at its discretion cause ITCTPL to undertake suitable capacity augmentation of the project instead of reducing the concession period, the concession period under the concession agreement with ITCTPL is expected to end in June 2037 without any reduction.

As of December 31, 2016, the Project SPVs' concessions had residual periods ranging from approximately 4.14 years to 20.43 years. For example, ISDTPL, which contributed, net of revenue share, 39.09%, 35.05%, 34.74% and 32.31% of the Project SPVs' total income on a combined historical basis for the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016, respectively, had a residual concession period of approximately 4.14 years, ending on February 19, 2021, as of December 31, 2016. According to the Traffic Consultant's projections, the concession periods under the concession agreements with ISDTPL, IJDTPL and ITATPL are expected to be extended to January 2022, September 2037 and January 2037, respectively, which has been assumed in the projections included in this Final Offer Document. There can be no assurance, however, that such concession periods will be extended, as a formal extension will only be conveyed by the NHAI closer to the target date as defined in the relevant concession agreement. For further details on the residual concession period of each of the Initial Road Assets, see the section headed "*The Trust's Business*" on page 145 of this Final Offer Document.

There can also be no assurance that we will be able to acquire new toll-road assets upon the expiry of the Project SPVs' existing concession agreements or at any time thereafter. Accordingly, the number of assets forming part of our portfolio and the revenue generated by them may vary from time to time. Further, even if new toll-road assets are added to our portfolio, there can be no assurance that such toll-road assets will be able to generate comparable or higher cash flows, revenues and profits than the Project SPVs whose concession periods have expired. If the Project SPVs are unable to extend their concession agreements, or if we are unable to acquire new toll-road assets that generate comparable or higher cash flows, revenue or profits than the Project SPVs, our business, financial condition and results of operations and our ability to make distributions to Unitholders may be materially and adversely affected. For further details on the terms of each of the concession agreements, see the section headed "*The Trust's Business*" on page 145 of this Final Offer Document.

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

The toll-road concessions of the Project SPVs comprise our principal assets. We will be unable to continue the operation of a particular road concession without a continuing concession right from the NHAI. A concession may be revoked by the NHAI for certain reasons set forth in the relevant concession agreement, including, but not limited to, one or more of the following:

- any failure by the relevant Project SPV to comply with prescribed minimum shareholding requirements;
- any failure by the relevant Project SPV to participate in, or match the bid of, the successful bidder in the event of any proposed augmentation of capacity of the Initial Road Assets;
- any failure by the relevant Project SPV to augment the capacity of the project if the average daily traffic exceeds the traffic capacity for which the project was designed in four consecutive accounting years;
- any failure by the relevant Project SPV to make any payments, including negative grants, to the NHAI in a timely manner;
- any failure by the relevant Project SPV to comply with operational or maintenance standards;
- any temporary or permanent halt of operations at the relevant Project SPV;
- any occurrence of an event of default under any financing document where the lender has recalled any part of the loan;

- any continuation of a force majeure event, such as an act of God, act of war, expropriation or compulsory acquisition of any project assets by the government, industrial strikes, and civil commotions, boycotts and political agitations, beyond a specified time; and

- any failure by the relevant Project SPV to comply with any other material terms of the relevant concession agreement.

The concession agreements also provide that, if the actual traffic volume exceeds the target traffic volume on a defined date, the NHAI may reduce the concession period according to a formula specified in the concession agreement or perform additional capital expenditures in exchange for compensation agreed in the concession agreement. For example, based on the projections in the Traffic Reports, we believe that the actual traffic volume for the Tumkur–Chitradurga NH 4 Project on the defined date will exceed the target traffic volume by 10,078 PCUs. As per the concession agreement, in the event the actual traffic volume on the target date exceeds the target traffic volume by more than 2.5%, the concession period may be reduced by 0.75% for every 1.00% excess in actual traffic volume as compared to the target traffic volume, provided that the aggregate reduction does not exceed 10% of the original concession period.

For each of the Project SPVs, we have assumed that we will continue to operate the relevant project until the last date of the concession period as per the relevant concession agreement and have not made provisions for any reduction in the concession periods in the projections included in this Final Offer Document. Further, for the Tumkur– Chitradurga NH 4 Project, the NHAI has the authority to terminate the concession agreement at any time if, in its sole opinion, the deferred premium along with debt due is more than the potential fee flows available from the project for the balance period of the concession.

As on the date of the Final Offer Document, the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project, the Omalur–Salem–Namakkal NH 7 Project and the Talegaon–Amravati NH 6 Project have not yet received their final completion certificates. The receipt of such final completion certificates is subject to the completion of all conditions specified in the respective provisional completion certificates, such as the creation of an avenue plantation, the construction of certain portions of a concrete lined drain, the completion of tree plantation, the construction of median gaps, landscaping, the provision of street lights and raising the height of the kerb at specified locations. Certain of these activities are subject to the receipt of certain approvals and/or resources from the NHAI and may not be completed prior to the date of the acquisition of such Project SPVs by the Trust. If the Project SPVs are unable to complete the pending items listed in the provisional certificate, the concession agreement may be terminated. For more information, please see the section headed "*Legal and Other Information – Governmental and Other Approvals – Approvals in Relation to the Project SPVs*" on page 451 of this Final Offer Document.

If a concession agreement is terminated by the NHAI due to a default by a Project SPV, or by the Project SPV due to a default by the NHAI, such Project SPV is entitled to termination payments or otherwise from the NHAI in accordance with the terms of the relevant concession agreement. The Secured Trust Financing may be for a maturity term that exceeds the maturity term of the original facilities obtained from the senior lenders. There can be no assurance that the NHAI will recognize such amounts as outstanding after the term of the original facilities obtained by the Project SPVs from their respective senior lenders. There can also be no assurance that the NHAI will pay the termination payments promptly or at all or that any termination payments will be adequate to enable us to recover our investments or returns in the relevant Project SPVs. For example, notifications to cease collection of toll have been issued by the Public Works Department, Government of Maharashtra in relation to the projects operated by certain other subsidiaries and associates of the Sponsor (that are not the Project SPVs) namely, IRB Kolhapur Integrated Road Development Company Private Limited, NKT Road and Toll Private Limited and MMK Toll Road Private Limited and the Government of Maharashtra has taken over such toll road assets. Such entities have filed writ petitions before the Bombay High Court challenging the notifications. For further details, please see "*Material Litigation and Regulatory Action*" on page 420 of this Final Offer Document. Based on news reports in February 2017, a non-governmental organization has also made appeals to the government to terminate toll collection on the Mumbai-Pune Expressway, which is operated by one of the subsidiaries of the Sponsor, and terminate the relevant concession agreement. If any of the concession agreements are reduced or terminated prematurely, our business, financial condition and results of operations may be materially and adversely affected. For further details on the termination of the concession agreements, the termination payments, and the definition of "default" as contemplated under the relevant concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' concession agreements*" and "*Summary of the Concession Agreements*" on page 152 and page 184, respectively, of this Final Offer Document.

14. A decline in traffic volumes would materially and adversely affect our business prospects, financial condition and results of operations and our ability to make distributions to Unitholders.

The Project SPVs currently operate the Initial Road Assets. Toll revenues depend on toll receipts, which in turn depend on toll fees and traffic volumes on the toll roads. For the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016, Passenger Car Unit volumes, or passenger car equivalent volumes, for the Project SPVs was 216,857, 240,733, 259,433 and 259,821, respectively, representing a CAGR of 9.38% from 2014 to 2016. Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside of our control, including:

- toll fees;
- fuel prices in India;
- the frequency of traveller use;
- the number and affordability of automobiles;
- the quality, convenience and travel efficiency of alternative routes outside of our network of toll roads;
- the convenience and extent of a toll road's connections with other parts of the local, state and national highway networks;
- the availability and cost of alternative means of transportation, including rail networks and air transport;
- the level of commercial, industrial and residential development in areas served by the Project SPVs' projects;
- adverse weather conditions; and
- seasonal holidays.

In addition, under the terms of the concession agreements entered into by each of the Project SPVs and the NHAI, the Government and State Governments have the right to construct and open additional roads which may serve as alternate routes to the Initial Road Assets after the expiry of between eight and 15 years, depending on terms of the concession. The construction of such alternative roads and highways may result in a diversion of vehicular traffic from the Initial Road Assets and a reduction of revenue from toll receipts. Furthermore, local roads and state highways may be improved so as to serve as alternate routes to the Initial Road Assets, and tolls may or may not be charged on such local roads and state highways. The existence or improvement of such alternative roads and highways may also result in a diversion of vehicular traffic from the Initial Road Assets and a reduction of revenue from toll receipts. For additional information on alternate routes, please see the Traffic Reports set out in **Annex C** to this Final Offer Document.

While most of the Project SPVs' concession agreements provide for an extension in the concession period if the actual traffic volumes are significantly lower than the target traffic volumes set forth in the respective concession agreements, there can be no assurances that the concession period will be actually extended by the NHAI. In the event that the actual traffic volumes are significantly less than the projected traffic volumes, the revenue generated from toll receipts may be lower than anticipated and our business prospects, financial condition and results of operations and our ability to make distributions to Unitholders may be materially and adversely affected.

15. Criminal investigations are pending against the promoter, chairman and managing director of the Sponsor, the outcome of which may materially and adversely affect our reputation, business and financial condition.

In 2009, pursuant to a complaint filed by a social worker and right to information activist ("**RTI Activist**"), a case was registered at Lonavala City police station against Mr. Virendra D. Mhaiskar (the promoter, chairman and managing director of the Sponsor), Mr. Deepak D. Gadgil (Head Realty, Airport and Hospitality of the Sponsor) and certain others, alleging illegal purchase of governmental land in village Pimploli and village Ozarde, Taluka Maval, District Pune on the basis of fake and forged documents.

We understand that on January 13, 2010, the RTI Activist was murdered by unknown persons and the investigation of the murder case of the RTI Activist was subsequently transferred from local police to the Central Bureau of Investigation ("**CBI**"). We further understand that during the ongoing murder investigation, a closure report filed

by the police in relation to the illegal land purchase case and such closure report was accepted by the Judicial Magistrate, First Class Vadgaon Maval, District Pune in December 2011.

The CBI has issued multiple notices to Mr. Mhaiskar, along with Mr. Gadgil and Mr. Jayant D. Dangre, a former employee of the Project Manager, asking for documents and information and personal appearance for questioning in connection with the investigation of the murder of the RTI Activist.

We understand, based on publicly available information, that pursuant to a criminal writ petition filed before the Bombay High Court, it was ordered on August 8, 2014 that the matter relating to the land acquisition be reinvestigated by the CBI in light of the murder investigation. We understand, based on publicly available information, that the CBI filed a closure report dated August 11, 2014 (the "**Closure Report**") before the Judicial Magistrate, First Class Vadgaon Maval, District Pune after conducting its investigation against Mr. Deepak D. Gadgil, Mr. Virendra D. Mhaiskar and certain others; such Closure Report stated that there was no prosecutable definite, direct or circumstantial evidence against any of the accused and recommended that the investigation be closed due to insufficient evidence; such Closure Report is pending acceptance or rejection before the Judicial Magistrate, First Class Vadgaon Maval, District Pune and the matter has been transferred from the Judicial Magistrate, First Class Vadgaon Maval, District Pune to the Sessions Court, Pune. We also understand, based on publicly available information, that a relative of the deceased had challenged the Closure Report in the Bombay High Court and, as the CBI had decided to further investigate this matter, the court disposed of the petition.

Officers from the CBI visited the Sponsor's offices and certain other locations on January 5, 2015 in connection with the illegal land purchase reinvestigation ordered by the Bombay High Court (as specified above). The Sponsor has also submitted certain documents and other items, including personal documents of its promoter, chairman and managing director that the CBI officers had required during their visit to the Sponsor's offices.

We understand, based on recent media reports, that the CBI continues to investigate the murder case for which the Closure Report is currently pending for acceptance (as mentioned above), and that certain police officers involved in the investigation of the complaint have been recently charged. We understand from the Sponsor that in April 2016, the CBI requested certain additional documents which have been provided.

In the event that there is any adverse finding in the land acquisition matter or in the murder case, the reputation of the Sponsor and its business, results of operations, cash flows, prospects and financial condition may be adversely affected. Such an event could in turn have a material adverse effect on our reputation, business, financial condition and results of operation, including as a result of any regulatory or other issues in connection therewith.

The following table summarizes certain key dates discussed above relating to the investigation:

2009	RTI Activist filed a complaint and a case was registered against Mr. Mhaiskar, Mr. Gadgil and certain others, alleging an illegal purchase of governmental land on the basis of fake and forged documents.
January 13, 2010	RTI Activist was murdered by unknown persons and the investigation of such murder case was transferred from local police to the CBI.
December 2011	Local police filed a closure report in relation to the illegal land purchase case, and such closure report was accepted by the Judicial Magistrate, First Class Vadgaon Maval, District Pune.
August 8, 2014	Bombay High Court ordered matter relating to the illegal land purchase be reinvestigated by the CBI in light of the murder investigation.
August 11, 2014	CBI filed the Closure Report in relation to the murder investigation before the Judicial Magistrate, First Class Vadgaon Maval, District Pune. While the acceptance of the Closure Report was pending, the case was transferred to the Sessions Court, Pune.
January 5, 2015	CBI visited the Sponsor's offices in connection with the illegal land purchase reinvestigation ordered by the Bombay High Court.
April 2016	CBI requested certain additional documents in relation to the murder investigation, which were provided.

16. ITCTPL and MITPL are required to pay annual premiums / negative grants in consideration for being granted the right to build and operate their respective projects. Failure to make such payments could result in the termination of the relevant concession agreement by the NHAI.

The Tumkur–Chitradurga NH 4 Project concession agreement requires ITCTPL to make a premium payment to the NHAI for securing the right to build and operate the project. These premium payments are of a fixed amount for the first year of the concession period and have subsequent increments of 5% for each year of the concession period. The premium amount for first year was calculated on the basis of projected traffic for the project. Due to the slow economic growth in India in recent years, the NHAI adopted a scheme of premium restructuring whereby the premium payable to the NHAI could be deferred over a few years and would be payable along with interest at the RBI Bank Rate plus 2%. The deferment was limited and fixed by the NHAI based on estimated shortfall after meeting debt obligations and operational expenses. Pursuant to a supplementary agreement to its concession agreement, ITCTPL agreed to such premium restructuring.

Under the terms of ITCTPL's deferment, ITCTPL is not permitted to provide any return on equity to its shareholders, including by making any dividend payments, until the outstanding deferred premium obligations with interest are fully met and until the premium equals or exceeds the originally quoted premium for that year, and must share its toll-collection data with the NHAI on a real-time basis.

In addition, the Omalur–Salem–Namakkal NH 7 Project concession agreement requires MITPL to make certain payments (as negative grants) to the NHAI for securing the right to build and operate the project. These payments are fixed amounts that terminate in the financial year 2018 as agreed in the concession agreement.

The failure of ITCTPL or MITPL to make such payments could result in the termination of the relevant concession agreement, which could have a material, adverse effect on our business, financial condition and results of operations. For more information concerning ITCTPL's and MITPL's concessions and premium restructuring, see the section headed "*Concession Agreement between ITCTPL and NHAI dated August 16, 2010*" on page 206 hereof, and the section headed "*Concession Agreement between MITPL and NHAI dated February 16, 2006*" on page 213 hereof.

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

The Project SPVs derive almost all of their revenue from their respective concession agreements with the NHAI and must maintain good relationships and strategic alliances with the NHAI, the Government and State Governments. We expect that we will continue to depend on, and benefit from, policies relating to the terms of the concessions and other incentives that we will receive from governmental entities in respect of the Project SPVs' existing projects and any future projects. In addition, we expect to benefit from, and depend on, the NHAI and various Government and State Government entities in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the road industry in general. Any adverse change in any existing governmental policies, incentives, allocations or resources, or any change in our relationships with governmental entities, could materially and adversely affect our business, financial condition and results of operations. For certain details of these policies, see the sections headed "*About the Trust – Regulations and Policies*" on page 219 of this Final Offer Document.

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

18. Certain provisions of the standard form of concession agreement may be non-negotiable or untested, and the concession agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations.

Our concession agreements were entered into with the NHAI and we have limited ability to negotiate the terms of these contracts. The concession agreements that we have entered into are based on a model concession agreement prescribed by the NHAI. For example, the toll fees under the concession agreements are fixed, subject to annual adjustments to account for inflation as specified in the concession agreements. In addition, the operation and maintenance standards and specifications require the Project SPVs to incur operation and maintenance costs on a regular and periodic basis. The model concession agreement prescribed by the NHAI also provides for a

fixed term concession and, although some concession agreements provide for an extension or reduction of the concession period based on certain factors, including actual traffic volumes on the target date, the concession agreements do not provide for renewal of the concession agreement after the expiry of the term.

The form of the concession agreement has evolved within the last decade and there is limited guidance available on the interpretation of a number of terms and conditions of such concession agreements. In addition, certain terms of the concession agreements, such as those related to an augmentation in the capacity of the toll roads, substitution of the NHAI in any or all of the project agreements, termination payments by the NHAI, construction of additional competing roads by the NHAI, the Government or State Governments and payment of compensation by the NHAI for changes in law are untested. Accordingly, the interpretation of certain terms and conditions in the concession agreements of the Project SPVs by the NHAI, the courts or regulators may be different from our interpretation of such terms and conditions.

The terms and conditions of the concession agreements contain restrictive terms and conditions. For example, the concession agreements contain provisions that mandate substitution clauses in the project agreements. Such substitution clauses allow the NHAI to step into project agreements in place of the Project SPV in the event of suspension or termination of the concession agreements due to a breach or default by such Project SPV. The concession agreements also provide that the lenders to a Project SPV may substitute the Project SPV with new concessionaires approved by the NHAI in the event of a default by the Project SPV under the relevant concession agreement, financing agreements or other project agreements. Additionally, pursuant to a circular dated January 29, 2014 issued by the NHAI, the NHAI or lenders may substitute the Project SPV in the event of a "financial default" by such Project SPV, which includes situations in which the NHAI or lenders have reason to believe that the Project SPV is likely to face financial distress and is likely to default in its compliance with the terms of the relevant concession agreement. While approving such substitution, the NHAI may also impose a penalty on the defaulting Project SPV, subject to a cap of 1% of the total project cost. See also the terms of NHAI letter dated April 20, 2017, specified in the section "*Government and Other Approvals*" on page 449.

The terms of the Project SPVs' concession agreements require the Project SPVs to indemnify the NHAI for losses arising out of the design, engineering, construction, procurement, operation and maintenance of the toll road or arising out of breach of the obligations of the Project SPVs under the concession agreements.

In the event the NHAI or a lender invokes any restrictive term or condition in the concession agreements, or the NHAI, a court, or regulator interprets any term or condition in an adverse manner, such invocation or interpretation may materially and adversely affect our business, financial condition and results of operations. For further details on the terms of the concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' Concession Agreements*" on page 152 of this Final Offer Document.

19. We may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees under the concession agreements.

The terms and conditions of the concession agreements are fixed and are not negotiable during the concession period. The Project SPVs' operation and maintenance costs were Rs. 155.94 million, Rs. 1,215.96 million, Rs. 949.68 million and Rs. 858.30 million, respectively, representing 1.93%, 11.66%, 8.93% and 11.35% of the Project SPVs' total expenses and 2.17%, 13.65%, 9.84% and 12.89% of the toll revenue collected (net of revenue share), in each case on a combined historical basis for the financial years 2014, 2015, 2016, and for the nine months ended December 31, 2016, respectively.

The costs of operating and maintaining the Initial Road Assets may increase due to factors beyond the Project SPVs' control, including, among others things:

- increase in the cost of labour, materials and insurance;
- the Project SPVs being required to install interoperable electronic toll-collection systems at their own costs, and integrate their collection or traffic administration systems with that of the NHAI;
- the Project SPVs being required to restore their project roads in the event of any landslides, floods, road subsidence, other natural disasters, accidents or other events causing structural damage or compromising safety;
- increase in electricity tariff rates or other fuel costs resulting in an increase in the cost of energy;
- adverse weather conditions;

- unforeseen legal, tax and accounting liabilities relating to acquired assets; and
- other unforeseen operational and maintenance costs.

In the event that our costs increase, we may be unable to offset such increases with higher revenues by increasing toll fees due to the restrictions of the concession agreements. Any significant increase in operation and maintenance costs beyond the amounts budgeted for by us, or any failure to meet quality standards, may reduce our profits, could expose us to penalties imposed by the concessioning authorities and could have a material, adverse effect on our business, financial condition and results of operations. Such events may also impact the ability of the Project SPVs to service the debt obtained from the Trust and our ability to make distributions to Unitholders. As such, the inability to change the terms and conditions, including the toll fees of the concession during the concession period, may materially and adversely affect our operational and financial flexibility. For further details on the terms of the concession agreements, see the section headed "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets*" on page 155 of this Final Offer Document.

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

Certain terms and conditions in the Project SPVs' concession agreements, financing agreements, and our other approvals require the NHAI's prior written approval to be obtained for one or more of the following actions, among others:

- amendment, modification or replacement by the Project SPV of any project agreements (including financing agreements) relating to the operation of the Initial Road Assets to which the Project SPV is a party if the amendment, modification or replacement of such agreement increases or imposes any financial liability or obligation on the NHAI;
- the creation of any encumbrance or security interest over, or transfer of rights and benefits of the Project SPVs under, the concession agreements or any project agreements;
- the selection or replacement of any operation and maintenance contractor and execution of the operation and maintenance agreements;
- any replacement of the Project Manager. Additionally, any change to the Project Manager will only be to an entity which is equal or better in terms of prescribed operations and maintenance capacity requirements; and
- any change in ownership of any Project SPV during the operation of the Trust.

We have received certain required approvals from the NHAI, subject to certain conditions. For instance, pursuant to an approval dated February 15, 2017, the NHAI granted permission for the transfer of 26% of the equity share capital of MITPL from the Other Shareholders of MITPL to the Sponsor, subject to conditions including, inter-alia, that such transfer shall not have the effect of increasing any financial liability or obligation of the NHAI and shall not jeopardize the interests of the NHAI in any manner, submission of the relevant statutory auditor certificate for utilization of the divestment proceeds and MITPL ensuring that the necessary documentation is in place and is submitted for the review of the NHAI. There can be no assurance that we will be able to comply with such conditions to the satisfaction of the NHAI. For more information, see the section headed "*Legal and Other Information – Government and Other Approvals*" on page 449 of this Final Offer Document.

In a letter dated November 9, 2015, the Sponsor has represented to the NHAI that the Trust is an "associate" or an "affiliate" of the Sponsor and that the transfer of shareholding in each of the Project SPVs from the Sponsor to the Trust would not constitute a change of control of such Project SPV. Accordingly, any future change in the classification of the Trust with respect to the Sponsor, including due to any change in the Investment Manager or the control of the Investment Manager by the Sponsor, may require the consent of the NHAI.

Furthermore, NHAI concession agreements typically require the submission to the NHAI, for its review and comments, all project agreements to which a Project SPV is a party prior to entry, amendment or replacement of such agreements, even if such agreements do not affect the financial liability or obligations of the NHAI.

The restrictions described above may impose constraints on our flexibility to conduct our business. Furthermore, if as a result of these restrictions, we are unable to pursue a favourable course of action or to respond to an unfavourable event, condition or circumstance, then our business, financial condition and results of operations may be materially and adversely affected. For further details on the terms of the concession agreements, see the

section headed "*The Trust's Business – Summary of the Project SPVs' concession agreements*" on page 152 of this Final Offer Document.

21. Leakage of the toll fees on the Project SPVs' roads may materially and adversely affect our revenues and financial condition.

The Project SPVs' toll receipts are primarily dependent on the integrity of toll-collection systems and the willingness of road users to pay toll fees. While each of the Project SPVs has an integrated toll-collection system in place, the level of revenues derived from collection of tolls may be reduced by leakage through toll evasion, theft, fraud or technical defaults in the Project SPVs' toll systems or forced violations by users of the Initial Road Assets. Furthermore, Project SPVs may also, at times, need to allow users of the Initial Road Assets to pass through without paying applicable tolls due to heavy traffic build-up, or may be unable to collect tolls due to political protests or other agitations relating to tolling. In addition, in certain circumstances, the governmental authorities or Indian courts could seek to suspend toll-collection for or during certain periods, in full or in part, on the Initial Road Assets, which suspension would result in a reduction in our revenues. For example, in November 2016, the Government ordered the suspension of toll collection at all national highways for a particular period of time on account of the demonetization of certain high-value currency denominations. Further, toll-collection errors may amount to a loss of revenue as there is an inherent risk of under-collection of toll fees given that most users of toll roads pay in cash. Any significant failure by us to monitor and control leakage in toll-collection systems could have a material, adverse effect on our business, prospects, financial condition and results of operations and our ability to make distributions. See the section headed "*The Trust's Business—Operations*" on page 145 of this Final Offer Document for further details on measures in place to protect the integrity of toll-collection systems.

22. We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust Group.

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

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

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

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

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

Furthermore, concession agreements for future toll-road projects may also contain terms and conditions that are more restrictive than those under the Project SPVs' concession agreements for the Initial Road Assets. These restrictions may restrict our flexibility in managing our business or projects and could in turn materially and adversely affect our business prospects, financial condition and results of operations.

24. The Project SPVs' concessions are illiquid in nature, which may make it difficult for us to realise, sell or dispose of our shareholdings in the Project SPVs.

The Project SPVs' concessions are illiquid in nature, among other reasons, on account of market conditions, the residual periods of the concession agreements, various approvals, consents and confirmations required by the NHAI as per the concession agreements, and a scarcity of disposal options and/or potential acquirers. As a result, it may be difficult for us to realise, sell or dispose of our shareholdings in the Project SPVs at an attractive price, or at the appropriate time, or at all, and such illiquidity may have a material, adverse effect on our market value, business, prospects, financial condition and results of operations.

25. The Project SPVs may be required to undertake certain development of the Initial Road Assets, which may present additional risks to us.

A concession agreement may be revoked by the NHAI if there is any failure by the relevant Project SPV to comply with a material term of the relevant concession agreement, such as the Project SPVs' receipt of final completion certificates. The Project SPVs' receipt of final completion certificates is subject to the completion of all conditions specified in the respective provisional completion certificates, such as the creation of an avenue plantation, the construction of certain portions of a concrete lined drain, the completion of tree plantation, the construction of median gaps, landscaping, the provision of street lights and raising the height of the kerb at specified locations. As on the date of the Final Offer Document, the Surat–Dahisar NH 8 Project, the Tumkur– Chitradurga NH 4 Project, the Omalur–Salem–Namakkal NH 7 Project and the Talegaon–Amravati NH 6 Project have not yet received their final completion certificates. Certain of these activities are subject to the receipt of certain approvals and/or resources from the NHAI and may not be completed prior to the date of the acquisition of such Project SPVs by the Trust. If the Project SPVs are unable to complete the pending items listed in the provisional certificate, the concession agreement may be terminated. For more details of the conditions specified in the Project SPVs' provisional completion certificates, please see the section headed "*Legal and Other Information – Governmental and Other Approvals – Approvals in Relation to the Project SPVs*" on page 451 of this Final Offer Document.

In accordance with the terms and conditions of the concession agreements, should threshold levels of traffic set out in the concession agreements be exceeded, the Project SPVs may be required to undertake certain development of the Initial Road Assets during an extended concession period by way of construction of additional lanes to the Initial Road Assets. While none of the Project SPVs have exceeded the levels of traffic set out in the respective concession agreements and as such, have not been required to undertake certain development of the Initial Road Assets, any future requirement to undertake such development may present additional risks to us. Certain concession agreements may impose penalties or provide for termination of such agreement for late or non-completion of the certain development of the Initial Road Assets.

Our business, financial condition, reputation and results of operations may be materially and adversely affected if the completion of the certain development of the Initial Road Assets and the conditions specified in the provisional completion certificates is delayed or not achieved in the specified manner. There can be no assurance that these will be completed in the time expected, or at all. Further, there is no assurance that all potential liabilities that may arise from delays or shortfall in performance of contractors will be accurately estimated as part of the planned costs of the certain development of the Initial Road Assets or conditions specified in the provisional completion certificates, or that the damages that may be claimed from such contractors will be adequate to compensate any loss of revenues or profits resulting from such delays, shortfalls or disruptions. Such risks may increase if completion is delayed for an extended period. If we fail to manage any of the aforesaid risks or any unforeseen risks effectively, our revenues, profitability and results of operations could be materially and adversely affected. For further details on the events that may require the Project SPVs to undertake certain development of the Initial Road Assets as contemplated under the relevant concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' Concession Agreements"* on page 152 of this Final Offer Document.

26. The Project SPVs may not be able to comply with their maintenance obligations under the concession agreements, which may result in the termination of the concession agreements, the suspension of the Project SPVs' rights to collect tolls or the requirement that the Project SPVs pay compensation or damages to the NHAI.

The Project SPVs are required to undertake maintenance of the Initial Road Assets within periods as specified in the respective concession agreements. There can be no assurance that the Project SPVs will not breach the maintenance obligations under their respective concession agreements on account of the Project Manager's failure to undertake the stipulated maintenance work in a timely manner, or at all.

If the work is not completed by a Project SPV within the period stipulated under the relevant concession agreement and the NHAI deems such delay to be a material breach or material default, then the NHAI has the right to (a) suspend the rights of the Project SPV, including the right to collect tolls and other fees, (b) claim compensation for all direct, additional costs suffered or incurred by the NHAI arising out of such default, or (c) terminate the relevant concession agreement.

If any of the concession agreements is terminated, the right to collect tolls is suspended or any Project SPV is required to pay compensation or damages, our business, financial condition and results of operations may be materially and adversely affected. For further details of the maintenance obligations, suspension and termination events under the concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' Concession Agreements*" and "*Summary of the Concession Agreements*" on page 152 and page 184, respectively, of this Final Offer Document.

27. Our insurance policies may not provide adequate protection against various risks associated with our operations.

The Project SPVs' principal types of insurance coverage include standard fire and special perils insurance, workmen's compensation insurance and money insurance. However, there can be no assurance that all risks are adequately insured against or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

Further, the Initial Road Assets are subject to various risks that we may not be insured against, adequately or at all, including:

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

Further, we are subject to various risks in the operation of the Initial Road Assets, including on account of accidents on the Initial Road Assets. For further details, please see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" on page 420 of this Final Offer Document. Our insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us. We can make no assurance that material losses in excess of insurance proceeds (if any at all) will not occur in the future, which could materially and adversely affect our financial condition, business and results of operations.

28. The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.

The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals

and regulatory authorities. For details of certain material outstanding legal proceedings, see the section headed "*Legal and other Information – Material Litigation and Regulatory Action"* on pages 421, 424, 441, 442 and 444 of this Final Offer Document. There is no assurance that these legal proceedings and regulatory matters will be decided in favour of the respective entities. Decisions in any of the aforesaid proceedings adverse to our interests may have a material, adverse effect on our or their business, future financial performance and results of operations. If the courts or tribunals rule against the Project SPVs, the Sponsor, the Investment Manager, the Project Manager or the Trustee, we or such entities may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase expenses and liabilities. Pursuant to completion of the Formation Transactions, we are responsible for legal proceedings against the Project SPVs. While the Selling Unitholders have provided certain indemnities under the relevant share purchase agreement, there can be no assurance that the relevant Project SPV or the Trust will be able to successfully bring a claim against the Selling Unitholders under the relevant share purchase agreements or that such indemnities will be adequate to satisfy all the losses, damages, costs and expenses suffered by the Trust Group arising from such proceedings or the consequences thereof.

29. ISDTPL has filed claims before the NHAI and governmental entities in relation to certain disputes arising out of the Surat–Dahisar NH 8 Project, which are still pending and may not be decided in ISDTPL's favour.

ISDTPL has received certain notices from NHAI alleging short recovery of revenue share (annual traffic count) for the period between the years 2009 and 2013, and as per the latest notice a payment of Rs. 328.91 million was demanded from ISDTPL. Subsequently, an assessment was carried out by an independent engineer appointed by NHAI and the liability of ISDTPL was assessed to the extent of Rs. 8.38 million. While ISDTPL has paid such amount under protest, it has invoked conciliation proceedings for an amicable settlement under the relevant provisions of the concession agreement entered into between ISDTPL and NHAI. As of December 31, 2016, a gross amount of Rs. 328.91 million has currently been recorded as a contingent liability (including the amount of Rs. 8.38 million already paid by ISDTPL) in the Combined Financial Statements in this regard. If NHAI is successful in claiming the entire amount against ISDTPL, it may lead to a reduction in our profitability for the relevant financial period and adversely affect the trading price of the Units. For further details of these claims, see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" on page 420 in this Final Offer Document.

30. We do not own the "IRB" trademark and logo. Our license to use the "IRB" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.

We do not own the "IRB" trademark and "IRB" logo, which are registered in the name of, and owned by, the Sponsor. However, pursuant to a separate trademark and tradename license, the Sponsor has granted to the Trust, each of the Project SPVs, the Investment Manager and the Project Manager, the non-transferable and non-assignable right to use the IRB trademark as part of their respective corporate names, if applicable, as well as the IRB logo in connection with their respective businesses, on a non-exclusive basis. The license may be terminated under certain circumstances, including upon a change in control of the entity acting as the investment manager of the Trust or if the entity acting as the investment manager of the Trust ceases to be a subsidiary of the Sponsor or its affiliates, if the Sponsor's holding in the Trust falls below 5% or if the Trust and/or the Project SPVs default in any of their obligations towards the Unitholders or any of their obligations towards any of their respective lenders. Upon the termination of any license, the Trust Group will be required to cease the use of the IRB trademark and change its name to remove IRB from its name within 3 months from the date of termination, which may have a material, adverse effect on the operations of the Trust Group and require management's time and attention.

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

We will depend on the availability and skills of third-party employees and contractors pertaining to the operation and maintenance of the Initial Road Assets. We can make no assurance that the services of such third parties will continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the ability of such third parties to obtain requisite approvals for the operation and maintenance activities, as well as the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may materially and adversely affect our overall level of net revenue. We may also be exposed to civil and criminal liability in relation to the actions of other third parties, including our employees and contractors. For details of such civil and criminal proceedings, please see the section headed "*Legal and Other Information – Material*

Litigation and Regulatory Action – Material Litigation and Regulatory Action against the Sponsor" on page 441 of this Final Offer Document. Further, our results of operations could be materially and adversely affected by disruptions caused by strikes, work stoppages, increased wage demands or labour union action by the employees of such third parties. In addition, under certain of the Project SPVs' concession agreements and under NHAI's letter dated April 20, 2017, the consent of the NHAI is required for any selection or replacement of the Project Manager.

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

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

The Project SPVs appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Each of the Project SPVs (other than ITCTPL) has obtained registration as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970 ("**Contract Labour Act**") for certain locations where workmen are employed through contractors or agencies licensed under the Contract Labour Act. ITCTPL has applied for a renewal of its registration under the Contract Labour Act. For details please see "*Government and Other Approvals*" on page 449. Although the Project SPVs do not engage these labourers directly, in the event of default by any independent contractor, such Project SPV may be held responsible for any wage payments that must be made to such labourers. Any violation of the provisions of the Contract Labour Act by a Project SPV may result in penalties pursuant to the provisions of the Contract Labour Act. If any of the Project SPVs are required to pay the wages of the contracted workmen and subjected to other penalties under the Contract Labour Act, the reputation, results of operations, cash flows and financial condition of the Trust could be adversely affected.

33. The Combined Financial Statements presented in this Final Offer Document may not be indicative of the Trust's future financial condition and results of operations.

Our only assets are currently our shareholding in the Project SPVs and any debt financing provided by the Trust to the Project SPVs. We will rely on cash flows from, interest payments, principal repayment, dividends, buybacks of equity shares of the Project SPVs (net of applicable taxes and expenses) from the entities held by us, which initially will comprise the Trust Group, in order to make distributions to Unitholders. For the purpose of this Final Offer Document, the Combined Financial Statements have been prepared so as to present the financial position, results of operations and cash flows of the Project SPVs on a combined historical basis for the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016. The Combined Financial Statements have been prepared for the sole purpose of the Issue and may not necessarily represent our consolidated financial position, results of operations and cash flows had the Trust Group been in existence during the periods presented, nor do they give an indication of our financial results, cash flows and financial position in the future. After the Listing Date, there may be certain changes to our cost structure, level of indebtedness and operations. Our cost structure after the Listing Date may differ in certain significant respects from our cost structure as indicated in the Combined Financial Statements.

Further, for the purpose of preparation of our Combined Financial Statements for the financial years 2014, 2015 and 2016 included in this Final Offer Document and the Revenue, Profit and Cash Flows Projections, the transition date to Ind AS is considered as April 1, 2013 for the Trust Group (for details, see "*Financial Statements – Note 2 – Basis of preparation*"). The financial statements of each of the Project SPVs for the nine months ended December 31, 2016 were prepared in accordance with Ind-AS and were audited by the auditors of the respective Project SPVs considering a transition date of April 1, 2015. The financial statements for such period were then adjusted to consider April 1, 2013 as the transition date to Ind-AS for the purpose of preparation of the Combined Financial Statements. However, going forward, for the purposes of the preparation of our consolidated financial statements after the listing of the Units, the actual transition date to Ind AS will be April 1, 2015, as applicable to the Project SPVs. Accordingly, our Combined Financial Statements may not be comparable with our consolidated financial statements in future periods.

Furthermore, in connection with our acquisition of the Project SPVs, certain of our assets and liabilities will be fair-valued at the time of exchange (which will be done post-Issue) for the purpose of a purchase price allocation exercise required under Ind-AS for financial reporting purposes. No assurance can be given that material changes to our financial statements in future periods will not be required. For further details, see the section headed "*Financial Statements*" on page 289 of this Final Offer Document.

34. Our contingent liabilities could adversely affect our results of operations, cash flows and financial condition.

The following table sets forth certain information relating to our contingent liabilities on a combined basis as on December 31, 2016, per the Combined Financial Statements:

Particulars	**As of December 31, 2016**
	(*Rs. in millions*)
NHAI claim for shortfall in revenue share	328.91
Total	**328.91**

If any of aforementioned contingent liabilities materialise, it could have an adverse effect on our results of operations, cash flows and financial condition. For further details, see the section titled "*Financial Statements*" in this Final Offer Documents.

35. Our actual results may be materially different from the expectations expressed or implied in the Revenue, Profit and Cash Flow Projections and the assumptions in the "Revenue, Profit and Cash Flow Projections" in Annex B to this Final Offer Document are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those projected.

This Final Offer Document contains forward-looking statements regarding, among other things, the projections of revenue, profit and cash flows for Projection Years 2018, 2019 and 2020 for the Trust set out in the section headed "*Revenue, Profit and Cash Flow Projections*" enclosed as Annex B to this Final Offer Document. The Revenue, Profit and Cash Flow Projections are only estimates of possible future operating results and are not guarantees of future performance. The Revenue, Profit and Cash Flow Projections, while presented with numerical specificity, are based on a variety of estimates and assumptions as set out in the section headed "*Revenue, Profit and Cash Flow Projections*" enclosed as Annex B to this Final Offer Document. The Revenue, Profit and Cash Flow Projections may not be realised and, because they relate to future events, are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial risks, uncertainties, contingencies and other factors, many of which are beyond our control. Such risks, uncertainties, contingencies and other factors which may cause the actual results or performance of the Trust Group to be materially different from any future results or performance expressed or implied by the Revenue, Profit and Cash Flow Projections. The actual future results or performance of the Trust Group will be affected by numerous factors, including those discussed in the section headed "*Forward-looking Statements and Financial Projections*" on page 15 of this Final Offer Document and in this "*Risk Factors*" section. Our revenue will be dependent on the cash flows from dividends, buyback of SPV shares, and principal and interest payments (net of applicable taxes and expenses) from the Project SPVs, whose revenue in turn is dependent on a number of factors, including the receipt of toll revenues, which may decrease for a number of reasons including traffic volumes. Accordingly, we cannot assure you that we will be able to achieve the Revenue, Profit and Cash Flow Projections or make the distributions set out in the section headed "*Revenue, Profit and Cash Flow Projections*" enclosed as Annex B to this Final Offer Document.

If we do not achieve the projected operating results, we may not be able to make the expected distributions, in which case the market price of the Units may decline materially. We will not, and disclaim any obligation to, furnish updated business plans or projections to Unitholders, or to otherwise make public such information. As a result, you should not rely upon the Revenue, Profit and Cash Flow Projections in making an investment decision given the possibility that actual results may differ materially from the underlying estimates and assumptions.

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

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

37. Certain Project SPVs' operations and revenue are, currently, geographically concentrated in Gujarat, Maharashtra and other Indian states and consequently we will be exposed to certain risks emanating therefrom.

The Project SPVs' operations and revenues are geographically concentrated in Gujarat and Maharashtra, with projects also in other northern, western and southern states including Rajasthan, Karnataka and Tamil Nadu. Toll revenue generated in Gujarat and Maharashtra represented approximately 37.43% and 22.61%, respectively, of the Project SPVs' toll revenue on a combined historical basis for the financial year 2016. Our business therefore will be significantly dependent on the general economic conditions, market conditions and natural disasters in the states in which we operate, in particular Maharashtra and Gujarat. Any regional slowdown in economic activity in these areas resulting in a reduction in traffic on the Initial Road Assets could materially and adversely affect our business, financial condition and results of operations.

38. The Initial Road Assets are concentrated in the infrastructure sector and toll-road industry in India, and our business could be adversely affected by an economic downturn in that sector or industry.

The Initial Road Assets comprise six operating toll roads in India. Income from toll collection generated by the Initial Road Assets represented approximately 94.44%, 97.22%, 96.12% and 88.68% of the Project SPVs' total income on a combined historical basis for the financial years 2014, 2015, 2016 and for the nine months ended December 31, 2016, respectively. This concentration may expose us to the risk of economic downturns in the infrastructure sector and the toll-road industry to a greater extent than if our assets were more diversified across other industries in the infrastructure sector or other sectors of the economy.

39. Political and other agitations against the collection of tolls may affect our ability to collect tolls over prolonged periods, which could have a material, adverse effect on our business, results of operation and financial condition.

Over the past few years, there have been agitations by political parties and local community members against the collection of tolls on local road and state highway projects across Maharashtra. These agitations have often turned violent and resulted in the destruction of toll-collection booths and other related property. Toll revenue (net of revenue share) generated from the toll plazas situated in Maharashtra represented approximately 17.11%, 20.65%, 23.03% and 22.61% of the Project SPVs' total income on a combined historical basis for the financial years 2014, 2015, 2016 and for the nine months ended December 31, 2016, respectively. If such events spread to the Project SPVs' projects, which are located on the national highways, it may limit our ability to collect tolls over a prolonged period and may have a material, adverse effect on our business, financial condition and results of operations. Further, the Project SPVs' concession agreements provide that in the event that the Project SPVs' ability to collect tolls is disrupted as a result of political and other agitations over a specified period, either party to the concession agreement may terminate the agreement. While the concession agreements provide for a specified payment mechanism in the case of such termination, there can be no assurance that the Project SPVs will receive such payments from the NHAI in a timely manner or at all, or that such payments will be adequate to recover our investment or return, which may materially and adversely affect our business, financial condition and results of operations.

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

Our future success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost-effective and timely basis. In addition, rapid and frequent technology and market-demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-downs of assets. Any failure by us to successfully adopt such technologies in a cost-effective and timely manner could increase our costs. Additionally, governmental authorities may require adherence with certain technologies in the execution of projects and there can be no assurance that we would be able to implement the same in a timely manner, or at all. For instance, pursuant to a circular dated November 21, 2016 issued by the NHAI as a result of demonetization of Rs. 500 and Rs. 1,000 notes by the Government of India, we were recently required to install point of sales systems to facilitate toll collection by November 23, 2016 and make provisions

for prepaid payment instruments/aggregators for toll collection at our toll-roads. Any of the foregoing circumstances could materially and adversely affect our business, financial condition and results of operations.

41. We may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate the Initial Road Assets.

The Project SPVs are required to obtain and maintain certain permits, approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various regulatory and governmental authorities for operating the Initial Road Assets. For further details, please see the section headed "*Legal and Other Information – Government and Other Approvals*" on page 449 of this Final Offer Document. If the Project SPVs and/or the third-party contractor(s) fail to obtain or maintain them, or if there is any delay in obtaining or renewing them, our business, financial condition and results of operations could be materially and adversely affected. Further, these permits, approvals, licenses, registrations and permissions could be subject to several conditions, and we can make no assurance that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities. This could lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of our operations and may materially and adversely affect our business, financial condition and results of operations.

42. Compliance with, and changes in, safety, health and environmental laws and regulations in India may materially and adversely affect our business.

Our business will be subject to environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations in India and requirements under the concession agreements. For further details, please see the section headed "*About the Trust – Regulations and Policies*" on page 219 of this Final Offer Document. Any changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards. If we fail to meet safety, health and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

There can be no assurance that we will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could materially and adversely affect our business, prospects, financial condition and results of operations.

43. The Project SPVs' financing agreements entail interest at variable rates, and any increases in interest rates may adversely affect our results of operations, financial condition and cash flows.

The Project SPVs are susceptible to changes in interest rates and the risks arising therefrom. We expect that certain of such financing arrangements will remain in place after the listing of the Units. Please see the section headed "*Use of Proceeds*" on page 81 of this Final Offer Document for details. These financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. Currently, certain of the Project SPVs' borrowings are at floating rates of interest. Further, under the Project SPVs' financing agreements, the lenders are entitled to change the applicable rate of interest depending upon the policies of the RBI and in the event of an adverse change in the Project SPVs' credit risk rating. Further, in recent years, the Government has taken measures to control inflation, which have included tightening monetary policy by raising interest rates. Any increase in interest rates may have an adverse effect on our results of operations, financial condition and cash flows.

44. The Project SPVs have certain external commercial borrowing facilities that are denominated in U.S. dollars and that are currently outstanding. Exchange rate fluctuations in the currencies of such outstanding borrowings could negatively impact our business, financial condition and results of operations and our ability to pay distributions.

The Project SPVs have certain external commercial borrowing facilities that are denominated in U.S. dollars and that are currently outstanding. The Project SPVs have not entered into any hedging contracts in respect of such external commercial borrowings. Accordingly, exchange rate fluctuations may have an adverse effect on the financial condition of the Project SPVs as a result of variations in the exchange rate compared to exchange rates

prevailing in the previous comparative period, which may impact the ability of such Project SPVs to make distributions to the Trust and accordingly affect the ability of the Trust to make distributions to Unitholders.

45. The Project SPVs are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets.

Various financing agreements that the Project SPVs have entered into with certain banks and financial institutions contain certain restrictive covenants, including, but not limited to, requirements that they obtain consent from the lenders prior to:

- effecting any change in the nature or scope of the project or any change in the financing plan;
- effecting any change in capital structure (including shareholding pattern);
- raising any equity or preference share capital;
- making any capital expenditure other than permitted investments;
- making any dividend payments to the Trust or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- creating of any security interest in any of the secured property;
- incurring any other indebtedness, including the issuance of debentures, other than permitted indebtedness;
- entering into any partnership, profit-sharing or royalty agreement;
- removing any person exercising substantial powers of management over the affairs of the Project SPVs in case of an event of default;
- amending the constitutional documents of the Project SPVs;
- undertaking of any new project or making of any investment or taking any assets on lease;
- providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person, (other than in the ordinary course of business);
- repaying or prepaying any subordinated loan or loans brought in as equity taken by the Project SPVs from the Sponsor;
- creating any subsidiary or permit the Project SPV to become a subsidiary;
- undertaking or permitting any scheme of arrangement or compromise with its creditors or shareholders; and
- changing the composition of the board of directors of any Project SPV.

For more details concerning our lenders' consents, please see the section headed "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" on page 372 of this Final Offer Document. In addition, these restrictive covenants may also affect some of the Trust's rights as the shareholder of the Project SPV and the Project SPV's ability to pay dividends if it is in breach of our obligations under the applicable financing agreement.

In case of any shortfall in project receivables, the relevant Project SPV may need to make good the shortfall from its own sources and/or arrange for the loan to be repaid through revenue shortfall loans from the relevant concession authority. Such financing agreements also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. There can be no assurance that we will be able to secure consents from, and/or negotiate revised terms with, the lenders on terms favourable to the Trust or at all.

Furthermore, financing agreements also contain cross default provisions which could automatically trigger defaults under other financing agreements. Certain lenders are also entitled to accelerate the repayment of the

loans at any time based on the lenders' assessment of the cash flows, subject to any approval required from the concessioning authority.

If the Project SPV is suspended under the concession in relation to any default by such Project SPV, at any time during such suspension, the senior lenders of each Project SPV have the right to request the NHAI to substitute the concessionaire in accordance with the substitution agreement.

Any downgrading of the credit rating of our Project SPVs or the Trust by a credit rating agency or any adverse comment from the statutory auditors of such Project SPV or the Trust may qualify as an event of default under the relevant financing agreements of our Project SPVs. Certain financing agreements also provide the banks and financial institutions with the right to convert amounts due into equity in the event of default, with the approval of the relevant concessioning authority. Certain of these banks and financial institutions also have a right to appoint nominee directors under these financing agreements in the event of default. Pursuant to the provisions of certain loan facilities availed by us, the lenders are entitled to recall the loan at any time on demand or call notice, requiring the borrower to repay (either in full or in part) the amount outstanding on any particular day.

Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition.

46. Shares of the Project SPVs are pledged in favour of lenders, who may exercise their rights under the respective share pledge agreements in the event of default under relevant financing agreements.

Shares of the Project SPVs are pledged in favour of the lenders to such Project SPVs to secure loan facilities obtained by the Project SPVs. 100% of the equity share capital of IDAAIPL, 90% of the equity share capital of ISDTPL and 51% of the equity share capital of ITCTPL, IJDTPL, MITPL and ITATPL have been pledged in favour of their respective lenders. Such pledges were released immediately prior to the transfer of the equity shares from the Selling Unitholders to the Trust and pursuant to the Share Purchase Agreements, are required to be pledged by the Trust in favour of the lenders, immediately after such transfer within such time as specified by the lenders, failing which penalties of up to 1% per annum on the outstanding liability will be charged for any delay.

If there are any defaults in payment or any breach under the relevant financing agreements, the lenders may exercise their right to enforce the security interest under the financing agreements, including by taking ownership of the pledged shares, selling the pledged shares to any third-party purchaser, and exercising voting rights in respect of the pledged shares on any matter at any meeting of the members of the relevant Project SPVs. If any such event occurs, we may not be able to fully recognize revenue attributable to these Project SPVs, if at all. In addition, if we lose ownership or control of any of our Project SPVs, our business, results of operations and financial condition, and our ability to make distributions, would be adversely affected.

47. The Trust will not receive any proceeds from the Offer for Sale. Further, a portion of the investments proposed to be made in the Project SPVs by way of an issue of debt from the proceeds of the Fresh Issue (and proceeds from Oversubscription), are intended to be used to prepay/repay certain loans and advances taken by the Project SPVs from the Sponsor, the Trustee, the GCBRLMs and certain of their respective associates.

The entire proceeds from the Offer for Sale will be received by the Selling Unitholders, and the Trust will not receive any proceeds from the Offer for Sale. Further, a portion of the investments proposed to be made in the Project SPVs by way of an issue of debt from the proceeds of the Fresh Issue (and proceeds from Oversubscription), are intended to be used to prepay/repay certain unsecured loans and advances from the Sponsor, the Trustee, the GCBRLMs and certain of their respective associates. Specifically, loans, advances and subordinated debt from the Sponsor and its associates will be prepaid/repaid in full while loans from the senior lenders (including one of the GCBRLMs and certain associates of the GCBRLMs) of the Project SPVs will be prepaid/repaid either in full or in part. Further, a portion of the Oversubscription Proceeds are proposed to be utilized by MITPL to redeem debentures issued to associates of certain of the GCBRLMs and there can be no assurance that such lenders will consent to early redemption of the debentures, in part or in full, or at all. For further details of the utilization of the Net Proceeds and Oversubscription Proceeds, see the sections "*Use of Proceeds*" and "*Use of Proceeds – Waterfall of Eventual Utilisation*" on pages 81 and 99 of this Final Offer Document. The deployment of the Net Proceeds will be at the discretion of the Investment Manager and is not subject to any monitoring by any independent agency.

Please note that GCBRLMs, the BRLM, their respective material/major associates, the Trustee and its material/major associates have undertaken material/major financial transactions with the Sponsor, the Investment Manager, the Project Manager and/or the Project SPVs as of December 31, 2016. For details of such transactions, please see "*Other Regulatory Disclosures - Material/Major Outstanding Financial Transactions"* on page 454.

48. We have obtained a credit rating of IND AAA for the senior debt of the Trust from India Ratings and Research, assuming the Trust's consolidated "external debt" (including debt availed by InvIT and the Project SPVs from banks and institutions but excluding debt infused by InvIT into the Project SPVs) as on March 31, 2017 would be up to Rs. 10 billion. We have also obtained a credit rating of CARE AAA from CARE Ratings, assuming that the debt exposure of the Trust Group does not exceed Rs. 10 billion after the Listing. Any downgrade of our credit rating may restrict our access to capital and materially and adversely affect our business, financial condition and results of operations.

India Ratings and Research (India Ratings) has assigned the Trust's senior debt a long-term rating of IND AAA, with a stable outlook. This assumes that the consolidated external debt of the Trust would be Rs. 7,704.55 million on March 31, 2017. Please note that the issuer rating assigned by India Ratings is a reflection of the combined credit quality of the underlying assets. India Rating has not rated the Units of the Trust. CARE Ratings has assigned an issuer rating of CARE AAA, with a stable outlook, to the Trust. This rating assumes that the Trust Group's debt exposure does not exceed Rs. 10,000 million post the Issue and such rating is valid until February 21, 2018. Please note that the issuer rating assigned by CARE is an opinion on the general creditworthiness of the Trust. CARE has not rated the Units of the Trust. There can be no assurance that the actual consolidated external debt of the Trust as of March 31, 2017 or the debt exposure of the Trust Group after the Issue, is not greater than or less than the assumptions made by the rating agencies, and this could vary based on the actual debt as of such date and the amounts repaid from the Total Issue proceeds. Ratings reflect the rating agency's opinion of the Trust's ability to meet its external senior financial obligations, including that of the entities under it, *i.e.*, the Project SPVs. Any downgrade of such credit rating would increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business, financial condition and results of operations. In addition, downgrades of such credit rating could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

49. We will enter into related-party transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

We will enter into transactions with related parties. For example, the Trust (acting through the Trustee) and the Investment Manager have entered into the ROFO/ROFR Deed and the Future Assets Agreement with the Sponsor relating to the acquisition of future assets by the Trust. The procedure with respect to such related party transactions is subject to modification by law, which may have a material, adverse effect on the Trust. Further, there can be no assurance that we could not achieve more favourable terms had such transactions been entered into with unrelated parties. The transactions that we will enter into may involve conflicts of interest which may be detrimental to us. See the section headed "*Related Party Transactions*" on page 238 of this Final Offer Document. There can be no assurance that such transactions, individually or in the aggregate, will not have a material, adverse effect on our business, financial condition and results of operations, including because of potential conflicts of interest or otherwise.

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

50. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust.

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

We will also rely on the Sponsor to comply with its obligations under the various transaction agreements to which it is a party, including the ROFO/ROFR Deed and the Future Assets Agreement. Pursuant to the ROFO/ROFR Deed and the Future Assets Agreement, the Sponsor has provided us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are held or which may be acquired or developed by the Sponsor and its existing or future subsidiaries. In addition, we expect to rely on the Sponsor's expertise in executing BOT projects in case of any additional work which we may be required to carry out for any of the Project SPVs or other assets. In the event that the Sponsor does not continue to focus on the infrastructure development sector or the toll-road industry, does not add road assets to its portfolio, does not source new projects effectively or at all or terminates the ROFO/ROFR Deed and/or the Future Assets Agreement, we may not be able to acquire new projects from the Sponsor, which may have a material, adverse effect on our business strategy, financial condition and results of operations.

51. The ROFO/ROFR Deed and the Future Assets Agreement will terminate in certain circumstances and shall be subject to the terms of the concession agreement and applicable law.

The rights of the Trust under the ROFO/ROFR Deed and the Future Assets Agreement are effective as at the date of listing of the Units, but the ROFO/ROFR Deed and the Future Assets Agreement may be terminated, subject to approval of Unitholders, if any of the following events occur:

- there is mutual consent of the parties to the ROFO/ROFR Deed, or the Future Assets Agreement, in writing;
- the Investment Manager and/or any entity Controlled or designated by the Sponsor ceases to be the Investment Manager of the Trust; and
- if the Trust ceases to be listed on the BSE, the NSE or any other recognized stock exchanges.

The rights of the Trust (acting through the Trustee and the Investment Manager) and the obligations of the Sponsor under the ROFO/ROFR Deed and the Future Assets Agreement will also be subject to compliance with the terms of the relevant concession agreements (and the consent of the NHAI, if applicable) and applicable laws. The transfer of the shares in such future toll roads may also require approvals from other governmental authorities, lenders or other relevant third parties. There can be no assurance that such approvals will be granted in time or at all. There can also be no assurance that the laws applicable at the time of the proposed transfer will not require compliance with any additional conditions by the Trust, the Sponsor or such toll road. The Trust will not be able to benefit from the ROFO/ROFR Deed or the Future Assets Agreement if the conditions to the ROFO/ROFR Deed or the Future Assets Agreement remaining in full force and effect are not satisfied. The termination of the ROFO/ROFR Deed or the Future Assets Agreement will adversely affect the Trust's ability to implement its acquisition growth strategy.

52. The Sponsor is a listed company and operates other road assets, and anything that impacts the business, results of operations and trading price of the Sponsor's equity shares may have a material, adverse effect on the Trust and the trading price of the Units.

The Sponsor has been listed on the Stock Exchanges since 2008. Excluding the toll-road assets that were transferred to the Trust pursuant to the Formation Transactions, as of December 31, 2016, the Sponsor had 16 road projects, of which eight were "operational", five were "under construction" and three were "under development". We entered into the ROFO/ROFR Deed and the Future Assets Agreement with the Sponsor, pursuant to which the Sponsor has provided us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are owned or which may be acquired or developed by the Sponsor or its existing or future subsidiaries. Because of our relationship with the Sponsor, its existing toll- road assets and its future toll-road assets, anything that impacts the business, results of operations and trading price of the Sponsor's equity shares may have a material, adverse effect on the Trust and the trading price of the Units.

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

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

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

There is no assurance that the Investment Manager will be able to implement these strategies successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The Investment Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, partial award of concessions or licenses favouring local or other competitors of the Trust, changes in the Indian regulatory or legal environment or macro-economic conditions. If the Investment Manager is unable to implement these strategies successfully or expand our portfolio, we will nonetheless be required to pay the Investment Manager an annual management fee of not less than Rs. 100.00 million, exclusive of taxes, in accordance with the terms of appointment of the Investment Manager.

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

Further, the project management/operating and maintenance expenses associated with a toll road asset are primarily based upon the actual wear-and-tear of the road, and depend upon a number of factors like climatic conditions during the year, quantum of rainfall, ability of maintenance team to control and repair damages at an early stage, quality of construction, etc. While such operating and maintenance expenses may be estimated based on prevailing rates, as have been provided in the Traffic Reports that have been included as Annex C to this Final Offer Document, the actual operating and maintenance expenses for each of the Project SPVs vary each year based on actual wear-and-tear of the underlying toll road and other exigencies.

Accordingly, the fees payable to the Project Manager (which are on the basis of estimates for each ensuing year) may vary each year based upon the operating and maintenance work that is actually required to be undertaken by the Project Manager with respect to each of the Project SPVs, and accordingly, cannot be a flat rate or decided upfront for all periods. Additionally, any such payment of fees will be in the nature of a related party transaction and the approval of public Unitholders will be required prior to making such a payment to the Project Manager. For further information, please see "*About the Trust – Background and Structure of the Trust – Fees and Expenses*" on page 136 of this Final Offer Document.

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

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

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

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of the Trust, (b) overseeing the activities of the Project Manager, (c) investing and declaring distributions in accordance with the InvIT

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

Risks Related to India

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

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

For example, the Government is seeking the views of the concerned ministries on the draft Regulatory Authority for Highways in India Bill, 2013. The draft Bill proposes to, *inter alia*, give adjudicatory powers to a proposed regulator (independent of the NHAI) in areas such as contract dispute resolution, enforcement of contractual provisions and renegotiation of future contracts. In addition, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "**Land Acquisition Act 2013**") came into force with effect from January 1, 2014. The Land Acquisition Act 2013 provides for certain restrictions on land acquisition and also provides for certain rehabilitation and resettlement benefits to every family affected by an acquisition. The Rights to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement (Social Impact Assessment and Consent) Rules, 2014 were notified by the Ministry of Rural Development on August 8, 2014.

57. The Government of India has recently implemented certain currency measures which may affect the Indian economy and our business, results of operations, financial condition and cash flows.

In response to the rising incidence of counterfeit currency notes and money illegally obtained and/or not declared for tax purposes, or black money, the Government of India and the RBI issued notifications stating that currency notes in denominations of Rs. 1,000 and Rs. 500 ceased to be legal tender with effect from November 9, 2016. Holders of such currency notes have been required to deposit such notes with bank branches and post offices or use them for only specified activities until time periods specified by the Government of India. Limits have also been imposed on the exchange or withdrawal from bank accounts and ATMs of valid currency notes for a specified period of time.

While new currency notes in denominations of Rs. 2,000 and Rs. 500 have been introduced, the immediate impact of these measures has been a decrease in cash liquidity among the public in India. The effects of these measures in the long term are unclear, but may include a negative impact on the country's GDP growth rate. Any slowdown in the Indian economy may adversely affect our business, results of operations, financial condition and cash flows.

As part of these measures, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization (the "**NHAI Circulars**").

The Project SPVs have claimed compensation from the NHAI for toll loses during this period in an aggregate amount of Rs. 512.08 million, which claim amount has been recognized as revenues for the nine-months ended December 31, 2016. The NHAI has paid the Project SPVs an amount of Rs. 80.05 million as compensation prior

to December 31, 2016 and the remaining amount of Rs. 432.03 million has been accounted for as a receivable as of December 31, 2016. We have also received a part of this amount from the NHAI post– December 31, 2016. However, there can be no assurance that the entire amount recognized as a receivable will be paid to the Project SPVs and we may be required to write-off this amount in part or in full in our profit and loss accounts in the future.

The Project SPVs have also claimed to the NHAI that they are eligible for an extension in the concession period for the same number of days during which there was temporary suspension of toll collection. The Project SPVs have also made an application to the NHAI for adjustment of premium payable in an amount of Rs. 174.93 million, as compensation for loss in toll revenue. The NHAI Circulars term this suspension of toll collection as a force majeure event and specify reimbursement of costs based on certain guidelines. The extension of the concession period and the adjustment of premium payable have not been specifically identified as reimbursements in the NHAI Circulars. There is no assurance that the Project SPVs will get any extension of concession period or adjustment of premium payable.

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

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

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

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

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

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

60. Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have a material, adverse effect on our business.

The Trust is registered in India, and all of our assets are located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and saving conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- the balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- annual rainfall which affects agricultural production; and
- other significant regulatory or economic developments in or affecting India or its infrastructure sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have a material, adverse effect on our business, financial condition and results of operations and the price of the Units.

Furthermore, the Indian economy and Indian financial market are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have a material, adverse effect on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability, including any instability related to the decision of the United Kingdom to exit the European Union, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

61. If the rate of Indian price inflation increases, our results of operations and financial condition may be materially and adversely affected.

An increase in inflation in India could cause a rise in our operation and maintenance costs. If this continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

62. Our performance is linked to the stability of policies and the political situation in India.

The Government and State Governments have traditionally exercised, and continue to exercise, significant influence over many aspects of the economy. Our business, and the market price and liquidity of the Units, may be affected by interest rates, changes in governmental policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive governments have pursued policies of economic liberalisation and financial sector reforms. The current Government continues India's current economic and financial sector liberalisation and deregulation policies. However, there can be no assurance that such policies will be continued and a significant change in the Government's policies in the future could affect business and economic conditions in India and could also materially and adversely affect our business, financial condition and results of operations.

Any political instability in India may materially and adversely affect the Indian securities markets in general, which could also materially and adversely affect the trading price of the Units. Any political instability could delay the reform of the Indian economy and could have a material, adverse effect on the market for the Units. Protests against privatization could slow down the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting companies in the road infrastructure sector, foreign investment, currency exchange rates and other matters affecting investment in our Units could change as well. A significant change in India's economic liberalisation and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

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

We are subject to regulatory restrictions in relation to our debt financing and refinancing. We may from time to time require debt financing and refinancing to carry out the Investment Manager's investment strategy. In the event that we undertake debt financing or refinancing, we may be limited by Indian law as to the form of financing or refinancing that we may undertake. As a trust, we may be unable to access certain debt capital available to companies. For example, as a Trust, we cannot issue debentures under the current regulatory framework.

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

We may also be subject to certain covenants in connection with any future borrowings that may limit or otherwise materially and adversely affect our operations and our ability to make distributions to Unitholders, such as covenants restricting our ability to acquire assets or undertake other capital expenditure, requirements to set aside funds for maintenance or repayment of security deposits or requirements to maintain certain financial ratios. For further details, please see the section headed "*Financial Indebtedness*" on page 369 of this Final Offer Document.

Furthermore, if prevailing interest rates or other factors at the time of financing or refinancing (including changes in market conditions and maturity term imposed by any lenders) result in higher interest rates, the interest expense may be significant and may have a material and adverse effect on our cash flow and the amount of distributions available to Unitholders.

64. Our ability to raise additional debt capital may be constrained by Indian law.

Indian entities are subject to regulatory restrictions in relation to borrowing in foreign currencies, including restrictions in relation to eligibility, amount of borrowings which may be incurred, end-use and creation of security, and may require the prior approval of Indian regulatory authorities. Such restrictions could limit our ability to raise financing on competitive terms and refinance existing indebtedness. Additionally, our ability to borrow money against the security of our immovable assets in India is subject to the FEMA and exchange control regulations in India and may require the prior approval of the Indian regulatory authorities. There can be no assurance that any approval required to raise borrowings will be granted without onerous conditions, or at all. Such limitations on debt may have a material, adverse effect on our business growth, financial condition, cash flows and results of operations.

As per the InvIT Regulations, the aggregate consolidated borrowings and deferred payments of an infrastructure investment trust cannot exceed 49% of the value of the assets. Further, as an Indian trust, we are subject to exchange controls that regulate borrowing in foreign currencies. As per the ECB Master Directions, overseas borrowing by an infrastructure investment trust is permitted subject to the conditions and limits contained therein.

Such regulatory restrictions limit our financing sources for projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. For example, as a Trust, we cannot issue debentures under the current regulatory framework. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have a material, adverse effect on our business growth, financial condition and results of operations.

65. Any downgrading of India's sovereign debt rating by a domestic or international rating agency could materially and adversely affect our ability to obtain financing and, in turn, our business and financial performance.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside of our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may materially and adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which any such additional financing is available. This could have a material, adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Units.

66. There could be other external factors that are beyond our control, which may have a material adverse impact on our business, financial condition and results of operations if they materialise.

The following external risks may have a material adverse impact on our business, financial condition and results of operations should any of them materialise:

- civil unrest, riots, protests, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets, which could impact our business;
- natural disasters in India such as earthquakes, tsunamis, floods and droughts may disrupt or materially and adversely affect the Indian economy, on which our business depends, or cause us to suffer losses arising from damage to the Initial Road Assets; and
- the outbreak, or perception of an outbreak, of an infectious disease in Asia (including in India) and elsewhere, together with any resulting travel restrictions or quarantines, could reduce traffic volumes and materially and adversely affect our business and financial results.

67. It may not be possible for Unitholders to enforce foreign judgements.

The Trustee, the Investment Manager and the Sponsor are incorporated in India and the Trust is settled and registered in India. All of our assets are located in India and we may, from time to time, invest in toll roads in India. Where investors wish to enforce foreign judgements in India, where our assets are or will be located, they may face difficulties in enforcing such judgements. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. India exercises reciprocal recognition and enforcement of judgements in civil and commercial matters with a limited number of jurisdictions, including Singapore. In order to be enforceable, a judgement obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Code of Civil Procedure, 1908 ("**Civil Code**"). Furthermore, the Civil Code only permits enforcement of monetary decrees not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgement. Judgements or decrees from jurisdictions not recognised as a reciprocating territory by India cannot be enforced or executed in India except through a fresh suit upon judgement. Even if we or a Unitholder were to obtain a judgement in such a jurisdiction, we or it would be required to institute a fresh suit upon the judgement and would not be able to enforce such judgement by proceedings in execution. In addition, the party which has obtained such judgement must institute the new proceedings within three years of obtaining the judgement. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a judgement rendered by a foreign court if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI to repatriate outside India any amount recovered pursuant to the execution of the judgement.

Consequently, it may not be possible to enforce in an Indian court any judgement obtained in a foreign court, or effect service of process outside of India, against Indian companies, their directors and executive officers, and any

other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgement will be disposed of in a timely manner.

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

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

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

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

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

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

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

Risks Related to Ownership of the Units

69. Unitholders should consider the impact of U.S. Foreign Account Tax Compliance Act withholding.

Pursuant to Sections 1471 to 1474 of the Internal Revenue Code of 1986 and the regulations promulgated thereunder ("**FATCA**") if (i) we become a "participating foreign financial institution" and (ii) our Units are not treated as "regularly traded on an established securities market" within the meaning of FATCA, then we and other financial institutions through which payments are made may be required to withhold tax at the rate of 30% on all or a portion of distributions paid after December 31, 2016 (at the earliest) which are treated as "foreign pass-thru payments" to an investor or any other non-U.S. financial institution through which payment on the Units is made that is not in compliance with FATCA or does not provide us (or other relevant intermediary) information sufficient to determine whether the investor is subject to withholding under FATCA. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our Units.

70. U.S. holders should consider the impact of the "passive foreign investment company" rules in connection with an investment in the Units.

A non-U.S. corporation will be treated as a passive foreign investment company ("**PFIC**"), for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of the value of its gross assets during the taxable year (based on the average of the fair market values of the assets determined at the end of each quarter in such taxable year) are "passive assets", which generally means that they produce passive income or are held for the production of passive income.

Although not free from doubt, we do not believe that we should be treated as, and do not expect us to become, a PFIC for U.S. federal income tax purposes. However, no assurance can be given that we will not be considered a PFIC in the current or future years. The determination whether or not we are a PFIC is a factual determination that is made annually (after the close of each taxable year) based on the types of income we earn and the value of our assets. If we were currently or were to become a PFIC, U.S. holders of Units would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

71. The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.

The Trust is an irrevocable trust registered under the Registration Act and it may only be extinguished (i) if it is impossible to continue with the Trust or if the Trustee, on the advice of the Investment Manager, deems it impracticable to continue with the Trust; (ii) on the written recommendation of the Investment Manager and upon obtaining the prior written consent of such number of the Unitholders as is required under the InvIT Regulations; (iii) if the Units of the Trust are delisted from the Stock Exchanges; (iv) if the SEBI passes a direction for the winding up of the Trust or the delisting of the Units; or (v) in the event the Trust becomes illegal. Under the Indenture of Trust, in the event of dissolution, the net assets of the Trust, remaining after settlement of all liabilities, and the retention of any reserves which the Trustee deems to be necessary to discharge contingent or unforeseen liabilities, shall be paid to the Unitholders. Should the Trust be dissolved, depending on the circumstances and the terms upon which assets of the Trust are disposed of, there is no assurance that a Unitholder will recover all or any part of his investment.

72. The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India.

The InvIT Regulations, along with the guidelines and circulars issued by the SEBI from time to time, govern the affairs of infrastructure investment trusts in India. However, as compared to the statutory and regulatory framework governing companies that have listed their equity shares upon a recognized stock exchanges in India, the regulatory framework applicable to infrastructure investment trusts is relatively nascent and thus, still evolving. While the InvIT Regulations were notified with effect from September 26, 2014, the guidelines and procedures in relation to a public issue of units by an infrastructure investment trust were only notified by SEBI recently (by way of circular no. CIR/IMD/DF/55/2016 dated May 11, 2016). Further, pursuant to a circular dated November 29, 2016, the SEBI has prescribed certain continuous disclosure requirements that will be applicable to the InvIT after Listing.

Accordingly, the ongoing disclosures made to Unitholders under the InvIT Regulations may differ from those made to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the rights of the Unitholders may not be as extensive as the rights of the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India, and accordingly, the protection available to the Unitholders may be more limited than those available to such shareholders.

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

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

We are not required to offer pre-emptive rights to existing Unitholders when issuing new Units. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Units.

74. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.

Fluctuations in the exchange rates between the Indian Rupee and other currencies will affect the foreign currency equivalent of the Indian Rupee price of the Units. Such fluctuations will also affect the amount that holders of the Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Indian Rupees by us on the Units, and any proceeds paid in Indian Rupees from any sale of the Units in the secondary trading market.

75. Unitholders are unable to require the redemption of their Units.

Unitholders will not have the right to redeem Units or request or require the redemption of Units by the Investment Manager while the Units are listed on the Stock Exchanges, although the Indenture of Trust provides that the Investment Manager may repurchase Units at its sole discretion if it has obtained the prior approval of Unitholders in a general meeting by passing an ordinary resolution in accordance with the Indenture of Trust but subject to other requirements of the relevant laws, regulations and guidelines imposed by authorities in India.

76. The Trust does not have any similar and comparable listed peer which is involved in same line of business for comparison of performance and, therefore, investors must rely on their own examination of the Trust for the purposes of investment in the Issue.

As of the date of this Final Offer Document, there are no other infrastructure investment trusts which are listed on the Indian stock exchanges and, accordingly, we are not in a position to provide comparative analysis of our performance with any listed company. Therefore, investors must rely on their own examination of the Trust for the purposes of investing in the Units.

77. The Units have never been publicly traded and the listing of the Units on the Stock Exchanges may not result in an active or liquid market for the Units.

There is no public market for the Units prior to the Total Issue and an active public market for the Units may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, that there will be liquidity of that market for the Units. Accordingly, prospective Unitholders should view the Units as illiquid and must be prepared to hold their Units for an indefinite length of time.

78. The price of the Units may decline after the Issue.

The Issue Price has been determined by the Investment Manager in consultation with the GCBRLMs and the BRLM. The Issue Price may not be indicative of the market price of the Units upon completion of the Total Issue. The market price of the Units may also be highly volatile and could be subject to wide fluctuations. If the market price of the Units declines significantly, investors may be unable to resell their Units at or above their purchase price, if at all. There can be no assurance that the market price of the Units will not fluctuate or decline significantly in the future. The market price of the Units will depend on many factors, including, among others:

- the perceived prospects of our business and investments and the market for toll roads and other infrastructure projects;
- differences between our actual financial and operating results and those expected by investors and analysts;
- the perceived prospects of future toll roads and other infrastructure projects that may be added to our portfolio in accordance with our investment mandate;
- changes in research analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of our assets;
- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Indian business trusts market;
- any changes to the regulatory system, including the tax system, both generally and specifically in relation to India business trusts;
- the ability of the Investment Manager to implement successfully its investment and growth strategies;
- foreign exchange rates;
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets;
- variations in our quarterly operating results;
- difficulty in assessing our performance against either domestic or international benchmarks, as there are few listed comparables;
- publication of research reports about us, other road businesses, the road industry in general or other relevant sectors, or the failure of securities analysts to cover the Units after the Total Issue;
- additions or departures of key management personnel of the Trust and/or the Trust Group;
- changes in the amounts of our distributions, if any, and changes in the distribution payment policy or failure to execute the existing distribution policy;
- actions by Unitholders;
- changes in market valuations of similar business entities or companies;
- announcements by us or our competitors of significant contracts, acquisitions, disposals, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community; and
- changes or proposed changes in laws or regulations affecting the road industry and infrastructure development in India or enforcement of these laws and regulations, or announcements relating to these matters.

To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of the Units. Our failure to meet market expectations with regard to future earnings and cash distributions may materially and adversely affect the market price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in the Trust.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested, in full or in part. If the Trust is extinguished, it is possible that investors may lose a part or all of their investment in the Units.

79. Any future issuance of Units by us or sales of Units by the Sponsor or any of other significant Unitholders may materially and adversely affect the trading price of the Units.

Any future issuance of Units by us could dilute investors' holdings of Units. Any such future issuance of Units may also materially and adversely affect the trading price of the Units, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Units. In addition, any perception by investors that such issuances might occur could also affect the trading price of the Units.

Upon completion of the Total Issue, 87,080,000 Units (constituting 15.00% of the total number of Units issued after the completion of the Total Issue) will be held by the Sponsor. The Sponsor and the other Selling Unitholders have agreed with the GCBRLMs and the BRLM that they are subject to a lock-up arrangement. For more details, please see the section headed "*About the Trust – Leverage – Lock-in Restrictions*" on page 236 of this Final Offer Document.

Units will be tradable on the Stock Exchanges. If the Sponsor (following the lapse of its lock-up arrangements or pursuant to any applicable waivers), directly or indirectly, sells or is perceived as intending to sell a substantial number of its Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be materially and adversely affected. These sales may also make it more difficult for us to raise capital through the issue of new units at a time and at a price we deem appropriate.

80. Our rights and the rights of the Unitholders to recover claims against the Investment Manager or the Trustee are limited.

Under the Investment Management Agreement, the Investment Manager is not liable for, among other things, any action or omission, if it has carried out its duties and exercised its powers with reasonable skill and care expected of an investment manager (except in the case of fraud, negligence or wilful misconduct). Pursuant to the Indenture of Trust, the Trustee is not liable for anything done or omitted to be done or suffered by the Trustee in good faith. Further, the Trustee is not liable for any action or omission that results in any depletion in the value of the trust fund and consequent losses of the Unitholder, except in situations where such depletion is a result of the gross negligence or wilful default on the part of the Trustee. The Investment Management Agreement provides that the Investment Manager is entitled to be indemnified out of the Trust Fund against all taxes and other liabilities, claims, costs, losses, damages and expenses (including reasonable attorney's fees and costs) ("**Losses**") incurred in connection with the Trust, unless arising out of gross negligence, dishonest acts or commissions or omissions, wilful misfeasance, reckless disregard of duty or breach of duties under the Investment Management Agreement. As a result, the Trust's rights and the rights of the Unitholders to recover claims against the Investment Manager are limited. Furthermore, recourse to the Trustee may be limited under the Indenture of Trust. The Indenture of Trust provides for the indemnification of the Trustee and the Investment Manager for all Losses, except Losses incurred due to any gross negligence, default, breach of duty or trust, or a failure to show a requisite degree of diligence and care. Accordingly, the liability of the Investment Manager and the Trustee are limited under the terms of these agreements and the Unitholders may not be able to recover claims against the Trustee or the Investment Manager, including claims with respect to any offer documents relating to the Total Issue.

Further, pursuant to the Indenture of Trust, the Trustee is not under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceeding or claim, which in its opinion might involve it in expense or liability that exceeds the value of the fund. The Trust (acting through the Trustee) and the Investment Manager intend to apply the proceeds of the Issue towards the objects set out in this Final Offer Document. Accordingly, the Trust Fund may not be sufficient to recover claims, including claims with respect to any offer documents in relation to the Total Issue.

81. Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions.

The Indenture of Trust and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, fiduciary duties and liabilities, and Unitholders' rights may differ from those that would apply to a company in India or a trust in another jurisdiction. Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions. See the section headed "*Rights of Unitholders*" on page 260 of this Final Offer Document.

Risks Related to Tax

82. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations.

The Government has proposed a comprehensive national goods and services tax ("**GST**") regime that will combine taxes and levies by the Government and State Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, there can be no assurances as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain State Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the General Anti-Avoidance Rules ("**GAAR**") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to the Trust or any member of the Trust Group, it may have a material adverse tax impact on the Trust Group.

The Investment Manager has not determined the impact of such proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

83. Some of our roads assets enjoy certain benefits under Section 80-IA of the Income Tax Act and any change in these tax benefits applicable to us may materially and adversely affect our results of operations.

Currently, surface transport infrastructure development projects, including toll-road concession projects, enjoy certain benefits under Section 80-IA of the Income Tax Act. In accordance with and subject to the condition specified in this section, the Project SPVs are entitled to certain benefits for all of the operational infrastructure projects and would be entitled to a deduction of 100% of the profits derived from the development or operation and maintenance or development, operation and maintenance of the toll roads for any 10 consecutive tax assessment years out of 20 years, beginning from the year in which the Project SPV develops and begins to operate the infrastructure facility. The incentives for Section 80-IA of the Income Tax Act are available for a period of 10 consecutive tax years out of a block of 20 years from the year of commencement of operations. However, the Project SPVs would be liable to pay tax on their respective book profits under the MAT Provisions at the rate of 18.5% (plus applicable surcharge and cess). When the tax incentives expire or terminate, our tax liability may increase, thereby impacting our profitability. Further, the India tax authorities may disallow the deduction availed if the conditions specified are not complied with or the computation of the profits and gains of the eligible business is not in accordance with the manner prescribed and there is no assurance that such projects will continue to enjoy the tax benefits. This may affect the overall tax liabilities of the Project SPVs and result in significant additional taxes becoming payable thereby resulting in a material, adverse effect on our business, financial condition, cash flows and results of operations and consequently may have a material, adverse impact on our distributions.

84. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For instance, while the Investment Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, there is no assurance that the tax authorities will not take a position that differs from the position taken by us with regard to our tax treatment of various items. Any of the above events may result in a material, adverse effect on our business, financial condition, results of operations and/or prospects and our ability to make distributions to the Unitholders.

85. Entities operating in India are subject to a variety of Government and State Government tax regimes and surcharges and changes in legislation or the rules relating to such tax regimes and surcharges could materially and adversely affect our business.

Tax and other levies imposed by the Government and State Governments that affect our liability include: (i) income tax; (ii) wealth tax (which was withdrawn with effect from January 1, 2016) (iii) excise duty; (iv) value added tax/central sales tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. In some cases, these taxes and other levies may be changed from year to year and the Indian courts which interpret tax legislation may apply such interpretations with retroactive effect. Also, the Government in certain situations has the authority to change tax laws retrospectively. In lieu of certain indirect tax legislation, the GST is proposed to be introduced in India and may have significant but as yet unknown consequences for us.

In addition, the Income Tax Act contains a provision in respect of the GAAR indicating that these rules have been made effective from April 1, 2017. GAAR is a broad set of provisions which grant powers to India tax authorities to invalidate any arrangement for tax purposes if the main purpose of entering into the transaction by the tax payer is to obtain a tax benefit. Besides the "tax benefit", the transaction should meet any one of the following specified additional tests:

- creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length;
- results, directly or indirectly, in the misuse, or abuse, of the provisions of the Income Tax Act;
- lacks commercial substance or is deemed to lack commercial substance as prescribed under the Income Tax Act in whole or in part; and
- is entered into, or carried out, by means which are, or in a manner which is, not ordinarily employed for bona fide purposes.

Such transactions are declared as impermissible avoidance arrangements and the consequence in relation to tax arising from such arrangements, including denial of a tax benefit or a benefit under a tax treaty, shall be determined according to the circumstances of the case. The Rules notified with respect to GAAR prescribe that these shall not be applicable to FIIs in accordance with the SEBI (Foreign Institutional Investors) Regulations, 1995 subject to the fulfilment of certain conditions. GAAR, once effective, may have a material adverse tax impact on the Trust Group and the Unitholders.

Any increase in the rates of corporate income tax, dividend distribution tax, withholding tax on payment of interest or MAT, any changes to tax holidays, deductions, tax depreciation and other sections of the Income Tax Act and any introduction of new taxes or withdrawal of any exemption could materially and adversely affect the Project SPVs and may have a material, adverse effect on the business, financial condition, results of operations, and/or prospects of the Project SPV, which may in turn have a significant and material impact on distributions to be made by the Project SPVs. Under the Income Tax Act, no deduction is allowed on expenditure (including interest) which is not incurred for the purpose of a business or earning income, or is incurred for earning a tax- exempt income, in computing the taxable income of the Project SPVs. In the event that any such deduction is not allowed, tax may be levied at the prevailing tax rates on the amount of disallowance, together with interest on the tax payable. Further, with effect from April 1, 2017, the penalty for under-reporting of the income shall be a sum equal to (a) 50% of the amount of tax payable or, (b) in cases where the under-reporting of income is a consequence to any misreporting the penalty is two times the amount of tax payable.

86. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units.

Under current Indian tax laws, capital gains arising from the sale of Units in an Indian Trust are generally taxable in India. Any gain realized on the sale of listed Units on a stock exchange held for more than 36 months will not be subject to capital gains tax in India if STT has been paid on the transaction. Further, gains realized on the sale of listed Units on a stock exchange held for less than 36 months will be subject to capital gains tax in India even if STT is paid. STT will be levied on and collected by a domestic stock exchange on which the Units are sold. Any gain realized on the sale of the Units held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long- term capital gains tax in India. Further, any gain realized on the sale of listed Units held for a period of 36 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Units will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between

India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Units. The above statements are based on the current tax laws.

SECTION III – INTRODUCTION

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from:

a) the Combined Financial Statements, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS, as of and for the financial years ended March 31, 2014, 2015, 2016, and the nine month period ended December 31, 2016;

b) the consolidated financial statements of the Sponsor, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2014, 2015, 2016; and

c) the standalone financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2014, 2015, 2016.

There are significant differences between Ind-AS and Indian GAAP. Accordingly, the degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind-AS, Indian GAAP, the Companies Act, and the InvIT Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind-AS, Indian GAAP, the Companies Act, the InvIT Regulations on the summary financial information presented herein below should accordingly be limited.

The summary financial information derived from the Combined Financial Statements, as presented herein below, should be read in conjunction with the Combined Financial Statements, the notes thereto and the sections "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 289 and 348, respectively.

A. Summary Combined Financial Statements of the Project SPVs

I. Combined Summary Statement of Assets and Liabilities

Sr. No.	Particulars	As at December 31, 2016 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
	ASSETS				
(1)	**Non-current assets**				
a.	Property, plant and equipment	12.01	12.52	13.99	41.17
b.	Other Intangible assets	1,26,846.99	1,29,882.32	1,34,149.13	1,35,805.98
c.	Intangible assets under development	46.81	41.26	16.43	3,122.86
d.	Financial assets				
	i) Investments	0.04	0.04	0.09	0.10
	ii) Loans	6.54	533.91	482.87	435.92
	iii) Other receivables	-	-	-	0.33
e.	Deferred tax assets	366.93	366.93	492.41	447.77
f.	Other non-current assets	2.11	5.32	10.64	29.74
		1,27,281.43	**1,30,842.30**	**1,35,165.56**	**1,39,883.87**
(2)	**Current Assets**				
a.	Financial assets				
	i) Investments	121.16	0.05	0.02	0.21
	ii) Trade receivables	453.90	18.09	24.58	33.05
	iii) Cash and cash equivalent	477.35	579.41	824.04	725.37
	iv) Bank balance other than above (iii)	1,104.76	1,026.79	984.34	1,012.68
	v) Loans	1,987.64	1,903.92	1,252.61	0.98
	vi) Other receivables	116.08	130.18	153.03	170.89
b.	Current tax assets (net)	27.81	32.04	22.19	34.73
c.	Other current assets	83.92	90.41	42.75	106.94
		4,372.62	**3,780.89**	**3,303.56**	**2,084.85**
	Total assets	**1,31,654.05**	**1,34,623.19**	**1,38,469.12**	**1,41,968.72**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital	11,145.64	11,145.64	11,145.64	11,116.24
	Subordinated debt (in nature of equity)	6,985.00	6,985.00	6,985.00	6,955.60
	Other equity	22.27	151.80	916.15	2,155.60
	Total equity	**18,152.91**	**18,282.44**	**19,046.79**	**20,227.44**
	Liabilities				
(1)	**Non-current liabilities**				
a.	Financial liabilities				
	i) Borrowings	33,257.10	36,552.04	38,681.66	40,069.05
	ii) Other financial liabilities	62,543.44	66,626.27	68,673.01	69,592.45
b.	Provisions	1,487.14	1,093.56	734.97	1,214.89
c.	Other non-current liabilities	-	-	-	3.57
		97,287.68	**1,04,271.87**	**1,08,089.64**	**1,10,879.96**

Sr. No.	Particulars	As at December 31, 2016 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
(2)	**Current liabilities**				
a.	Financial liabilities				
	i) Borrowings	6,877.01	6,436.12	6,520.62	6,778.30
	ii) Trade payables	127.05	134.08	429.51	75.72
	iii) Other financial liabilities	9,168.71	5,453.62	4,209.70	3,837.84
b.	Other current liabilities	6.11	29.88	138.82	128.80
c.	Provisions	1.53	0.87	0.62	2.36
d.	Current tax Liabilities (net)	33.05	14.31	33.42	38.30
		16,213.47	**12,068.88**	**11,332.69**	**10,861.32**
	Total liabilities	**1,13,501.15**	**1,16,340.75**	**1,19,422.33**	**1,21,741.28**
	Total equity and liabilities	**1,31,654.05**	**1,34,623.19**	**1,38,469.12**	**1,41,968.72**

II. Combined Summary Statement of Profit and Loss

Particulars	For the nine-month period ended December 31, 2016 (Rs. in Millions)	For the nine-month period ended December 31, 2015 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Income					
Revenue from operations	7,349.93	7 ,310.87	9,867.23	9,002.52	7,452.04
Other income	161.19	129.50	171.09	161.06	172.88
Total income	**7,511.12**	**7 ,440.37**	**10,038.32**	**9,163.58**	**7,624.92**
Expenses					
Road work and site expenses	1,012.48	1,006.22	1,283.76	1,426.39	479.83
Employee benefits expense	157.14	152.58	209.34	174.35	159.64
Finance costs	3,097.91	3,289.93	4,348.17	4,448.40	3,755.94
Depreciation and amortisation expenses	3,203.83	3,513.80	4,675.77	4,253.79	3,563.94
Other expenses	93.84	83.43	111.92	122.08	117.09
Total expenses	**7,565.20**	**8,045.96**	**10,628.96**	**10,425.01**	**8,076.44**
Profit / (loss) before tax	**(54.08)**	**(605.59)**	**(590.64)**	**(1,261.43)**	**(451.52)**
Tax expenses					
Current tax	72.00	23.94	46.59	20.82	67.41
Tax adjustments for earlier years	4.41	-	0.93	0.16	6.50
Deferred tax	-	-	125.47	(44.63)	(50.01)
Total tax expenses	**76.41**	**23.94**	**172.99**	**(23.65)**	**23.90**
Profit/(loss) after tax	**(130.49)**	**(629.53)**	**(763.63)**	**(1,237.78)**	**(475.42)**
Other comprehensive income for the period/year					
Items that will not be reclassified to profit or loss					
Remeasurement gains/ (losses) on defined benefit plans (net of tax)	0.96	(0.29)	(0.72)	(0.12)	1.47
Other comprehensive income/(loss) for the period/year (net of tax)	0.96	(0.29)	(0.72)	(0.12)	1.47
Total comprehensive income/ (loss) for the period/year	**(129.53)**	**(629.82)**	**(764.35)**	**(1,237.90)**	**(473.95)**
Profit/(loss) for the period/year	**(130.49)**	**(629.53)**	**(763.63)**	**(1,237.78)**	**(475.42)**
Attributable to:					
- Equity holders	(130.49)	(629.53)	(763.63)	(1,237.78)	(475.42)
- Non-controlling interests			-	-	-
Total comprehensive income/(loss) for the period/year	**(129.53)**	**(629.82)**	**(764.35)**	**(1,237.90)**	**(473.95)**
Attributable to:					
- Equity holders	(129.53)	(629.82)	(764.35)	(1,237.90)	(473.95)
- Non-controlling interests	-	-	-	-	-

III. Combined Summary Statement of Cash Flows

Particulars	For the nine-month period ended December 31, 2016 (Rs. in Millions)	For the nine-month period ended December 31, 2015 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
A. Cash flow from operating activities					
Profit/(Loss) before tax	**(54.08)**	**(605.59)**	**(590.64)**	**(1,261.43)**	**(451.52)**
Adjustments to reconcile profit before tax to net cash flows					
Interest expense	2,800.11	3,017.57	3,987.27	4,138.79	3,474.18
Depreciation and amortisation expenses	3,203.83	3,513.80	4,675.77	4,253.79	3,563.94
Dividend income on current investments	(0.17)	(3.64)	(3.72)	(0.37)	(0.39)
Interest income	(66.38)	(75.31)	(95.68)	(100.94)	(121.88)
Operating profit before working capital changes	**5,883.31**	**5,846.83**	**7,973.00**	**7,029.84**	**6,464.33**
Movement in working capital:					
Increase/(decrease) in trade payables	(7.03)	(334.75)	(295.42)	353.79	(443.20)
Increase/(decrease) in other liabilities	(23.77)	(125.67)	(108.94)	6.45	97.75
Increase/(decrease) other financial liabilities	(1,037.95)	(1,165.76)	(1,520.94)	(1,639.18)	(1,393.13)
Increase/(decrease) in provisions	395.20	330.70	358.11	437.55	2.03
Decrease/(increase) in trade receivables	(435.81)	17.19	6.50	8.47	(6.92)
Decrease/(increase) in financials assets-loans	443.65	(568.38)	(702.34)	(1,298.58)	(39.88)
Decrease/(increase) in others financial assets	14.17	59.43	19.43	29.71	180.26
Decrease/(increase) in others assets	9.70	(53.19)	(42.34)	83.29	1,394.96
Cash generated from/(used in) operations	**5,241.48**	**4,006.40**	**5,687.06**	**5,011.34**	**6,256.20**
Direct taxes paid (net of refunds)	(53.44)	(57.39)	(76.48)	(13.35)	(7.60)
Net cash flows from/(used in) operating activities	**5,188.04**	**3,949.01**	**5,610.58**	**4,997.99**	**6,248.60**
B. Cash flows from investing activities					
Sale proceeds from investments	(121.11)	(134.61)	0.02	0.20	25.34
(Purchase)/sale of fixed assets including capital work in progress and capital advances (net of grant received)	(173.54)	(390.10)	(432.33)	(384.23)	(5,130.54)
Purchase/Proceeds from maturity/ redemption of financial instruments	(77.97)	(54.42)	(42.46)	28.34	432.07
Dividend income	0.17	3.64	3.72	0.37	0.39
Interest received	66.31	87.18	99.09	89.43	132.55
Net cash flows from/(used in) investing activities	**(306.14)**	**(488.29)**	**(371.96)**	**(265.89)**	**(4,540.19)**
C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	-	-	-	29.40	414.93
Proceeds from receipt of subordinated debt	-	-	-	29.40	414.93
Repayment of long-term borrowings	(2,409.10)	(888.91)	(1,607.23)	(597.12)	(83.69)
Interest paid	(2,574.86)	(2,839.54)	(3,876.02)	(4,095.11)	(3,463.95)
Net cash flows from/(used in) financing activities	**(4,983.96)**	**(3,728.45)**	**(5,483.25)**	**(4,633.43)**	**(2,717.78)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(102.06)**	**(267.73)**	**(244.63)**	**98.67**	**(1,009.37)**
Cash and cash equivalents at the beginning of the period/year	579.41	824.04	824.04	725.37	1,734.74
Cash and cash equivalents at the end of the period/year	**477.35**	**556.31**	**579.41**	**824.04**	**725.37**

Particulars	For the nine-month period ended December 31, 2016 (Rs. in Millions)	For the nine-month period ended December 31, 2015 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Components of cash and cash equivalents					
Cash on hand	48.64	50.44	79.19	45.23	66.92
Balances with scheduled banks					
- Others	370.20	433.62	440.93	447.94	459.92
- Earmarked balances in escrow accounts	58.51	72.25	59.29	330.87	198.53
Total Cash and cash equivalents	**477.35**	**556.31**	**579.41**	**824.04**	**725.37**

B. Summary Consolidated Financial Information of the Sponsor, namely IRB Infrastructure Developers Limited

I. Sponsor's Summary Consolidated Balance Sheet as at March 31, 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Equity and liabilities			
Shareholders' funds			
Share capital	3,514.50	3,514.50	3,323.64
Reserves and surplus	44,757.82	40,094.14	32,283.35
	48,272.32	**43,608.64**	**35,606.99**
Minority interest	355.01	350.51	356.06
Non-current liabilities			
Long-term borrowings	126,516.23	108,044.27	93,979.52
Deferred tax liabilities (net)	155.92	193.91	224.46
Other long-term liabilities	212,801.86	215,500.80	657.41
Long-term provisions	1,278.20	900.20	2,510.09
	340,752.21	**324,639.18**	**97,371.48**
Current liabilities			
Short-term borrowings	11,887.29	6,314.59	8,965.14
Trade payables			
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,052.03	2,338.91	4,078.16
Other current liabilities	17,082.88	15,389.03	10,363.34
Short-term provisions	409.00	1,288.87	377.59
	32,431.20	**25,331.40**	**23,784.23**
Total	**421,810.74**	**393,929.73**	**157,118.76**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	2,698.20	2,834.76	3,008.98
Intangible assets	348,789.99	314,802.82	82,535.06
Capital work-in-progress	784.05	804.02	482.87
Intangible assets under development	39,414.40	47,549.25	44,384.41
Non-current investments	7.72	7.77	13.56
Deferred tax assets (net)	7.51	24.37	81.13
Long-term loans and advances	4,218.50	3,831.80	3,029.03
Other non-current assets	244.18	331.43	188.18
	396,164.55	**370,186.22**	**133,723.22**
Current assets			
Current investments	60.05	80.03	131.65
Inventories	3,088.41	2,598.50	2,683.40
Trade receivable	1,036.63	49.14	55.20
Cash and bank balances	15,586.68	15,756.99	14,823.47
Short-term loans and advances	5,565.24	4,962.10	5,490.10
Other current assets	309.18	296.75	211.72
	25,646.19	**23,743.51**	**23,395.54**
Total	**421,810.74**	**393,929.73**	**157,118.76**

II. Sponsor's Summary Consolidated Statement of Profit and Loss for the Fiscals 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Income			
Revenue from operations	51,302.31	38,488.76	37,318.87
Other income	1,239.17	1,130.09	1,214.26
Total revenue (I)	**52,541.48**	**39,618.85**	**38,533.13**
Expenses			
Cost of materials consumed	3,712.98	4,344.77	5,026.53
Contract and site expenses	16,826.77	8,714.91	11,629.62
Employee benefits expense	2,460.81	1,898.42	1,798.83
Depreciation and amortisation	8,533.43	7,070.62	4,770.55
Finance costs	10,633.40	9,312.04	7,561.66
Other expenses	1,695.42	1,413.73	1,327.16
Total expenses (II)	**43,862.81**	**32,754.49**	**32,114.35**
Profit before Tax (I) - (II)	**8,678.67**	**6,864.36**	**6,418.78**
Tax expenses:			
Current tax	3,159.56	2,168.80	2,371.03
MAT credit entitlement	(822.48)	(754.19)	(433.28)
Deferred tax	(21.13)	26.21	(115.24)
Total tax expenses	**2,315.95**	**1,440.82**	**1,822.51**
Profit after tax	**6,362.72**	**5,423.54**	**4,596.27**
Attributable to			
-Owners of the parent	6,358.23	5,429.08	4,591.29
-Minority Interest	4.49	(5.54)	4.98

III. Sponsor's Summary Consolidated Cash Flow Statement for the Fiscals 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Cash flow from operating activities			
Profit before tax	8,678.67	6,864.36	6,418.78
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation	8,533.43	7,070.62	4,770.55
Preliminary expenses and share issue expenses written off	-	7.37	20.52
Resurfacing expenses	553.78	-	-
Net (gain)/ Loss on sale of fixed assets	(0.13)	(1.83)	8.33
Net (gain)/ Loss on sale of Investment	(20.96)	(17.67)	(3.39)
Finance Cost	10,633.40	9,312.04	7,466.96
Interest income on fixed deposits	(1,026.12)	(1,015.84)	(1,034.47)
Interest income on others	(60.04)	(20.19)	(70.40)
Dividend income	(103.42)	(34.81)	(86.42)
Operating profit/(loss) before working capital changes	**27,188.61**	**22,164.05**	**17,490.46**
Movement in working capital:			
Increase/(decrease) in trade payables	589.03	(1,615.16)	942.88
Increase/(decrease) in long-term provisions	10.78	21.55	(0.61)
Increase/(decrease) in short-term provisions	(11.95)	10.17	(9.50)
Increase/(decrease) in other long-term liabilities	(365.83)	50.36	58.86
Increase/(decrease) in other current liabilities	990.44	(774.19)	239.67
Decrease/(increase) in trade receivables	(987.49)	6.07	24.84
Decrease/(increase) in inventory	(489.91)	84.90	(194.94)
Decrease/(increase) in long-term loans and advances	248.45	(144.64)	436.08
Decrease/(increase) in short-term loans and advances	(606.99)	716.42	(108.61)
Decrease/(increase) in other non-current assets	17.45	(35.15)	-
Decrease/(increase) in other current assets	(42.27)	(86.31)	-
Cash generated from/(used in) operations	**26,540.32**	**20,398.07**	**18,879.13**
Direct taxes paid (net of refunds)	(3,116.51)	(2,163.29)	(2,324.51)
Net cash flow from/(used in) operating activities (A)	**23,423.81**	**18,234.78**	**16,554.62**
Cash flows from investing activities			
Purchase of fixed assets, including CWIP and Capital advances	(31,608.13)	(23,124.94)	(26,536.24)
Proceeds from sale of fixed assets	13.47	33.72	19.79
Proceeds from sale of non-current investments	0.05	-	-
Purchase of non-current investments	-	(6.00)	-
Purchase of current investments	(60.05)	(79.00)	(47.81)
Proceeds from sale/maturity of investments (Net)	100.99	160.07	526.26
Redemption/maturity of fixed deposits (having original maturity of more than three months) (Net)	-	-	1,562.65
Investments in bank deposits (having original maturity of more than three months) (Net)	(1,414.31)	(1,026.09)	-
Interest received on fixed deposit	1,055.97	1,017.10	1,044.26
Interest received on others	60.04	20.19	70.40
Dividend received	103.42	34.81	86.42
Purchase consideration paid on acquisition of subsidiary	-	-	(670.52)

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Net cash flow from/(used in) investing activities (B)	**(31,748.55)**	**(22,970.14)**	**(23,944.79)**
Cash flows from financing activities			
Proceeds from issuance of equity share capital {including securities premium of Rs. Nil (FY 15 - Rs. 4,209.20 millions), net of expenses incurred for issue of equity shares of Rs. Nil (FY 15 - Rs. 184.28 millions)}	-	4,215.79	-
Proceeds from long-term borrowings	29,385.76	25,086.36	34,722.16
Repayment of long-term borrowings	(11,402.97)	(7,943.22)	(8,882.68)
Repayment of short-term borrowings (Net)	5,572.70	(2,650.55)	(3,746.42)
Share issue expenses	-	(7.37)	(11.55)
Finance cost { includes interest capitalised Rs. 3,987.08 million (FY 15: Rs 3,920.47 million; FY 14: Rs. 3,488.65 millions) }	(14,348.77)	(13,172.68)	(10,886.56)
Dividend paid on equity shares	(2,107.11)	(664.47)	(1,660.61)
Tax on equity dividend paid	(429.29)	(112.97)	(279.88)
Net cash flows from/(used in) Financing activities (C)	**6,670.32**	**4,750.89**	**9,254.46**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,654.42)	15.53	1,864.29
Cash and cash equivalents at the beginning of the year	4,446.73	4,431.20	2,566.90
Cash and cash equivalents at the end of the year	**2,792.31**	**4,446.73**	**4,431.19**
Components of cash and cash equivalents			
Balances with scheduled banks:			
- Trust retention and other escrow accounts	823.13	2,447.62	390.69
- Others	1,558.13	1,642.53	3,625.58
- In deposit accounts with original maturity less than 3 months	156.77	168.57	210.20
- In unpaid dividend accounts	6.06	4.46	4.21
Cash on hand	248.22	183.55	200.51
Total Cash and Cash Equivalents	**2,792.31**	**4,446.73**	**4,431.19**

C. **Summary Standalone Financial Information of the Investment Manager, namely IRB Infrastructure Private Limited**

I. Investment Manager's Summary Standalone Balance Sheet as at March 31, 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Equity and liabilities			
Shareholders' funds			
Share capital	100.00	100.00	100.00
Reserves and surplus	291.44	314.41	301.79
Total [A]	**391.44**	**414.41**	**401.79**
Non-current liabilities			
Long term borrowings	200.00	200.00	200.00
Deferred tax liability (net)	0.44	0.44	0.43
Other long term liabilities	-	-	20.00
Long term provisions	-	20.53	0.38
Total [B]	**200.44**	**220.97**	**220.81**
Current liabilities			
Trade payables	16.78	0.78	0.80
Other current liabilities	0.96	1.16	1.03
Short term provisions	0.65	1.67	0.18
Total [C]	**18.39**	**3.61**	**2.01**
Total [A+B+C]	**610.27**	**638.99**	**624.61**
Assets			
Non-current assets			
Fixed assets			
(i) Tangible assets	0.99	1.19	1.55
(ii) Intangible assets	-	12.39	48.66
Long-term loans and advances	347.13	347.13	347.13
Other non - current assets	0.12	9.95	15.48
Total [D]	**348.24**	**370.66**	**412.82**
Current assets			
Cash and bank balances	1.14	6.98	7.62
Short term loans and advances	260.89	261.35	204.17
Total [E]	**262.03**	**268.33**	**211.79**
Total [D+E]	**610.27**	**638.99**	**624.61**

II. Investment Manager's Summary Standalone Statement of Profit and Loss for the Fiscals 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Income			
Revenue from operations	33.88	85.02	82.23
Other income	-	0.01	-
Total	**33.88**	**85.03**	**82.23**
Expenses			
Operating expenses	6.17	12.47	18.99
Employee benefits expenses	3.41	8.34	7.69
Other expenses	24.90	4.28	4.62
Depreciation and amortization expenses	12.59	34.34	32.52
Total expenses	**47.07**	**59.43**	**63.82**
Profit/ (loss) before tax	**(13.19)**	**25.60**	**18.41**
Tax expenses:			
Current tax	-	12.97	6.22
MAT credit adjustment	9.78	-	-
Deferred tax	-	0.01	(2.08)
Total tax expenses	**9.78**	**12.98**	**4.14**
Profit/ (loss) after tax	**(22.97)**	**12.62**	**14.27**

III. Investment Manager's Summary Standalone Cash Flow Statement for the Fiscals 2014, 2015 and 2016

Particulars	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)	March 31, 2014 (Rs. in Millions)
Cash flow from operating activities			
Profit before tax	**(13.19)**	**25.60**	**18.41**
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation / amortisation	12.59	34.34	32.52
Loss on sale of fixed asset	0.01	-	-
Operating profit before working capital changes	**(0.59)**	**59.94**	**50.93**
Movement in working capital :			
Decrease/(increase) in short-term loans & advances	0.46	(58.07)	(43.17)
(Decrease)/increase in other non-current assets	0.04	(0.02)	(0.04)
Increase/(decrease) in trade payables	16.01	(0.02)	(0.34)
(Decrease)/increase in other liabilities	0.77	(1.49)	0.19
Increase/(Decrease) in provisions	(21.56)	3.92	(0.37)
Cash generated from /(used in) operations	**(4.87)**	**4.26**	**7.20**
Direct taxes paid (net of refunds)	(0.97)	(4.90)	(4.15)
Net cash flow from/ (used in) operating activities (A)	**(5.84)**	**(0.64)**	**3.05**
Cash flows from Investing activities			
Purchase of fixed assets	-	-	(0.02)
Net cash flow from/(used in) investing activities (B)	-	-	**(0.02)**
Net increase/(decrease) in cash and cash equivalents (A+B)	(5.84)	(0.64)	3.03
Cash and cash equivalents at the beginning of the year	6.98	7.62	4.59
Cash and cash equivalents at the end of the year	**1.14**	**6.98**	**7.62**
Components of cash and cash equivalents			
Cash on hand	-	0.82	1.17
With banks -on current account	1.14	6.16	6.45
Total Cash and cash equivalents	**1.14**	**6.98**	**7.62**

THE ISSUE

The following table summarizes the details of the Total Issue:

I. Issue	449,779,291 Units, aggregating to Rs. 45,877.49 million
of which	
Fresh Issue[1]	421,568,627 Units, aggregating to Rs. 43,000.00 million
Offer for Sale[2]	28,210,664 Units, aggregating to Rs. 2,877.49 million
II. Oversubscription	43,640,709 Units, aggregating to Rs. 4,451.35 million
Total Issue (I + II)	493,420,000 Units, aggregating to Rs. 50,328.84 million
of which	
A. Institutional Bidder Category	370,060,000 Units
of which	
Anchor Investor Portion	205,340,000 Units
Balance available for allocation to other Institutional Bidders	164,720,000 Units
B. Other Bidder Category	123,360,000 Units
Details of Outstanding Units	
Units outstanding prior to the Total Issue (pre-Formation Transactions)	*Nil*
Units outstanding prior to the Total Issue (upon completion of the Formation Transactions)[3]	115,290,664 Units
Units outstanding after the Total Issue[4]	580,500,000 Units

(1) *The Fresh Issue has been authorized by a resolution of the board of directors of the Investment Manager dated August 29, 2016.*

(2) *The Offer for Sale has been authorized by the Selling Unitholders as follows:*

Sr. No.	*Name of Selling Unitholder*	*Date of Consent/Authorization*	*No. of Units offered in the Offer for Sale*
1.	*IRB Infrastructure Developers Limited*	*August 29, 2016, and May 9, 2017*	*12,719,271*
2.	*Modern Road Makers Private Limited*	*August 29, 2016, and May 9, 2017*	*4,614,216*
3.	*Aryan Toll Road Private Limited*	*August 29, 2016, and May 9, 2017*	*2,719,294*
4.	*ATR Infrastructure Private Limited*	*August 29, 2016, and May 9, 2017*	*3,107,765*
5.	*Ideal Road Builders Private Limited*	*August 29, 2016, and May 9, 2017*	*5,050,118*

With respect to the Units offered by the Selling Unitholders in the Offer for Sale, each of the Selling Unitholders, has held equity shares in the Project SPVs against which such Units are to be received, for a period of at least one year immediately preceding the date of the Draft Offer Document.

(3) *The Units issued to the Selling Unitholders pursuant to the Formation Transactions were created post Bid/Issue Closing Date.*

(4) *The Total Issue constitutes at least 25% of the total outstanding Units on a post-Issue basis in accordance with Regulation 14(1A) of the InvIT Regulations.*

Allocation to Bidders in all categories, except the Anchor Investor Portion, if any, was made on a proportionate basis. In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

GENERAL INFORMATION

The Trust has been settled by the Sponsor pursuant to the Indenture of Trust, in Mumbai, India, as an irrevocable trust in accordance with the Trusts Act. The Indenture of Trust is registered under the Registration Act. The Trust is registered with SEBI as an infrastructure investment trust under the InvIT Regulations.

For details of the business of the Trust, see "*The Trust's Business*" on page 145.

Registered Office and Correspondence Address of the Trust:

IRB InvIT Fund
IRB Complex,
Chandivali Farm,
Chandivali Village,
Andheri (E), Mumbai - 400 072

Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
E-mail: info@irbinvit.co.in
Website: www.irbinvit.co.in
SEBI Registration Number: IN/InvIT/15-16/0001
Date of Registration with SEBI: March 14, 2016

Contact Person and Compliance Officer

Mr. Urmil Shah has been designated by the Investment Manager as the Compliance Officer with respect to the Trust, and is the relevant contact person with respect to the Trust. His contact details are as follows:

Address: IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai – 400 072
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
E-mail: urmil.shah@irbfl.co.in

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice/letter of Allotment, non-credit of Allotted Units in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

Sponsor

IRB Infrastructure Developers Limited
3rd Floor, IRB Complex,
Chandivali Farm,
Chandivali Village,
Andheri (E), Mumbai - 400 072
Tel: +91 22 6640 4220
Fax: +91 22 6675 1024
Email: dhananjay.joshi@irb.co.in
Contact Person: Mr. Dhananjay Joshi

Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate, Mumbai - 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
Email: sgunware@idbitrustee.com / naresh.sachwani@idbitrustee.com
SEBI Registration No.: IND000000460
Contact Person: Mr. Shivaji Gunware / Mr. Naresh Sachwani

Investment Manager

IRB Infrastructure Private Limited
IRB Complex,
Chandivali Farm,
Chandivali Village,
Andheri (E), Mumbai - 400 072
Tel: +91 22 6640 4299
Fax: +91 22 6640 4274
Email: info@irbfl.co.in
Contact Person: Mr. Madhav Kale / Mr. Urmil Shah

Project Manager

Modern Road Makers Private Limited
IRB Complex,
Chandivali Farm,
Chandivali Village,
Andheri (E), Mumbai - 400 072
Tel: +91 22 6733 5900
Fax: +91 22 6733 5950
Email: rajpaul.sharma@irb.co.in
Contact Person: Mr. Rajpaul Sharma

Selling Unitholders

The details of the Selling Unitholders are set forth below:

1. IRB Infrastructure Developers Limited

IRB Infrastructure Developers Limited (the Sponsor) is a public limited company incorporated under the Companies Act, 1956, having CIN L65910MH1998PLC115967. Its registered office is situated at 3rd Floor, IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. For additional details, see "*The Sponsor*" on page 267.

2. Modern Road Makers Private Limited

Modern Road Makers Private Limited (the Project Manager) is a private limited company incorporated under the Companies Act, 1956, having CIN U45203MH1994PTC077075. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. Modern Road Makers Private Limited is a wholly-owned subsidiary of the Sponsor. For additional details, see "*The Project Manager*" on page 281.

3. Aryan Toll Road Private Limited

Aryan Toll Road Private Limited is a private limited company incorporated under the Companies Act, 1956, having CIN U45200MH2003PTC138808. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. Aryan Toll Road Private Limited is a wholly-owned subsidiary of the Sponsor.

4. ATR Infrastructure Private Limited

ATR Infrastructure Private Limited is a private limited company incorporated under the Companies Act, 1956, having CIN U45200MH2003PTC140999. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. ATR Infrastructure Private Limited is a wholly-owned subsidiary of the Sponsor.

5. Ideal Road Builders Private Limited

Ideal Road Builders Private Limited is a private limited company incorporated under the Companies Act, 1956, having CIN U70101MH1977PTC019903. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. Ideal Road Builders Private Limited is a wholly-owned subsidiary of the Sponsor.

For details of the shareholding of the Selling Unitholders in the Project SPVs prior to the Formation Transactions, the number of Units issued to such Selling Unitholders against the aforesaid shareholding pursuant to the Formation Transactions and post-Issue Unitholding of the Selling Unitholders, see "*Background and Structure of the Trust - Issuance of Units Pursuant to the Formation Transactions*" on page 129.

Global Co-ordinators and Book Running Lead Manager

IDFC Bank Limited
Naman Chambers,
C-32, G Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
E-mail: irbinvit.ipo@idfcbank.com
Investor grievance e-mail: mb.ig@idfcbank.com
Website: www.idfcbank.com
Contact Person: Mr. Akshay Bhandari
SEBI Registration No.: MB/INM000012250

Credit Suisse Securities (India) Private Limited
9F/10F, Ceejay House, Plot F,
Dr. Annie Besant Road
Worli, Mumbai 400 018,
Maharashtra, India
Tel: +91 22 6777 3777
Fax: +91 22 6777 3820
E-mail: list.irbinvitfund@credit-suisse.com
Investor grievance e-mail: list.irbinvitfund@credit-suisse.com
Website: www.credit-suisse.com
Contact Person: Mr. Rachit Sabharwal
SEBI Registration No.: INM000011161

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg, Churchgate,
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: irb.invit@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Prem D'Cunha / Mr. Govind Khetan
SEBI Registration No.: INM000011179

Book Running Lead Manager

IIFL Holdings Limited
10th Floor, IIFL Centre, Kamala City
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: irbinvit.ipo@iiflcap.com
Investor Grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Mr. Gaurav Singhvi/Mr. Sachin Kapoor
SEBI Registration Number: INM000010940

Advisors to the Trust for the Issue

Bajaj Consultants Private Limited
74-B, Mittal Court, Nariman Point,
Mumbai 400 021
Tel: +91 22 2287 2781
Fax: +91 22 2204 6992

Legal Advisors to the Issue

Indian Legal Counsel to the Trust

J. Sagar Associates
Vakils House, 18 Sprott Road
Ballard Estate, Mumbai 400 001
Tel: +91 22 4341 8600
Fax: +91 22 4341 8617

Indian Legal Counsel to the GCBRLMs and the BRLM

S&R Associates
One Indiabulls Centre, 1403, Tower 2 B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Tel: +91 22 4302 8000
Fax: +91 22 4302 8001

International Legal Counsel to the GCBRLMs and the BRLM

Clifford Chance Pte Ltd.
12 Marina Boulevard, 25th Floor
Marina Bay Financial Centre Tower 3,
Singapore 018982
Tel: +(65) 6410 2200
Fax: +(65) 6410 2200

Auditors

Suresh Surana & Associates LLP, Chartered Accountants
308-309, A-Wing, Technopolis Knowledge Park,
Mahakali Caves Road, Andheri (East),
Mumbai 400 093
Tel: +91 22 6121 4444
Fax: +91 22 2287 5771
E-mail: ramesh@ss-associates.com
Firm Registration No.: 121750W/W100010
Peer Review Certificate No.: 008612

Valuers

Walker Chandiok & Co LLP, Chartered Accountants
16th Floor, Tower II, Indiabulls Finance Centre,
S B Marg,
Elphinstone (W),
Mumbai 400 013
Tel: +91 22 6626 2600
Fax: +91 22 6626 2601
E-mail: huned.contractor@in.gt.com
Firm Registration No.: 001076N/N500013

Technical Consultant

Traffic Consultant

GMD Consultants
2, Park View Society, Sector-17,
Nerul (East), Navi Mumbai – 400 076
Tel: 022-27700991
E-mail: info@gmdconsultants.in
Contact Person: Mr. Shailendra Mohan (Institution of Engineers (India) Membership No. F-118411-5)

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032, India
Tel: +91 40 6716 2222
Toll Free No.: 1-800-3454001
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance Email: support@karvy.com
Website: https://karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Registration No: INR000000221

Syndicate Members

Bajaj Share and Stock Brokers Private Limited
24-B, Rajabahadur Compound
Hamam Street, Fort,
Mumbai – 400023, India
Tel: +91 22 2265 3897 / +91 22 2265 0362
Fax: +91 22 2265 3599
E-mail: bajajvrb@gmail.com
Contact Person: Mr. Rajkamal R. Bajaj
SEBI Registration Number: INB011079531 (BSE), INB231079535 (NSE)

IDFC Securities Limited
Naman Chambers, C-32, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051
Tel: + 91 22 66222522
Fax: +91 22 66222504
E-mail: anish.damania@idfc.com
Contact Person: Anish Damania
SEBI Registration Number: INB011291433 (BSE), INB231291437 (NSE)

India Infoline Limited
IIFL Centre, Kamala City, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013
Tel: +91 22 42499000
Fax: +91 22 24954313
E-mail: cs@indiainfoline.com
Contact Person: Mr. Prasad Umarale
SEBI Registration Number: INB011097533 (BSE), INB231097537 (NSE)

Sharekhan Limited
10th Floor, Beta Building, Lodha iThink Techno Campus,
Off Jogeshwari-Vikhroli Link Road,
Opposite Kanjurmarg Railway Station,
Kanjurmarg (E), Mumbai -400 042
Tel: +91 22 6115 0000
Fax: +91 22 6748 1899
E-mail: ipo@sharekhan.com
Contact Person: Pravin Darji/ Mr. Mehul Koradia
SEBI Registration Number: INB011073351 (BSE), INB231073330 (NSE)

Escrow Collection Banks

HDFC Bank Limited
HDFC Bank Limited, FIG- OPS Department - Lodha,
I Think Techno Campus 0-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East),
Mumbai- 400042
Tel: +91 22 30752927 /28/2914
Fax: +91 22 2579 9801
E-mail: vincent.dsouza@hdfcbank.com, siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil
SEBI Registration Number: INBI00000063

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai - 400 020
Tel: 022 66818907/23/24
Fax: 022 22611138
E-mail: rishav.bagrecha@icicibank.com
Contact Person: Rishav Bagrecha
SEBI Registration Number: INBI00000004

IDFC Bank Limited
Building no 2,
2nd Floor, Mindspace Juinagar,
TTC Industrial area, Juinagar,
Navi Mumbai - 400 706
Tel: 02249850025/50023
Fax: 02242222305
E-mail: escrow.services@idfcbank.com
Contact Person: Mr. VM Praveen / Ms. Lissy Alexander
SEBI Registration Number: INBI00001149

Public Issue Account Banks

HDFC Bank Limited
HDFC Bank Limited, FIG- OPS Department - Lodha,
I Think Techno Campus 0-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East),
Mumbai- 400042
Tel: +91 22 30752927 /28/2914
Fax: +91 22 2579 9801
E-mail: vincent.dsouza@hdfcbank.com, siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil
SEBI Registration Number: INBI00000063

ICICI Bank Limited
Capital Market Division, 1st Floor,
122, Mistry Bhavan, Dinshaw Vachha Road,
Backbay Reclamation, Churchgate,
Mumbai - 400 020
Tel: 022 66818907/23/24
Fax: 022 22611138
E-mail: rishav.bagrecha@icicibank.com
Contact Person: Rishav Bagrecha
SEBI Registration Number: INBI00000004

IDFC Bank Limited
Building no 2,
2nd Floor, Mindspace Juinagar,
TTC Industrial area, Juinagar,
Navi Mumbai - 400 706
Tel: 02249850025/50023
Fax: 02242222305
E-mail: escrow.services@idfcbank.com
Contact Person: Mr. VM Praveen / Ms. Lissy Alexander
SEBI Registration Number: INBI00001149

Refund Bank

HDFC Bank Limited
HDFC Bank Limited, FIG- OPS Department - Lodha,
I Think Techno Campus 0-3 Level,
Next to Kanjurmarg, Railway Station,
Kanjurmarg (East),
Mumbai- 400042
Tel: +91 22 30752927 /28/2914
Fax: +91 22 2579 9801
E-mail: vincent.dsouza@hdfcbank.com, siddharth.jadhav@hdfcbank.com, prasanna.uchil@hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil
SEBI Registration Number: INBI00000063

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by the SEBI to act as the SCSBs for the ASBA process and provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and Strategic Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/RecognisedIntermediaries).

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, along with details such as postal address, telephone number and e-mail address are provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, as updated from time to time.

RTAs

The list of the Registrars to an Issue and Share Transfer Agents eligible to accept ASBA Forms at the Designated RTA Locations, along with details such as address, telephone number and e-mail address are provided on the websites of the Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

Collecting Depository Participants

Collecting depository participants eligible to accept ASBA Forms at the Designated CDP Locations. The details of such CDPs, such as name and contact details are available on the websites of BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time

Inter-se Allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the GCBRLMs and the BRLM for the Issue:

Activity	Responsibility	Co-ordination
Assist the Investment Manager in selecting the initial portfolio of the Trust and Sponsor non-compete measures; Capital structuring, with the relative components and formalities such as type of instruments, etc.	GCBRLMs and BRLM	IDFC
Due diligence of the Trust's operations/management/ business plans/legal, etc., Sponsors / Investment Managers' / Project Managers' experience, the proposed formation transactions, the proposed and future assets arrangements., any other related party transactions (including any name licensing or other arrangements) Drafting and design of offer documents and of statutory advertisement including memorandum containing salient features of the Offering Documents. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and the SEBI.	GCBRLMs and BRLM	IDFC
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	GCBRLMs and BRLM	IDFC
Appointment of Registrar to the Issue, Bankers to the Issue and other intermediaries	GCBRLMs and BRLM	IDFC
Appointment of Printers and Advertising Agency	GCBRLMs and BRLM	IDFC
Finalising road show marketing presentation and FAQ; Finalising the Anchor Minutes and Strategic Investor minutes	GCBRLMs and BRLM	IDFC
International Institutional Marketing of the Issue	GCBRLMs and BRLM	IDFC
Domestic Institutional Marketing of the Issue which will cover, inter alia: - Formulating overall institutional marketing strategy;	GCBRLMs and BRLM	IDFC

Activity	Responsibility	Co-ordination
- Finalising the list and division of investors for one-on-one meetings, institutional allocation - Finalizing road show schedule and investor meeting schedules		
Non-Institutional marketing strategy which will cover, inter alia: - Formulating marketing strategies, preparation of publicity budget; finalising media, marketing and public relations strategy; finalising centers for holding conferences for brokers, etc.; - Finalising the brokerage & commission for Non-Institutional category for the brokers and sub syndicate - Payment and calculation of the brokerage & commission	GCBRLMs and BRLM	IDFC
- Finalising collection centers; - Deciding on the quantum of the Offer material and allocation amongst the printers and coordinating all aspects of distribution of Bid cum Application forms. - Follow-up on distribution of publicity and Issue material including Bid cum Application forms, Offer Document, etc.	GCBRLMs and BRLM	IDFC
Coordination with stock exchanges for Book Building software and submitting 1% deposit	GCBRLMs and BRLM	IDFC
Finalizing of Pricing and Allocation in consultation with the Investment Manager	GCBRLMs and BRLM	IDFC
Assisting the Investment Manager in ensuring the completion of the formation transactions and the allotment of Units in consideration thereof	GCBRLMs and BRLM	IDFC
Post bidding activities including management of Escrow Accounts, coordinate non-institutional and institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow up steps, which include finalization of basis of allotment, trading and dealing instruments and dispatch of certificates and demat delivery of Units, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business. Release of 1% deposit with Designated Stock Exchange	GCBRLMs and BRLM	IDFC
Payment of the applicable Securities Transaction Tax on sale of units by the Selling Unitholders included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004, if applicable.	GCBRLMs and BRLM	IDFC

USE OF PROCEEDS

The Total Issue comprises of the Issue and the Oversubscription. The Issue comprises of the Fresh Issue of 421,568,627 Units, aggregating to Rs. 43,000.00 million and the Offer for Sale of 28,210,664 Units, aggregating to Rs. 2,877.49 million; and the Oversubscription comprises of a fresh issue of 43,640,709 Units, aggregating to Rs. 4,451.35 million, amounting to 9.70% of the Issue size.

Proceeds of the Offer for Sale

The proceeds from the Offer for Sale will be received by the Selling Unitholders, and the Trust will not receive any proceeds from the Offer for Sale. The Selling Unitholders will be entitled to the net proceeds of the Offer for Sale after deducting their proportion of Issue related expenses. The Selling Unitholders shall not have recourse to the proceeds from the Offer for Sale until final listing and trading approvals have been obtained with respect to the Units. The proceeds received from the Offer for Sale will not form part of the Net Proceeds (as defined hereinafter). Further, the Sponsor and the other relevant Selling Unitholders will be required to comply with the applicable provisions of NHAI's exit policy and NHAI's letter dated April 20, 2017. For further details, please see "*Regulations and Policies – Exit Policy*" and "*Government and Other Approvals*" on pages 221 and 449, respectively.

For details of the shareholding of the Selling Unitholders in the Project SPVs prior to the Formation Transactions, the number of Units issued to such Selling Unitholders against the aforesaid shareholding pursuant to the Formation Transactions and post-Issue Unitholding of the Selling Unitholders, see "*Background and Structure of the Trust*" on page 116.

The Fresh Issue

The object and purpose of the Trust, as described in the Indenture of Trust, is to carry on the activity of an infrastructure investment trust under the InvIT Regulations, to raise resources in accordance with the InvIT Regulations, and to make investments in accordance with the investment strategy of the Trust. The Trustee and the Investment Manager shall ensure that the subscription amounts are kept in a separate bank account in the name of the Trust and are only utilised for adjustment against Allotment of Units or refund of money to the applicants until such Units are listed.

In accordance with the InvIT Regulations, the Investment Manager (on behalf of the Trust) intends to utilize the Issue Proceeds after deducting the Issue related expenses as apportioned to the Trust (the "**Net Proceeds**") towards:

1. Investment in the Project SPVs by way of an issue of debt; and
2. General purposes.

Net Proceeds

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

Particulars		Estimated Amount (Rs. in Millions)
Gross proceeds from the Fresh Issue		43,000.00
Less:	Issue related expenses (only those apportioned to the Trust)	(998.61)
Net Proceeds		**42,001.39**

Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Sr. No.	Particulars	Estimated Amount (Rs. in Millions)
1.	Investment in the Project SPVs by way of an issue of debt	42,000.00
2.	General purposes	1.39
Total Net Proceeds		**42,001.39**

The fund requirements mentioned above and the proposed deployment are based on the estimates of the Investment Manager and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of the business of the Trust and the Project SPVs, and the Investment Manager may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment and interest/exchange rate fluctuations. Consequently, the fund requirements of the Trust Group are subject to revisions in the future at the discretion of the Investment Manager. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, the Investment Manager may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable law. Further, in case of a shortfall in the Net Proceeds or cost overruns, the Investment Manager may explore a range of options including utilising the Trust Group's internal accruals or seeking debt financing. In case the actual Issue expenses are different from estimated Issue expenses, the Investment Manager may, at its discretion, adjust such an amount/deploy any additional amounts as it may deem appropriate.

Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

1. Investment in the Project SPVs by way of an issue of debt

The Investment Manager, on behalf of the Trust, proposes to invest an estimated amount of Rs. 42,000.00 million from the Net Proceeds in the Project SPVs, namely IDAAIPL, IJDTPL, ISDTPL, ITATPL, ITCTPL and MITPL, by way of an issue of debt. The Project SPVs, in turn, intend to utilize the proceeds of such investment towards (a) the repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders ("**Secured Trust Financing**"); (b) the prepayment, in full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager ("**Trust Non Interest Financing**"); and (c) the prepayment, in full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group ("**Trust Other Financing**"). The aforesaid investments will be made by entering into the debt documentation with each Project SPV (collectively, the "**Debt Documentation**"). For details in relation to the Debt Documentation, including details with respect to the nature and purpose, rate of interest, repayment, security, events of default, ranking and governing law, see "*Background and Structure of the Trust*" on page 116.

The Investment Manager believes that such investment in the Project SPVs and the subsequent (i) repayment/prepayment of certain loans/facilities availed by such Project SPVs from their respective senior lenders, (ii) prepayment, in full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager, and (iii) prepayment, in full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group, will help reduce the outstanding indebtedness of the Project SPVs and associated debt servicing costs, and will enable the utilization of the internal accruals of the Project SPVs towards distribution and/or other business requirements.

The amount of Net Proceeds proposed to be utilized, the selection of the borrowings proposed to be repaid/prepaid among the various loans/facilities availed by the Project SPVs from their respective lenders and the extent of such repayment/prepayment, has been finalized by the Investment Manager based on a variety of factors, including *inter alia*, (i) any conditions attached to the loans/facilities restricting the respective Project SPV's ability to repay/prepay such loans/facilities and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for repayment/prepayment from the respective lenders of the Project SPVs, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and/or premia and the quantum thereof, (v) provisions of any laws, rules and regulations governing such loans/facilities, and (vi) other commercial considerations including, among others, the interest rates on the loans/facilities, the amounts outstanding and the remaining tenor of the loans/facilities. The Project SPVs are also required to provide notice to some of their respective lenders prior to repayment/prepayment.

The consents received from certain senior lenders of the Project SPVs impose conditions that such Project SPVs and the Trust must comply with for such consents to remain in effect. For additional details, see "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" and "*Risk Factor – The consents obtained from the lenders in relation to the Formation Transactions impose certain obligations on the Trust, including the creation of a pledge over a portion of the equity shares held by the Trust in each Project SPV and the provision of certain guarantees. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the Trust's ability to continue to own a majority of each of the Project SPVs, its cash flows and its ability to make distributions to Unitholders*" on page 372 and 22, respectively.

A. IDAAIPL

The following table provides details of the loans/facilities that have been availed by IDAAIPL that are outstanding as on December 31, 2016, which IDAAIPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in IDAAIPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
1.	Union Bank of India	Common rupee loan agreement dated November 15, 2006, as amended by an amendment dated August 28, 2012	Financing the execution of the 4/6 – laning of km 198 to km 263 between Bharuch and Surat on NH-8 on BOT basis.	1,949.11	292.64	9.75%	The loan shall be repaid in unequal monthly instalments until 2019	The prepayment premium to be charged by the lenders shall be at the rate of 0.25% of the loan amount being prepaid in case prepayment is made out of project cash accruals. If prepayment is made other than out of project cash accruals or through debt swap, the prepayment penalty shall be charged at 1% of the amount prepaid	236.15
2.	Bank of India			1,559.21	234.04	9.75%			188.86
3.	Canara Bank			1,559.15	234.20	9.75%			188.99
4.	Corporation Bank			865.16	128.67	9.75%			103.83
5.	Indian Bank			1,559.55	233.95	9.75%			188.79
6.	Indian Overseas Bank			1,949.33	292.42	9.75%			235.97
7.	India Infrastructure Finance Company Limited	Takeout agreement dated August 28, 2012, read with amendment dated August 28, 2012, to the common rupee loan agreement dated	Proceeds to be used for the purpose of taking over the part of the outstanding term loan amount of Bank of India, Canara Bank, Corporation Bank, Indian Bank, Indian Overseas Bank and Union Bank of India.	2,667.99	1,415.92	9.95%			1,142.59

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[(1)] (Rs. in Millions)
		November 15, 2006							
			Total	**12,109.50**	**2,831.84**				**2285.18**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

The following table provides the details of unsecured loans and advances that have been provided by the Sponsor and certain members of the Sponsor group to IDAAIPL that are outstanding as on December 31, 2016, out of which IDAAIPL proposes to prepay, in full, all such unsecured loans and advances (net of any unsecured loans and advances given to any members of the Sponsor group) from the proceeds of the investment made in IDAAIPL by the Trust by way of the Trust Other Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 at carrying value (Rs. in Millions)	Discounting impact (Rs. in Millions)	Amount Outstanding as on December 31, 2016 as per Ind-AS (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	Ideal Road Builders Private Limited	Long Term Loan	600.00	14.55	585.45	*Nil*	*Nil*
2.	NKT Toll Road Private Limited	Short Term Loan	396.80	-	396.80	*Nil*	*Nil*
3.	Aryan Toll Road Private Limited	Short Term Loan	746.44	-	746.44	*Nil*	*Nil*
4.	ATR Infrastructure Private Limited	Short Term Loan	645.04	-	645.04	*Nil*	*Nil*
5.	Thane Ghodbunder Toll Road Private Limited	Short Term Loan	361.00	-	361.00	*Nil*	*Nil*
6.	Mhaiskar Infrastructure Private Limited	Short Term Loan	962.78	-	962.78	*Nil*	*Nil*
		Total	**3,712.06**	**14.55**	**3,697.51**		

Notes:

(i) The amount to be utilized for prepayment of each unsecured loan or advance will be calculated based on the amount outstanding under each such unsecured loan or advance as on the actual date of prepayment.

(ii) Net of unsecured loans and advances given by IDAAIPL to the members of the Sponsor group, currently amounting to Rs. 88.22 million.

B. IJDTPL

The following table provides details of the loans/facilities that have been availed by IJDTPL that are outstanding as on December 31, 2016, which IJDTPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in IJDTPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[(1)] (Rs. in Millions)
1.	ICICI Bank Limited	ECB facility agreement dated June 30, 2011 and amendment agreement dated August 5, 2011 to the common loan agreement dated March 19, 2010	To finance the project cost incurred by IRBJD in connection with the implementation of the project envisaging four laning of the Jaipur – Deoli section of NH-12 in the State of Rajasthan.	2,000.00 (Equivalent amount in US$)	2,629.24	5.80%	141 monthly instalments from the period commencing April, 2014 to September, 2028	The maximum prepayment premium to be charged by the lenders shall be at the rate of 1% of the loan amount being prepaid, subject to the relevant provisions of the respective sanction letters.	2,121.69
2.	IDFC Bank Limited	Common rupee loan agreement	Part financing of the costs incurred or to be incurred	2,320.00	2,257.36	9.95%			1,821.60
3.	Canara Bank			1,400.00	1,362.04	10.50%			1,099.11

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[(1)] (Rs. in Millions)
4.	Bank of Baroda	dated March 19, 2010, read with the deed of assignment and transfer dated February 9, 2011 and amendment agreement dated August 5, 2011	by IRBJD in connection with the project envisaging four laning of the Jaipur – Deoli section of NH-12 (145.06 Kms) in the State of Rajasthan.	1,300.00	1,263.97	10.50%			1,019.97
5.	Union Bank of India			800.00	778.38	10.50%			628.12
6.	India Infrastructure Finance Company Limited			1,180.00	1,148.14	9.75%			926.50
			Total	**9,000.00**	**9,439.13**				**7,616.99**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

The following table provides the details of subordinate debt that has been provided by the Sponsor and Project Manager to IJDTPL that is outstanding as on December 31, 2016, out of which IJDTPL proposes to prepay, in full, all of such subordinate debt from the proceeds of the investment made in IJDTPL by the Trust by way of the Trust Non Interest Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Subordinate Debt	2,924.85	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Subordinate Debt	1,027.65	*Nil*	*Nil*
		Total	**3,952.50**		

The following table provides the details of unsecured loans and advances that have been provided by the Sponsor and certain members of the Sponsor group to IJDTPL that are outstanding as on December 31, 2016, out of which IJDTPL proposes to prepay, in full, all such unsecured loans and advances (net of any unsecured loans and advances given to any members of the Sponsor group) from the proceeds of the investment made in IJDTPL by the Trust by way of the Trust Other Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Short Term Loan	197.33	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Short Term Loan	313.44	*Nil*	*Nil*
		Total	**510.77**		

Notes:

(i) The amount to be utilized for prepayment of each unsecured loan or advance will be calculated based on the amount outstanding under each such unsecured loan or advance as on the actual date of prepayment.

(ii) The amount to be utilized for prepayment of each unsecured loan or advance will be net of any unsecured loans and advances given by IJDTPL to any members of the Sponsor group as on the actual date of prepayment.

C. ISDTPL

The following table provides details of the loans/facilities that have been availed by ISDTPL that are outstanding as on December 31, 2016, which ISDTPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in ISDTPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
1.	Bank of India	Common rupee loan agreement dated January 29, 2009	Part financing of the 239 km of 6-laning Surat-Dahisar section on NH-8.	3,000.00	1,138.41	9.75%	The loan shall be repaid in 97 unequal monthly instalments.	The maximum prepayment premium to be charged by the lenders shall be at the rate of 2% of the loan amount being prepaid, subject to the relevant	918.65
2.	Andhra Bank			3,060.00	1,160.95	9.75%			936.84
3.	Indian Bank			1,000.00	379.23	9.75%			306.02

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[(1)] (Rs. in Millions)
								provisions of the respective sanction letters.	
4.	State Bank of India	Loan Agreement dated September 28, 2016		8,977.00	4,742.10	9.70%	The loan shall be repaid in 43 unequal monthly instalments	The maximum prepayment premium to be charged by the lenders shall be at the rate of 2% of the loan amount being prepaid	3,826.68
			Total	**16,037.00**	**7,420.69**				**5,988.19**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

The following table provides the details of unsecured loans and advances that have been provided by the Sponsor and certain members of the Sponsor group to ISDTPL that are outstanding as on December 31, 2016, out of which ISDTPL proposes to prepay, in full, all such unsecured loans and advances (net of any unsecured loans and advances given to any members of the Sponsor group) from the proceeds of the investment made in ISDTPL by the Trust by way of the Trust Other Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 at carrying value (Rs. in Millions)	Discounting impact (Rs. in Millions)	Amount Outstanding as on December 31, 2016 as per Ind AS (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	Modern Road Makers Private Limited	Advance / Retention Money	2,500.00	55.33	2,444.67	*Nil*	*Nil*
2.	Ideal Road Builders Private Limited	Long Term Loan	500.00	12.12	487.88	*Nil*	*Nil*
		Total	**3,000.00**	**67.45**	**2,932.55**		

Notes:

(i) The amount to be utilized for prepayment of each unsecured loan or advance will be calculated based on the amount outstanding under each such unsecured loan or advance as on the actual date of prepayment.

(ii) Net of unsecured loans and advances given by ISDTPL to the members of the Sponsor group, currently amounting to Rs. 1,898.03 million.

D. ITATPL

The following table provides details of the loans/facilities that have been availed by ITATPL that are outstanding as on December 31, 2016, which ITATPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in ITATPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[(1)] (Rs. in Millions)
1.	Bank of Baroda	Common rupee loan agreement dated March 31, 2010.	Part financing the cost incurred or to be incurred in connection with the project envisaging four-laning of the Talegaon Amravati section of NH-6 (66.725Km) in the State of Maharashtra.	950.00	753.00	10.50%	Repayment shall be in 143 monthly instalments with the instalments in a particular year being equal	The maximum prepayment premium to be charged by the lenders shall be at the rate of 1% of the loan amount being prepaid, subject to the relevant provisions of the respective sanction letters.	607.64
2.	Canara Bank			1,000.00	792.63	10.50%			639.62
3.	Union Bank of India			800.00	634.11	10.50%			511.70
4.	IDFC Bank Limited			1,171.91	928.91	10.60%			749.59
5.	India Infrastructure Finance Company Limited	Deed of assignment and transfer dated February 9, 2011		828.09	656.35	10.50%			529.65
			Total	**4,750.00**	**3,765.00**				**3,038.20**

(1) The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment

The following table provides the details of subordinate debt that has been provided by the Sponsor and Project Manager to ITATPL that is outstanding as on December 31, 2016, out of which ITATPL proposes to prepay, in full, all of such subordinate debt from the proceeds of the investment made in ITATPL by the Trust by way of the Trust Non Interest Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Subordinate Debt	1,093.35	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Subordinate Debt	384.15	*Nil*	*Nil*
		Total	**1,477.50**		

The following table provides the details of unsecured loans and advances that have been provided by the Sponsor and certain members of the Sponsor group to ITATPL that are outstanding as on December 31, 2016, out of which ITATPL proposes to prepay, in full, all such unsecured loans and advances (net of any unsecured loans and advances given to any members of the Sponsor group) from the proceeds of the investment made in ITATPL by the Trust by way of the Trust Other Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Short Term Loan	683.25	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Short Term Loan	398.80	*Nil*	*Nil*
		Total	**1,082.05**		

Notes:

(i) The amount to be utilized for prepayment of each unsecured loan or advance will be calculated based on the amount outstanding under each such unsecured loan or advance as on the actual date of prepayment.

(ii) The amount to be utilized for prepayment of each unsecured loan or advance will be net of any unsecured loans and advances given by ITATPL to any members of the Sponsor group as on the actual date of prepayment.

E. ITCTPL

The following table provides details of the loans/facilities that have been availed by ITCTPL that are outstanding as on December 31, 2016, which ITCTPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in ITCTPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
1.	Bank of Baroda	Common rupee loan agreement dated February 3, 2011, Supplemental agreement dated July 12, 2012 , Amendment agreement dated August 5, 2011 and Deed of assignment and transfer dated July 12, 2012 for IIFCL	Part financing of the costs incurred or to be incurred by in connection with the project envisaging six – laning of the Tumkur Chitradurga section of NH-4 (114.0 Km) in the State of Karnataka.	1,250.00	1,247.81	12.00%	144 unequal monthly instalments ending on March 31, 2028.	The maximum prepayment premium to be charged by the lenders shall be at the rate of 1% of the loan amount being prepaid, subject to the relevant provisions of the respective sanction letters. For the ECB facility, prepayment of a part of the loan must be in a minimum amount of the US$ equivalent of Rs. 100.00 million.	1,006.93
2.	IDBI Bank Limited			1,000.00	967.75	10.75%			780.94
3.	IDFC Bank Limited			1,700.00	1,697.02	11.35%			1,369.43
4.	India Infrastructure Finance Company Limited			1,360.00	1,357.51	10.50%			1,095.45
5.	ICICI Bank Limited	ECB facility agreement dated June 29, 2011 and amendment agreement		3,000.00 (Equivalent amount in US$)	4,338.44	5.80%			3,500.95

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
		dated August 5, 2011 to the common loan agreement dated February 3, 2011							
			Total	**8,310.00**	**9,608.53**				**7,753.70**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

The following table provides the details of subordinate debt that has been provided by the Sponsor and Project Manager to ITCTPL that is outstanding as on December 31, 2016, out of which ITCTPL proposes to prepay, in full, all of such subordinate debt from the proceeds of the investment made in ITCTPL by the Trust by way of the Trust Non Interest Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Subordinate Debt	1,446.93	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Subordinate Debt	108.07	*Nil*	*Nil*
		Total	**1,555.00**		

The following table provides the details of unsecured loans and advances that have been provided by the Sponsor and certain members of the Sponsor group to ITCTPL that are outstanding as on December 31, 2016, out of which ITCTPL proposes to prepay, in full, all such unsecured loans and advances (net of any unsecured loans and advances given to any members of the Sponsor group) from the proceeds of the investment made in ITCTPL by the Trust by way of the Trust Other Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Prepayment / Repayment Penalty
1.	IRB Infrastructure Developers Limited	Short Term Loan	671.90	*Nil*	*Nil*
2.	Modern Road Makers Private Limited	Short Term Loan	83.10	*Nil*	*Nil*
3.	Thane Ghodbunder Toll Road Private Limited	Short Term Loan	7.50	*Nil*	*Nil*
4.	Mhaiskar Infrastructure Private Limited	Short Term Loan	336.30	*Nil*	*Nil*
		Total	**1,098.80**		

Notes:

(i) The amount to be utilized for prepayment of each unsecured loan or advance will be calculated based on the amount outstanding under each such unsecured loan or advance as on the actual date of prepayment.

(ii) The amount to be utilized for prepayment of each unsecured loan or advance will be net of any unsecured loans and advances given by ITCTPL to any members of the Sponsor group as on the actual date of prepayment

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F. MITPL

The following table provides details of the loans/facilities that have been availed by MITPL that are outstanding as on December 31, 2016, which MITPL proposes to repay/prepay, in part or full, from the proceeds of the investment made in MITPL by the Trust by way of the Secured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid(1) (Rs. in Millions)
1.	IDFC Bank Limited	Rupee loan agreement dated September 17, 2013	Reinstating part of the debt involved in (i) the design, construction and	930.00	782.65	9.95%	120 monthly instalments for the period ending on	The prepayment premium to be charged by the lenders will be 1% of the loan amount prepaid and shall be on	782.65

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
			strengthening of the existing two lane road to four lane road in section on NH-7, (ii) improvement, operations and management of the already four laned stretch in adjacent section of NH-7 from Km 199.200 (start of Salem bypass) to Km 207.50 (end of Salem bypass) and (iii) improvement, if required and operations and maintenance of the four lane stretch under construction adjacent section on NH-7 from Km.180.000 (Omallur) to Km 192.200 (start of Salem bypass) provided by the				March 31, 2023	such terms and conditions as may be stipulated by the lender in its sole discretion at the time of such prepayment .	

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
			erstwhile lenders that was replaced by the loan bought in by IRB Infrastructure Developers Limited.						
2.	IDFC Bank Limited	Rupee loan agreement dated November 17, 2006.	Part-financing the project cost for the toll road asset operated by MITPL	140.00	132.65	11.50%	138 monthly instalments ending on March 31, 2021	The prepayment premium to be charged by the lenders shall be on such terns and conditions as may be stipulated by the lender in its sole discretion at the time of such prepayment. Such prepayment premium will be linked to the number of years remaining from the date of prepayment to the interest date falling immediately after the prepayment or the last date of repayment, stream of cash flow, applicable interest rate, yield on GoI security and any additional income tax payable.	132.65

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Rate of Interest (% per annum)	Repayment Schedule	Prepayment Provision	Amount Proposed to be Repaid / Prepaid[1] (Rs. in Millions)
3.	India Infradebt Limited	Debenture trust deed dated September 4, 2015	The proceeds from the issuance of the debentures are proposed to be utilized for part financing the outstanding rupee facility for an amount of Rs. 2,100.00 million and the outstanding subordinated debt for an amount of 140.00 million	Secured redeemable, non-convertible debentures of MITPL of face value of Rs. 10,000 each aggregating to Rs. 1,200.00 million	578.07	10.05%	The debentures shall be redeemed in 84 structured monthly instalments commencing from October 31, 2015, and shall be mandatorily redeemed no later than March 31, 2023. However, no redemption instalment shall be paid in Fiscal 2018.	MITPL can voluntarily redeem the outstanding principal amount of the debentures, either in full or in part, prior to the scheduled redemption date out of the internal accruals from the cash flows of the project upon giving a prior written premature redemption notice to the debenture trustee of at least 30 days. Such premature redemption shall be permitted once in a fiscal year based on the audited financial statement of the previous year. Further, amounts redeemed shall be: (i) of minimum amount of Rs. 10.00 million or the outstanding amount of the debentures, whichever is less; and (ii) in integral multiples of Rs. 10.00 million only.	-[2]
4.	IDFC Infra Debt Fund Limited				568.44				-[2]
			Total	**0.00**	**2,061.81**				**915.30**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

(2) *To be repaid/prepaid from the Oversubscription Proceeds*

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. Additionally, certain Project SPVs propose to utilize a part of the investments made by the Trust to prepay/repay, in part or full, certain loans/facilities that they have availed from IDFC Bank Limited, which is one of the GCBRLMs, and from ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, which is one of the other GCBRLMs to the Issue. Further, MITPL proposes to utilize a part of the investment made in it by the Trust from the Oversubscription Proceeds to redeem, in part or full, the outstanding debentures issued to IDFC Infra Debt Fund Limited, which is an associate of IDFC Bank Limited, which is one of the GCBRLMs, and outstanding debentures issued to India Infradebt Limited, an associate of ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, which is one of the other GCBRLMs to the Issue.

Summary of Aggregate Outstanding Debt of the Project SPVs

A. A summary of the debt of the Project SPVs, outstanding as on December 31, 2016, and presented at book value, is provided herein below:

Particulars	Amount Outstanding as on December 31, 2016 (Rs. in Millions)						
	IDAAIPL	IJDTPL	ISDTPL	ITATPL	ITCTPL	MITPL	Total
Loans from Sponsor to the Project SPVs	-	3,122.18	-	1,776.60	2,118.83	-	**7,017.61**
Loans from Associates of the Sponsor to the Project SPVs	3,623.84	1,341.09	1,101.98	782.95	534.97	-	**7,384.82**
Loans from the GCBRLMs and their associates to the Project SPVs	-	4,886.60	-	928.91	6,035.47	2,061.81	**13,912.78**
Loans from the Trustee and its associates to the Project SPVs	-	-	-	-	967.75	-	**967.75**
Loans from other banks and financial institutions	2,831.84	4,552.53	7,420.69	2,836.09	2,605.32	-	**20,246.47**
Total	**6,455.68**	**13,902.40**	**8,522.66**	**6,324.55**	**12,262.35**	**2,061.81**	**49,529.44**

B. A summary of the debt of the Project SPVs, outstanding as on December 31, 2016, and presented in accordance with Ind-AS at fair value, is provided herein below:

Particulars	Amount Outstanding as on December 31, 2016 (Rs. in Millions)						
	IDAAIPL	IJDTPL	ISDTPL	ITATPL	ITCTPL	MITPL	Total
Loans from Sponsor to the Project SPVs	-	3,122.18	-	1,776.60	2,118.83	-	**7,017.62**
Loans from Associates of the Sponsor to the Project SPVs	3,609.29	1,341.09	1,034.52	782.95	534.97	-	**7,302.82**
Loans from the GCBRLMs and their associates to the Project SPVs	-	4,886.60	-	928.91	6,035.47	2,061.81	**13,912.78**
Loans from the Trustee and its associates to the Project SPVs	-	-	-	-	967.75	-	**967.75**
Loans from other banks and financial institutions	2,831.84	4,552.53	7,420.69	2,836.09	2,605.32	-	**20,246.47**
Total	**6,441.13**	**13,902.40**	**8,455.21**	**6,324.55**	**12,262.35**	**2,061.81**	**49,447.44**

Details of the Net Outstanding Debt of the Project SPVs at book value

Sr. No.	Particulars	Amount Outstanding as on December 31, 2016 (Rs. in Millions)
1.	Loans/facilities availed from senior lenders that are not the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	21,214.23
2.	Loans/facilities availed from senior lenders that are the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	13,912.78
3.	Subordinate debt provided to certain Project SPVs by the Sponsor and the Project Manager	6,985.00
4.	Unsecured loans and advances availed by certain Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group	9,403.68
Project SPVs' Total Outstanding Debt		**51,515.69**
Less: Advances provided by the Project SPVs to the Sponsor and members of the Sponsor group		1,986.25
Project SPVs' Net Outstanding Debt		**49,529.44**

Waterfall of Eventual Utilization

The proposed waterfall of eventual utilization of the proceeds of the investment in the Project SPVs by way of an issue of debt by the Investment Manager, on behalf of the Trust, of an estimated amount of Rs. 42,000.00 million from the Net Proceeds is as follows:

Sr. No.	Particulars	Amount Outstanding as on December 31, 2016 (Rs. in Millions)	Amount Proposed to be Repaid/Prepaid[1] (Rs. in Millions)
1.	**Repayment/prepayment, in part, of certain loans/facilities availed by the Project SPVs from their respective senior lenders[2]**		
	(a) Loans/facilities availed from senior lenders that are not the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	21,214.23	10,607.11[3]
	(b) Loans/facilities availed from senior lenders that are the GCBRLMs and the BRLM, or associates of the GCBRLMs and BRLM	13,912.78	6,840.79[3][4]
2.	**Prepayment, in full, of the subordinate debt provided to certain Project SPVs by the Sponsor and the Project Manager**	6,985.00	6,985.00
3.	**Prepayment, in full, of certain unsecured loans and advances availed by certain Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group[5]**	7,417.43	7,417.43
4.	**Repayment/prepayment, in part, of the balance portion of certain loans/facilities availed by the Project SPVs from their respective senior lenders[6]**	*Not Applicable*	10,149.66
	Total	**49,529.44**	**42,000.00**

(1) *The amount to be utilized for repayment/prepayment of each loan/facility will be calculated based on the amount outstanding under each such loan/facility as on the actual date of repayment/prepayment*

(2) *To the extent of 50% of the principal amount outstanding*

(3) *In accordance with the InvIT Regulations, the Investment Manager, in consultation with the GCBRLMs and the BRLM, has retained Oversubscription, amounting to 9.70% of the Issue size, aggregating to Rs. 4,451.35 million. The Oversubscription Proceeds, being the proceeds from the fresh issue of 43,640,709*

Units pursuant to the Oversubscription, are also proposed to be invested in the Project SPVs by way of the issue of debt pursuant to the Debt Documentation, and such Project SPVs, in turn, intend to utilize the proceeds of such investment towards the additional repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders.

(4) *Does not include redemption of outstanding debentures issued by MITPL, and held by IDFC Infra Debt Fund Limited and India Infradebt Limited, which will be from Oversubscription Proceeds*

(5) *Net of any unsecured loans and advances given by the Project SPVs to the Sponsor and members of the Sponsor group as on the actual date of prepayment*

(6) *To the extent of funds available*

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2. General Purposes

The Investment Manager (on behalf of the Trust) proposes to deploy the balance Net Proceeds, aggregating to Rs. 1.39 million, towards general purposes, subject to such utilization not exceeding 10% of the Net Proceeds in compliance with the InvIT Regulations. The general purposes for which the Investment Manager (on behalf of the Trust) proposes to utilize the Net Proceeds include*, inter alia,* meeting expenses incurred in the ordinary course of business, reimbursing the set-up cost incurred by the Sponsor in relation to establishment and registration of the Trust, meeting any exigencies that the Trust may face, additional investment in the Project SPVs or any other purposes as may be approved by the Investment Manager from time to time, subject to compliance with necessary provisions of the InvIT Regulations. Further, the Investment Manager (on behalf of the Trust), will have flexibility in utilizing surplus amounts, if any.

In case of a shortfall in Net Proceeds, the Investment Manager may explore a range of options including utilizing the Trust Group's internal accruals or availing debt from lenders, in accordance with the InvIT Regulations. The Investment Manager expects that such alternate arrangements would be available to fund any such shortfall. The Investment Manager will have flexibility in utilizing the proceeds earmarked for general purposes. In the event that the Investment Manager is unable to utilize the entire amount that it has currently estimated for use out of Net Proceeds in a particular fiscal year, it will utilize such unutilized amount in the next fiscal year.

Retention of Oversubscription in the Issue

In accordance with the InvIT Regulations, the Investment Manager, in consultation with the GCBRLMs and the BRLM, has retained Oversubscription, amounting to 9.70% of the Issue size, aggregating to Rs. 4,451.35 million. The Oversubscription Proceeds, being the proceeds from the fresh issue of 43,640,709 Units pursuant to the Oversubscription, are also proposed to be invested in the Project SPVs by way of the issue of debt pursuant to the Debt Documentation, and such Project SPVs, in turn, intend to utilize the proceeds of such investment towards the additional repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders (including (a) the repayment/prepayment of certain loans/facilities availed from (i) IDFC Bank Limited, which is one of the GCBRLMs; and (ii) ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, which is one of the other GCBRLMs to the Issue; and (b) the redemption of the outstanding debentures issued to (i) IDFC Infra Debt Fund Limited, which is an associate of IDFC Bank Limited, which is one of the GCBRLMs, and (ii) India Infradebt Limited, an associate of ICICI Bank Limited, which is an affiliate of ICICI Securities Limited, which is one of the other GCBRLMs to the Issue). The Oversubscription Proceeds shall not be utilized towards general purposes.

Schedule of Deployment

The Investment Manager proposes to deploy the Net Proceeds and the Oversubscription Proceeds towards the aforestated purposes during Fiscal 2018, depending upon various factors, including the actual timing of completion of the Issue and the receipt of the Net Proceeds and the Oversubscription Proceeds. The proposed deployment of funds is based on the estimates of the Investment Manager and has not been appraised by any bank, financial institution or any other external agency.

Interim use of Net Proceeds and Oversubscription Proceeds

The Investment Manager will have flexibility to deploy the Net Proceeds and the Oversubscription Proceeds. Pending utilization of the Net Proceeds and the Oversubscription Proceeds for the purposes described above, the Investment Manager will deposit the Net Proceeds and the Oversubscription Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended.

Issue Related Expenses

The aggregate Issue related expenses are estimated to be approximately Rs. 998.61 million. The Issue related expenses consist of listing fees, underwriting fees, selling commission, fees payable to the GCBRLMs and the BRLM, auditors, valuers, traffic consultant, advisors, legal counsels, Registrar to the Issue, Banker(s) to the Issue, processing fees to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Units on the Stock Exchanges.

All expenses in relation to the Issue other than listing fees (which will be borne by the Trust) shall be paid by and shared between the Trust and the Selling Unitholders in proportion to the Units contributed to the Issue. However, for ease of operations, if required, the expenses of the Trust may, at the outset, be borne by the Selling Unitholders on behalf of the Trust, and the Investment Manager (on behalf of the Trust) agrees that it will reimburse the Selling Unitholders all such expenses.

The break-down for the estimated Issue expenses are as follows:

Activity	Estimated expenses[1] (Rs. in Millions)	As a % of the aggregate estimated Issue expenses	As a % of the aggregate Total Issue size[1]
Expenses in relation to the Formation Transactions (including stamp duty and registration)	0.40	0.04%	0.00%
Payment to the GCBRLMs and the BRLM (including underwriting commission, brokerage and selling commission)[2][3]	868.17	86.94%	1.73%
Processing fee for SCSBs[4]	0.67	0.07%	0.00%
Fees payable to the Registrar to the Issue	0.10	0.01%	0.00%
Fees payable to other advisors to the Issue	114.00	11.42%	0.23%
Fees payable to the Valuers	1.15	0.12%	0.00%
Fees payable to the Traffic Consultant	1.15	0.12%	0.00%
Fees payable to the Banker(s) to the Issue	-	0.00%	0.00%
Fees payable to the Auditors	1.70	0.17%	0.00%
Others	-	0.00%	0.00%
- Listing fees, SEBI, BSE and NSE Processing Fees	9.20	0.92%	0.02%
- Printing and stationery	0.77	0.08%	0.00%
- Advertising and marketing expenses	1.00	0.10%	0.00%
- Miscellaneous	0.30	0.03%	0.00%
Total estimated Issue expenses	**998.61**	**100.00%**	**1.98%**

(1) *The Total Issue, aggregating to Rs. 50,328.84 million, comprises of the Issue and the Oversubscription.*

(2) *Selling commission on the portion for Other Bidders which are procured by Members of the Syndicate (including their Sub-syndicate Members), SCSBs, RTAs and CDPs would be as follows:*

- *Portion for Other Bidders: 0.50% of the amount Allotted*(plus applicable service tax)*

**Amount Allotted is the product of the number of Units Allotted and the Issue Price.*

Notes:

(i) In addition to the selling commission referred above, any additional amount(s) to be paid by the Trust (acting through the Trustee) and the Selling Unitholders shall be, as mutually agreed upon the Managers, their affiliate Syndicate Members, the Trust (acting through the Trustee) and the Selling Unitholders before the opening of the Issue.

(ii) Selling Commission payable to the Members of the Syndicate, SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of Stock Exchanges

(iii) No processing fees shall be payable to the SCSBs on the applications directly procured by them.

(3) *Selling commission payable to the Registered Brokers on the portion for Other Bidders, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:*

- *Portion for Other Bidders: Rs. 10 per valid application*(plus applicable service tax)*

**Amount of selling commission payable to Registered Brokers shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment*

(4) *Processing fees payable to the SCSBs on the portion for Other Bidders which are procured by the Members of the Syndicate / Sub-syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking would be as follows:*

- *Portion for Other Bidders: Rs. 10 per valid application*(plus applicable service tax)*

** Based on valid applications.*

In case the actual Issue expenses differ from the estimated Issue expenses, the Investment Manager will have the flexibility to utilize such a difference as it deems fit.

TERMS OF THE ISSUE

The following is a summary of the terms and conditions of an investment in the Issue. For additional details, refer to "Issue Structure" on page 460.

This summary is qualified in its entirety by the more detailed information contained in this Final Offer Document and the information contained in the Indenture of Trust. Prospective investors are encouraged to consult their own professional advisors as to the tax and legal consequences of investing in the Trust. Unless otherwise indicated, all amounts are expressed in Indian Rupees.

Trust	IRB InvIT Fund
Sponsor	IRB Infrastructure Developers Limited
Investment Manager	IRB Infrastructure Private Limited
Project Manager	Modern Road Makers Private Limited
Trustee	IDBI Trusteeship Services Limited
Issue	Initial public offer of 449,779,291 Units, comprising of the Fresh Issue of 421,568,627 Units, aggregating to Rs. 43,000.00 million, and the Offer for Sale of 28,210,664 Units, aggregating to Rs. 2,877.49 million
Issue Size	449,779,291 Units, aggregating to Rs. 45,877.49 million
Retention of Oversubscription	In accordance with the InvIT Regulations, the Investment Manager, in consultation with the GCBRLMs and the BRLM, has retained Oversubscription, amounting to 9.70% of the Issue size, aggregating to Rs. 4,451.35 million.
Total Issue	493,420,000 Units, aggregating to Rs. 50,328.84 million, comprising of the Issue and the Oversubscription
Face Value	Not applicable
Issue Price	Rs. 102 per Unit
Bid/Issue Opening Date	Wednesday, May 3, 2017
Bid/Issue Closing Date	Friday, May 5, 2017
Anchor Investor and Strategic Investor Bid/Issue Period	Tuesday, May 2, 2017
Commitment received from Strategic Investors, if any	-
Lock-in on the Sponsor and Selling Unitholders (*Regulatory*)	In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units, subject to the following: i) the Sponsor would be responsible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust; ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard; iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee. Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total

	Units of the Trust after the Issue, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units. Further, other than the Units transferred pursuant to the Offer for Sale, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law. Moreover, other than the Units transferred pursuant to the Offer for Sale, the Selling Unitholders shall hold their Units, if any, for a period of not less than one year from the date of listing of the Units.
Lock-in on the Selling Unitholders (*Contractual*)	The Selling Unitholders shall not, without the prior written consent of the GCBRLMs and the BRLM, during the period commencing from the date of filing of the Draft Offer Document and ending 365 calendar days from date of listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any encumbrances in relation to any Units or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Units other than pursuant to the Issue; ii) except as disclosed in the Draft Offer Document, enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any securities convertible into or exercisable as or exchangeable for Units; (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or securities, in cash or otherwise. However, the aforesaid restrictions shall not apply to any bank financing or refinancing proposed to be undertaken by any of the Project SPVs and any pledge of the equity shares held by the Selling Unitholders in the Project SPV in relation to such bank financing or refinancing taken by the Project SPVs, provided that the overall bank debt of such Project SPV shall not be increased and that the Selling Unitholders ensure the release of such pledge for the transfer of such equity shares to the Trust pursuant to the relevant Share Purchase Agreement.
Lock-up on the Sponsor and other Selling Unitholders (*Contractual*)	The Sponsor and the other Selling Unitholders shall not, without the prior written consent of the GCRBLMs and the BRLM, during the periods (i) commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the date of filing the Draft Offer Document (which period shall be extendable by the mutual consent of the GCRBLMs and the BRLM, and the Selling Unitholders) and (ii) commencing from the date of listing of the Units and ending 180 calendar days thereafter, directly or indirectly undertake any offering of debt, equity, infrastructure investment trust units, real estate investment trust units (other than the Units), business trust units or any hybrid securities, in India or overseas, other than pursuant to the Issue, provided, however, that the foregoing restrictions shall not apply to any debt financing availed from banks and/or financial institutions and any offer of debt securities

	on a private placement basis. None of the Trust, the Investment Manager, the Sponsor, the Selling Unitholders or any of their respective Associates (excluding the Trustee and its Associates) shall set up any infrastructure investment trust, business trust or real estate investment trust in India or in any other jurisdiction subsequent to the filing of the Draft Offer Document by the Trust and until a period of 365 calendar days from the date of listing of the Units.
Lock-up on the Trust and the Investment Manager (*Contractual*)	The Trust (acting through the Trustee) and the Investment Manager shall not, without the prior written consent of the GCBRLMs and the BRLM, during the period commencing from the date of the Draft Offer Document and ending 365 calendar days after listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, encumber, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of directly or indirectly any Units or any securities convertible into or exercisable or exchangeable for Units, other than pursuant to the Share Purchase Agreements or the Issue (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any other securities convertible into or exercisable as or exchangeable for Units, or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise. However, the aforesaid restrictions shall not apply to (i) an issue of Units made as consideration with respect to an acquisition made by the Trust pursuant to the Deed of Right of First Offer/Right of First Refusal or the Future Assets Agreement; and (ii) any buy-back of Units made by the Trust.
Use of Proceeds	Please see "*Use of Proceeds*" on page 81
Distribution Policy	Please see "*Distribution Policy*" on page 256
Rights of Unitholders	Please see "*Rights of Unitholders*" on page 260
Taxation	Please see "*Statement of Tax Considerations / Benefits*" on page 109
Brief description of the assets under the Trust (including details of the capital structure of such assets)	Please see "*Background and Structure of the Trust*" on page 116
Brief description of the valuation of each asset	Please see "*Valuation*" on page 255
Relevant financial ratios	Please see "*Basis of Issue Price*" on page 107
Brief details of the fees and expenses charged or chargeable to the Trust	Please see "*Background and Structure of the Trust*" on page 116
Brief description of any ROFR	Please see "*Background and Structure of the Trust*" on page 116
Alteration of terms of the Issue	In case of any alteration of the terms of the Units, including the terms of the Issue, which may adversely affect the interest of the Unitholders, an approval from the Unitholders shall be required where the votes cast in favour of the resolution shall not be less than one and half times the votes cast against the resolution.
Minimum Unitholding	In accordance with the InvIT Regulations, at all times post-listing of the Units, the minimum public unitholding of the Trust is required to be in accordance with Regulation 14(1A) of the InvIT Regulations, and other than the Sponsor, its related parties and Associates, the Trust is required

	to have, and maintain, a minimum of 20 Unitholders forming part of the 'public', each holding not more than 25% of the aggregate amount of the Units on a post-Issue basis (i.e. after the Total Issue), failing which action may be taken as may be specified by the SEBI and the Stock Exchanges, including delisting of the Units under the InvIT Regulations. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.
Depositories	NSDL and CDSL
Listing	
a) Stock Exchanges	BSE and NSE
b) Designated Stock Exchange	NSE
c) Timelines for Listing	To be listed within 12 Working Days from Bid/Issue Closing Date. For an indicative timetable in respect of the Issue, see section titled "*Issue Structure*" on page 460.
d) ISIN	INE183W23014

**The Anchor Investor and Strategic Investor Bid/Issue Period was one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations i.e. May 2, 2017.*

Notes

1. The Total Issue constitutes at least 25% of the total outstanding Units on a post-Issue basis in accordance with Regulation 14(1A) of the InvIT Regulations.

2. With respect to the Units offered by the Selling Unitholders in the Offer for Sale, each of the Selling Unitholders, has held equity shares in the Project SPVs against which such Units are to be received, for a period of at least one year immediately preceding the date of the Draft Offer Document.

3. The 'in-principle' approvals of BSE and NSE for the listing of the Units have been received pursuant to their letters dated December 29, 2016, and December 30, 2016, respectively

BASIS OF ISSUE PRICE

The Issue Price will be determined by the Investment Manager, in consultation with the GCBRLMs and the BRLM, on the basis of assessment of market demand for the Units offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. Investors should also refer to the sections "*Risk Factors*", "*The Trust's Business*", and "*Financial Statements*" on pages 17, 145 and 289, respectively.

Qualitative Factors

Some of the qualitative factors which form the basis for the Issue Price are:

- Portfolio of income generating assets in key growth markets;
- Diversified road project portfolio and revenue base;
- Experienced Sponsor, Investment Manager and Project Manager with consistent track records in operating and maintaining projects in the roads and highways sector in India;
- Low leverage upon Listing, providing debt capacity to finance future growth;
- Experienced management team with industry experience; and
- Attractive sector with strong underlying fundamentals.

For further details, see section titled "*The Trust's Business - Competitive Strengths*" on page 147.

Quantitative Factors

The information presented below is based on the Combined Financial Statements, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS. For details, see "*Financial Statements*" on page 289.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

I. Valuation of the Trust Assets

Particulars	At Issue Price (Rs. in Million)
Equity Valuation	11,759.65
Enterprise Valuation*	59,211.00

**Outstanding net debt of Rs. 47,451.35 as on April 30, 2017, has been considered for calculating Enterprise Value.*

Notes:

(1) The investment by the Sponsor and the Other Selling Unitholders in the equity shares of the Project SPVs, as on April 30, 2017, is estimated to be Rs. 11,759.65 million.

II. Price/Earning (P/E) ratio in relation to Issue:

Particulars	At Issue Price (Rs in Million)
Equity Valuation	11,759.65

Particulars	Amount (Rs. in Million)	Price/Earning Ratio at Issue Price
PAT of Fiscal 14 as per Combined Financial Statements	(475.42)	*Not Applicable**
PAT of Fiscal 15 as per Combined Financial Statements	(1,237.78)	*Not Applicable**

Particulars	Amount (Rs. in Million)	Price/Earning Ratio at Issue Price
PAT of Fiscal 16 as per Combined Financial Statements	(763.63)	*Not Applicable**
PAT for nine months ended December 2016 as per Combined Financial Statements	(130.49)#	*Not Applicable**

**As the PAT is negative, P/E cannot be determined*
#*This is not an annualised figure*

III. Average Return on Net Worth (RoNW):

Particulars	RoNW (%)	Weight
Year ended March 31, 2014	(2.35)	1
Year ended March 31, 2015	(6.50)	2
Year ended March 31, 2016	(4.18)	3
Weighted Average	(4.65)	6
Nine Months ended December 31, 2016	(0.72)#	-

#*This is not an annualised figure*

Notes:
(1) Return on Net Worth (%) is Profit/(Loss) for the year divided by Total Equity at the end of the said period / year based on the Combined Financial Statements;
(2) The Profit/(Loss) for the year for the aforesaid years is based on the Combined Financial Statements.

IV. Enterprise Value/EBITDA (EV/EBITDA) ratio in relation to Issue:

Particulars	At Issue Price (Rs in Million)
Enterprise Valuation*	59,211.00

**Estimated Net Debt of Rs. 47,451.35 as on April 30, 2017, has been considered for calculating Enterprise Value.*

Particulars	Amount (Rs. in Million)	EV/EBITDA Ratio at Issue Price
EBITDA of Fiscal 14 as per Combined Financial Statements	6,868.36	8.62
EBITDA of Fiscal 15 as per Combined Financial Statements	7,440.76	7.96
EBITDA of Fiscal 16 as per Combined Financial Statements	8,433.30	7.02
EBITDA for nine months ended December 2016 as per Combined Financial Statements	6,247.66#	9.48#

#*This is not an annualised figure*

Note:
(1) EBITDA is calculated as Profit/(Loss) before tax + Depreciation and Amortization expenses + Finance costs

V. Comparison with Industry Peers

Currently there are no listed infrastructure investment trusts in India. Accordingly, it is not possible to provide an industry comparison in relation to the Trust.

STATEMENT OF TAX CONSIDERATIONS / BENEFITS

Statement of possible tax consideration / benefits available to the Trust and its Unitholders under applicable laws in India

IDBI TRUSTEESHIP SERVICES LIMITED (Trustee of IRB InvIT Fund)
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate, Mumbai - 400 001

IRB Infrastructure Private Limited (As the Investment Manager of the IRB InvIT Fund)
IRB Complex, Chandivali Farm,
Chandivali Village, Andheri (E)
Mumbai-400072

Dear Sirs,

Sub: Statement of possible tax considerations / benefits available to the IRB InvIT Fund and its Unit Holders under the Income Tax Act, 1961.

We refer to the proposed initial public offer of Units of IRB InvIT Fund ("the Trust") and enclose the statement showing the current position of tax considerations / benefits available to the Trust and to its Unit Holders as per the provisions of the Income-tax Act, 1961 ('the IT Act') presently in force in India (i.e. applicable for the financial year ending 31 March 2017 relevant to the assessment year 2017-18) for inclusion in the letter of offer.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the IT Act. The benefits set out below are subject to conditions specified therein read with the Income-tax Rules, 1962 presently in force. The Wealth-tax Act, 1957 has been abolished w.e.f. April 1, 2015 and as such we have not commented on the same.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Trust are neither exhaustive nor conclusive.

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

- the Trust or its Unit Holders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement regarding tax benefits available to the Trust and to its Unit Holders in the Offer Document and the Final Offer Document for the proposed initial public offer of Units which the Trust intends to submit to the Securities and Exchange Board of India and the Stock Exchange(s) and any regulatory authority as may be required under applicable law.

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. The views are exclusively for the use of Trust and shall not, without our prior written consent, be disclosed to any other person.

For
SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm Registration No. 121750W/W-100010

Ramesh Gupta
Partner
Membership No.102306
Place: Mumbai
Date: March 29, 2017

TAX CONSIDERATIONS / BENEFITS

*Prospective Investors interested in purchasing Units of the IRB InvIT Fund (the "**Trust**") must consider the following summary of certain taxation aspects affecting the Trust, its proposed operations, and the Investors in the Trust. This information does not purport to be a complete analysis of all relevant tax considerations; nor does it purport to be a complete description of all potential tax costs, incidence and risks inherent in purchasing or holding units of the Trust. Prospective Investors are urged to consult their own tax advisors in this regard. The information contained herein is based on an interpretation of prevailing tax legislation (the "**Income-tax Act, 1961**" or the "**IT Act**") and could therefore change or be adversely affected if alternative interpretations are adopted. The information below is based on the current applicable Indian tax law, as applicable to the Trust, or to prospective Investors in the Trust all of which are subject to any future amendments of Indian tax law.*

Please note that the tax rates provided in this Chapter are excluding applicable surcharge and education cess.

GENERAL

The Finance Minister vide the Finance No. (2) Act, 2014, introduced the tax regime for Infrastructure Investment Trusts ('InvIT') and the unit holders of the InvIT under Chapter XII-FA of the Income-tax Act, 1961 (the "IT Act"). Further, certain clarifications / amendments were made to the aforesaid provisions vide Finance Act, 2015 and Finance Act, 2016.

As per the IT Act, 'business trust' means a trust registered, inter alia, as an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992), the units of which are required to be listed on recognised stock exchange in accordance with the aforesaid regulations.

CHAPTER XII-FA – SPECIAL PROVISIONS RELATING TO BUSINESS TRUST OR InvIT

We have summarised below some of the relevant sections of the IT Act in relation to taxability of business trusts and the unit holders:

- Residential Status

  For the purpose of the IT Act, an individual is considered to be a resident of India during any previous year (generally the financial year):

  - if he or she is in India in that previous year for a period or periods amounting to 182 days or more; or

  - if he or she is in India in that previous year for 60 days or more and within the four preceding years he / she has been in India for a period or periods amounting to 365 days or more. However, the period of 60 days is increased to 182 days in the case of citizen of India or a person of Indian origin being outside India, comes on a visit to India. Further, the period of 60 days is increased to 182 days, in the case of citizen of India who leaves India for the purposes of employment outside India in any previous year.

    A company is resident in India in any previous year, if it is an Indian company or if its place of effective management, in that year, is in India. Here, 'place of effective management' means a place where key management and commercial decisions that are necessary for the conduct of business of an entity as a whole are, in substance made.

    A firm or other association of persons or every other person is resident in India in every case except where the control and management of its affairs is situated wholly outside India.

    For the purposes of IT Act, "non-resident" means a person who is not a resident in India.

- <u>*Section 115UA of the IT Act*</u>

  (1) Notwithstanding anything contained in any other provisions of the Act, any income distributed by a business trust to its unit holders shall be deemed to be of the same nature and in the same proportion in the hands of the unit holders as it had been received by, or accrued to, the business trust.

  (2) Subject to the provisions of section 111A and section 112, the total income of a business trust shall be charged to tax at the maximum marginal rate.

(3) If in any previous year, the distributed income or any part thereof, received by a unit holder from the business trust is of the nature referred to in sub-clause (a) of clause (23FC) or clause (23FCA) of section 10, then, such distributed income or any part thereof shall be deemed to be income of such unit holder and shall be charged to tax as income of the previous year.

(4) Any person responsible for making payment of the income distributed on behalf of a business trust to a unit holder shall furnish a statement to the unit holder and the prescribed authority, within such time and in such form and manner as may be prescribed, giving the details of the nature of the income paid during the previous year and such other details as may be prescribed.

- *Section 10*

In computing the total income of a previous year of any person, any income falling within any of the following clauses shall not be included –

10 (23FC): any income of a business trust by way of -

(a) interest received or receivable from a special purpose vehicle; or
(b) dividend referred to in sub-section (7) of section 115O

Explanation – For the purpose of this clause, the expression "special purpose vehicle" means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration.

10 (23FD) : any distributed income, referred to in section 115UA, received by a unit holder from the business trust, not being that proportion of the income which is of the same nature as the income referred to in sub-clause (a) of clause (23FC) or clause (23FCA).

- **Section 115O(7)**

No tax on distributed profits shall be chargeable under this section in respect of any amount declared, distributed or paid by the specified domestic company by way of dividends (whether interim or otherwise) to a business trust out of its current income on or after the specified date:

Provided nothing contained in this sub-section shall apply in respect of any amount declared, distributed or paid, at any time, by the specified domestic company by way of dividends (whether interim or otherwise) out of its accumulated profits and current profits up to the specified date.

Explanation – For the purpose of this sub-section –

(a) "specified domestic company" means a domestic company in which a business trust has become the holder of whole of the nominal value of equity share capital of the company (excluding the equity share capital required to be held mandatorily by any other person in accordance with any law for the time being in force or any directions of Government or any regulatory authority, or equity share capital held by any Government or Government body);

(b) "specified date" means the date of acquisition by the business trust of such holding as is referred to in clause (a).

TAX REGIME FOR BUSINESS TRUST AND UNIT HOLDERS

Based on the aforesaid provisions and other related sections of the IT Act, the taxability of the income in the hands of the business trust and unit holders is specified below. It may be noted that the business trust referred to in the provisions is the IRB InvIT Fund and hereinafter is referred to as the Trust.

1. Taxability of the income in the hands of the Trust

- The income by way of interest received by the Trust from Special Purpose Vehicle ('SPV') is accorded 'pass through' treatment i.e. there is no taxation of such interest income in the hands of the Trust and there are no withholding tax obligations at the level of SPV while remitting the money to the Trust

[Section 10(23FC) and Section 194A(3)(xi)].

- The dividend received by the Trust from the 'specified domestic company' on which no Dividend Distribution Tax ('DDT') is chargeable will be exempt in the hands of the Trust. As per the Finance Act 2016, no DDT shall be payable on dividend declared, distributed or paid by the specified domestic company to the Trust after the 'specified date'. Accordingly, in a scenario, where dividend is distributed by other than 'specified domestic company', DDT will be applicable at 15% under section 115-O of the IT Act (effective rate being 20.36% including surcharge and cess). [Section 115-O(7) and Section 10(23FC)].

Thus, dividend distributed by SPV to Trust is exempt from the levy of DDT where:

- Trust either holds 100 percent of the share capital of the SPV or holds all of the share capital (except where the equity share capital in such SPV is mandatorily required to be held by any other person in accordance with any law for the time being in force or any directions of Government or any regulatory authority, or equity share capital held by any Government or Government body)

- Exemption is available only for dividends distributed out of the current income earned by the Trust after the Trust acquires the requisite shareholding.

Dividends paid out of accumulated profits or current profits upto the date of acquisition of shares in SPV will be subject to DDT as and when distribution takes place.

- Capital gains on sale of unlisted shares of the SPV is taxable in the hands of the Trust at 20% with an indexation benefit, where the shares are held for a period of 2 years or more, else at maximum marginal rate ('MMR') i.e., 30%. Capital gains on the sale of assets (other than unlisted shares) is taxable in the hands of the Trust at 20% with an indexation benefit, where such assets are held for a period of 3 years or more, else at MMR i.e., at 30%. Any other income of the Trust shall be taxable at the MMR (i.e., at 30%). [Section 111A, Section 112 and Section 115UA].

- The Trust is required to furnish its return of income. The necessary reporting and withholding tax compliance requirements are required to be met by the Trust.

2. Taxability of the income in the hands of the unit holders (investors)

- Interest income received or receivable by the Trust shall be exempt in the hands of the Trust and shall only be taxable in the hands of Investors (including sponsor) as if they have received the interest directly from the SPV. The interest income is taxable at the applicable rates for resident unit holders and at the rate of 5% for non-resident unit holders or offshore investors [plus applicable surcharge and education cess]. In case of non-resident unit holders, beneficial tax regime under a Double Taxation Avoidance Agreement ('DTAA') entered into between India and the country in which the offshore Investor is resident, if any, shall be available. [Section 115A and Section 115UA].

- Dividend income distributed by the Trust to the unit holders is exempt in the hands of the unit holders. [sub-clause (b) of Section 10(23FC)] .

- Tax on capital gains will be levied when units held by investors are transferred. Capital gains earned by the investors shall be taxable depending on the period of holding of units.

  - Short-term capital gains (held for 3 years or less than 3 years) on sale of units would be subject to tax at 15% provided STT has been paid on sale of such units of the Trust. In case of non-resident investors, beneficial tax regime under a DTAA, if any, shall be available; and
  - Long term capital gains (held for more than 3 years) would be exempt from tax provided STT has been paid on sale of such units of the Trust. [Section 10(38) and Section 111A].

- Any distributed income referred to in section 115UA, other than interest income referred to in sub-clause (a) of section 10(23FC), received by a unit holder from the Trust shall be exempt in the hands of the unit holder. [Section 10(23FD)]

- Thus, the income distributed by the Trust (except interest income) shall be exempt in the hands of the unit holder.

3. Buy-back of Units by the Trust

The tax treatment of the gains arising on the buy-back would be as under:

- Under section 115QA of the IT Act, a domestic company distributing any income on buy-back of shares is charged to tax and such domestic company shall be liable to pay additional income-tax @ 20% on the distributed income.

  The Trust is a Trust registered in accordance with the SEBI Regulations and would not be covered within the definition of domestic company. Accordingly, buy-back of units by the Trust would not have any tax implications in the hands of the Trust.

  The capital gains, if any, arising to the unit holder on the buy-back of units shall be taxed as under in case such units are bought back in an off-market transaction without paying any STT:

  - Long-term Capital Gains (LTCG) – 20%
  - Short-term Capital Gains (STCG) – 30%

  The units should be held by the unit holder for more than 36 months to qualify as long term capital asset.

  The above tax treatment is without considering the tax benefits as may be available under the DTAA entered into between India and the host country of the offshore Unit Holder.

  In case units are bought back in an on market transaction over the stock exchange and such buy-back is subjected to STT, the tax implications arising on the capital gains on buy-back would be as under:

  - Long-term Capital Gains (LTCG) – Nil
  - Short-term Capital Gains (STCG) – 15%

4. Withholding tax implications

- Where the Trust has borrowed monies under the External Commercial Borrowings Regulations ('ECB Regulations'), the Trust would be required to withhold taxes at the time of credit of such income to the account of lender or at the time of making interest payment to the Lender, whichever is earlier. It may be noted that the withholding would be at the reduced rate of 5% on interest payments to non-resident lenders subject to the conditions and for such period as is provided in section 194LC of the IT Act.

- With regards to the interest payment for loans availed by the Trust from the resident lenders, the Trust shall withhold taxes at the rate of 10% as per Section 194A of the IT Act.

- Where the Trust distributes the interest income received by it to the unit holders, the Trust would be required to withhold taxes at the rate of 5% in case of non-resident unit holders and at the rate of 10% in case of resident unit holders.[Section 194LBA]

- It may be noted that where the recipient of the interest income is anyone of the following persons, the Trust would not be required to withhold the taxes:

  (i) the Government, or
  (ii) the Reserve Bank of India, or
  (iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or
  (iv) a Mutual Fund specified under clause (23D) of section 10 of the Act.

- There are no withholding tax obligations on the Trust in respect of the dividend income / capital gains / any other income earned by the Trust and distributed to the unit holders.

- As per section 206AA of the IT Act, where a tax payer does not possess a Permanent Account Number ('PAN'), taxes have to be withheld on payment of income to the tax payer (where chargeable to tax) at higher of the following:

  - at the rate specified in the IT Act; or
  - at the rate or rates in force; or
  - at the rate of twenty per cent

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

  The exemption from reporting of PAN would be available to non-residents in respect of payments of the following nature:-
  a. Interest;
  b. Royalty;
  c. Fees for technical services; and
  d. Payments on transfer of any capital asset

  The new rules require submission of the following information and documents by the non- resident to the deductor to avail the exemption, namely –

  i. Name, e-mail id, contact number;
  ii. Address in the country or specified territory outside India of which the deductee is a resident;
  iii. A certificate of his being resident (i.e. Tax Residency Certificate or TRC) in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
  iv. TIN of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

5. Income accrual to the Investors

- The income of a unit holder which is of the nature as referred to in section 10(23FC)(a) out of investments made in the Trust, is chargeable to tax in the same manner as if it were income of the unit holder from investments made directly.

- Further, the income distributed to the unit holders by the Trust would be deemed to be of the same nature and in the same proportion in the hands of the unit holders as it had been received by or accrued to the Trust.

6. Alternate Minimum Tax ('AMT') or Minimum Alternative Tax ('MAT')

- The provisions of Alternate Minimum Tax ('AMT') would not be applicable on the income received by the Trust, as the Trust would not be claiming any tax incentive under Chapter VIA or Section 10AA or Section 35AD.

- Where the unit holder or sponsor is an Indian company, the MAT provisions would apply in case of the interest income / capital gains arising to such unit holder / sponsor and the unit holder / sponsor would be liable to pay MAT, in case, the tax liability under the MAT provisions is higher than the tax liability under the normal provisions.

- As per Finance Act 2016, MAT provisions will not be applicable to foreign companies in the following circumstances:

  Where the foreign company is resident of a country with which India has entered into a DTAA and such foreign company does not create a permanent establishment in India as per the provisions of the relevant DTAA.

Where the foreign company is resident of a country with which India has not entered into a DTAA and such foreign company is not obliged to seek registration under the relevant provision of the Companies Act, 1956 or the Companies Act, 2013.

- MAT provisions are not applicable to non-corporate investors.

7. Rate of tax, surcharge, and education cess

The income-tax rates specified in this note are as applicable for the financial year 2016-17, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

Surcharge:

Domestic companies

- If the net income does not exceed INR 10 million – Nil
- If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent
- If the net income exceeds INR 100 million - 12 per cent

Foreign companies

- If the net income does not exceed INR 10 million - Nil
- If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent
- If the net income exceeds INR 100 million - 5 per cent

For individuals, surcharge at the rate of 15% and for other assessees surcharge at the rate of 12% shall be applicable if the total income exceeds INR 10 million. Surcharge on dividend distribution tax shall be at the rate of 12%.

Education cess:

In all cases, education cess will be levied at the rate of 3 per cent of income-tax and surcharge.

SECTION IV – ABOUT THE TRUST

BACKGROUND AND STRUCTURE OF THE TRUST

Background of the Trust

The Trust has been settled by IRB Infrastructure Developers Limited (the "**Sponsor**") pursuant to the Indenture of Trust in Mumbai, India, as an irrevocable trust in accordance with the Trusts Act. The Trust was settled with an initial settlement amount of Rs. 10,000 by the Sponsor. The Indenture of Trust is registered under the Registration Act. The Trust has been registered with SEBI as an infrastructure investment trust under the InvIT Regulations (Registration Number: IN/InvIT/15-16/0001).

The object and purpose of the Trust, as described in the Indenture of Trust, is to carry on the activity of an infrastructure investment trust under the InvIT Regulations, to raise resources in accordance with the InvIT Regulations, and to make investments in accordance with its investment strategy. For additional details in relation to the business and investment strategy of the Trust, see "*The Trust's Business*" on page 145.

The Trust is required to make distributions to the Unitholders in accordance with the InvIT Regulations. For details in relation to the distribution policy of the Trust, see "*Distribution Policy*" on page 256.

Parties to the Trust

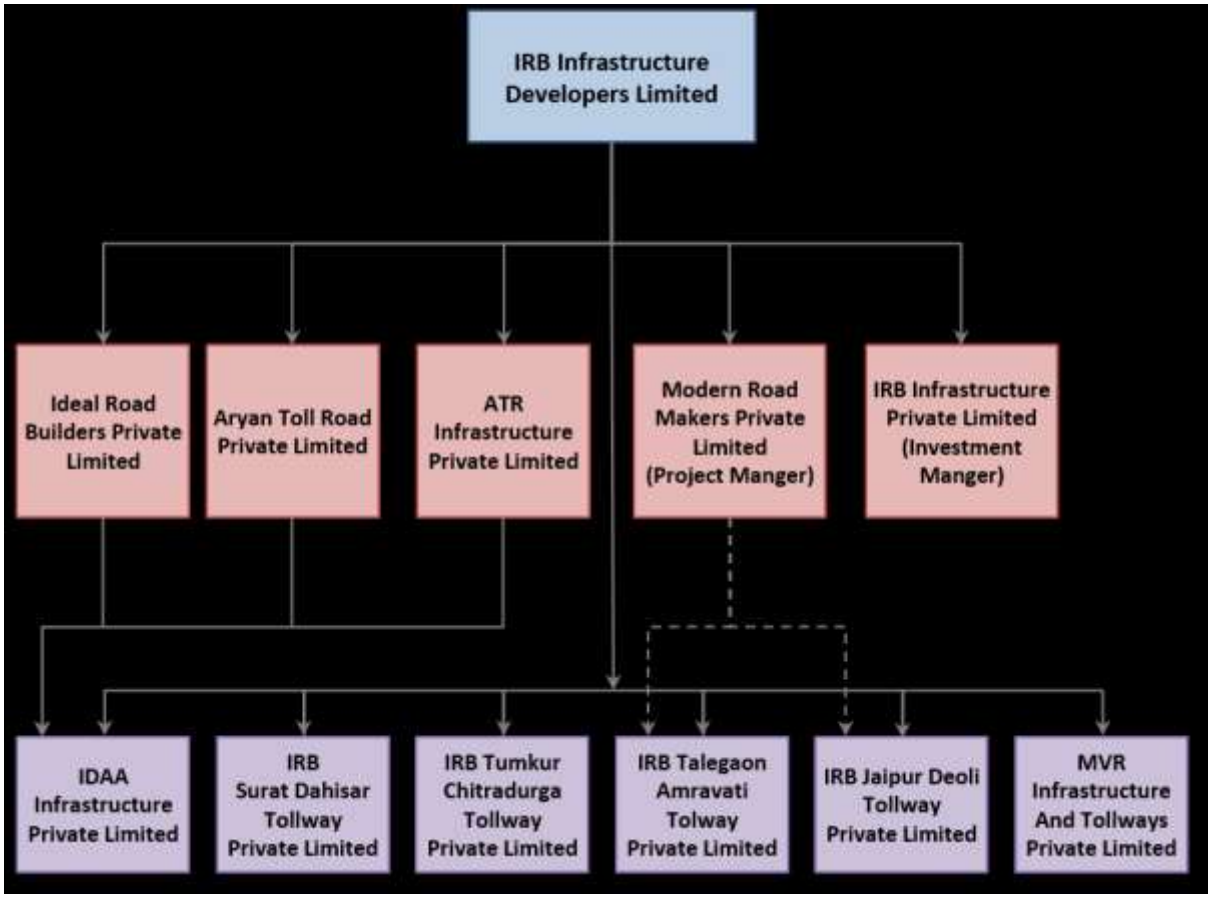
In accordance with the InvIT Regulations, the Parties to the Trust are:

Sr. No.	Name of the Party	Role/Responsibility	Description
1.	IRB Infrastructure Developers Limited	Sponsor	IRB Infrastructure Developers Limited is a public limited company incorporated under the Companies Act, 1956, having CIN L65910MH1998PLC115967. Its registered office is situated at 3rd Floor, IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. The equity shares of the Sponsor are listed on the Stock Exchanges. For further details in relation to the Sponsor, see "*The Sponsor*" on page 267.
2.	IRB Infrastructure Private Limited	Investment Manager	IRB Infrastructure Private Limited is a private limited company incorporated under the Companies Act, 1956, having CIN U28920MH1997PTC112628. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. The Investment Manager is a wholly-owned subsidiary of the Sponsor. For further details in relation to the Investment Manager, see "*The Investment Manager*" on page 272.
3.	Modern Road Makers Private Limited	Project Manager	Modern Road Makers Private Limited, is a private limited company incorporated under the Companies Act, 1956, having CIN U45203MH1994PTC077075. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072. The Project Manager is a wholly-owned subsidiary of the Sponsor and the engineering, procurement and construction arm of the Sponsor's group.

Sr. No.	Name of the Party	Role/Responsibility	Description
			For further details in relation to the Project Manager, see "*The Project Manager*" on page 281.
4.	IDBI Trusteeship Services Limited	Trustee	IDBI Trusteeship Services Limited is a public limited company incorporated under the Companies Act, 1956, having CIN U65991MH2001GOI131154. It is registered with SEBI as a debenture trustee under the Debenture Trustees Regulations, having SEBI registration number IND000000460. Its registered office is situated at Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001. For further details in relation to the Trustee, see "*The Trustee*" on page 283.

Sponsor's Holdings in the Project SPVs pre-Formation Transactions

The following diagram illustrates the shareholding structure of the Project SPVs before the completion of the Formation Transactions:



Details of the Project SPVs

For the Combined Financial Statements of the Project SPVs, as prepared in accordance with the requirements of the InvIT Regulations and Ind-AS, and the related notes, schedules and annexures thereto, as of and for the Fiscals 2014, 2015 and 2016, and the nine month period ended December 31, 2016, see "Financial Statements" on page 289.

1. IDAA Infrastructure Private Limited ("IDAAIPL")

Corporate Information

IDAAIPL was incorporated on January 10, 2006, as a private limited company under the Companies Act, 1956, having CIN U99999MH2006PTC158784. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main object, as contained in the memorandum of association of IDAAIPL, is as follows:

"*To carry on the business of infrastructure development in respect of the work of "Six / Four laning of Km. 198.00 to Km. 263.00, Bharuch to Surat Section of NH 8 in Gujarat on Build, Operate and Transfer (BOT) Basis – Package BOT-2", comprising of construction, operation and maintenance of facility including collection of the fee and retention of the fee and to carry out the ancillary activities as specified in the Concession Agreement with National Highways Authority of India (NHAI).***"**

Capital Structure

The capital structure of IDAAIPL is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	198,120,050
Issued, subscribed and paid-up capital	198,120,003

Shareholding Pattern

The shareholding pattern of IDAAIPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Ideal Road Builders Private Limited	51,511,200	26.00
2.	IRB Infrastructure Developers Limited	87,172,800	44.00
3.	Aryan Toll Road Private Limited	27,736,800	14.00
4.	ATR Infrastructure Private Limited	31,699,200	16.00
5.	Mr. Dhananjay K. Joshi*	1	Less than 0.01
6.	Mr. Vinod Kumar Menon*	1	Less than 0.01
7.	Mrs. Anushree Joshi*	1	Less than 0.01
	Total	**198,120,003**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of IDAAIPL on a fully diluted basis as on the date of this Final Offer Document.

2. IRB Jaipur Deoli Tollway Private Limited ("IJDTPL")

Corporate Information

IJDTPL was incorporated on November 24, 2009, as a private limited company under the Companies Act, 1956, having CIN U45203MH2009PTC197250. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main object, as contained in the memorandum of association of IJDTPL, is as follows:

"*To carry on the business of infrastructure development in respect of the work of design, engineering, construction, development, finance, operation and maintenance of Jaipur to Deoli Section of NH-12 from km 18.700 to km 165.00 in the State of Rajasthan under NHDP Phase III on DBFOT basis including collection of fees and retention of the fees and to carry out the ancillary activities as specified in the Concession Agreement to be executed with National Highway Authority of India (NHAI).*"

Capital Structure

The capital structure of IJDTPL is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	131,750,000
Issued, subscribed and paid-up capital	131,750,000

Shareholding Pattern

The shareholding pattern of IJDTPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	IRB Infrastructure Developers Limited	97,489,995	74.00
2.	Modern Road Makers Private Limited	34,260,000	26.00
3.	Mr. Dhananjay K. Joshi*	1	Less than 0.01
4.	Mr. Mukeshlal Gupta*	1	Less than 0.01
5.	Mr. Ajay P. Deshmukh*	1	Less than 0.01
6.	Mr. Vinod Kumar Menon*	1	Less than 0.01
7.	Mrs. Anushree Joshi*	1	Less than 0.01
	Total	**131,750,000**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of IJDTPL on a fully diluted basis as on the date of this Final Offer Document.

3. IRB Surat Dahisar Tollway Private Limited ("ISDTPL")

Corporate Information

ISDTPL was incorporated on April 16, 2008, as a private limited company under the Companies Act, 1956, having CIN U45203MH2008PTC181218. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main object, as contained in the memorandum of association of ISDTPL, is as follows:

"*To carry on the business of infrastructure development in respect of the work of "Six laning of Surat Dahisar section of NH 8 from Km. 263.00 to Km. 502.00, in the State of Gujrat/Maharashtra on Build, Operate and Transfer (BOT) (Toll) basis on DBFO pattern under NHDP Phase V" comprising of construction, operation and maintenance of facility including collection of the fee and retention of the fee and to carry out the ancillary activities as specified in the Concession Agreement with National Highway Authority of India (NHAI).*"

Capital Structure

The capital structure of ISDTPL is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	550,000,000
Issued, subscribed and paid-up capital	510,842,000

Shareholding Pattern

The shareholding pattern of ISDTPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	IRB Infrastructure Developers Limited	510,841,994	100.00
2.	Mr. Virendra D. Mhaiskar*	1	Less than 0.01
3.	Mr. Dhananjay K. Joshi*	1	Less than 0.01
4.	Mr. Mukeshlal Gupta*	1	Less than 0.01
5.	Mr. Ajay P. Deshmukh*	1	Less than 0.01
6.	Mr. Vinod Kumar Menon*	1	Less than 0.01
7.	Mrs. Anushree Joshi*	1	Less than 0.01
	Total	**510,842,000**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of ISDTPL on a fully diluted basis as on the date of this Final Offer Document.

4. IRB Talegaon Amravati Tollway Private Limited ("ITATPL")

Corporate Information

ITATPL was incorporated on October 29, 2009, as a private limited company under the Companies Act, 1956, having CIN U45203MH2009PTC196741. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main object, as contained in the memorandum of association of ITATPL, is as follows:

"*To carry on the business of infrastructure development in respect of the work of design, engineering, finance, procurement, construction, operation and maintenance of 4-laning of Talegaon-Amravati section of NH-6 from km 100.00 to km 166.725 in the State of Maharashtra under NHDP Phase IIIA on DBFOT basis including collection of the fee and retention of the fee and to carry out the ancillary activities as specified in the Concession Agreement to be executed with National Highway Authority of India (NHAI).*"

Capital Structure

The capital structure of ITATPL is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	50,000,000
Issued, subscribed and paid-up capital	49,250,000

Shareholding Pattern

The shareholding pattern of ITATPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	IRB Infrastructure Developers Limited	36,444,995	74.00
2.	Modern Road Makers Private Limited	12,805,000	26.00
3.	Mr. Dhananjay K. Joshi*	1	Less than 0.01
4.	Mr. Mukeshlal Gupta*	1	Less than 0.01
5.	Mr. Ajay P. Deshmukh*	1	Less than 0.01
6.	Mr. Vinod Kumar Menon*	1	Less than 0.01
7.	Mrs. Anushree Joshi*	1	Less than 0.01
	Total	**49,250,000**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of ITATPL on a fully diluted basis as on the date of this Final Offer Document.

5. IRB Tumkur Chirtadurga Tollway Private Limited ("ITCTPL")

Corporate Information

ITCTPL was incorporated on June 28, 2010, as a private limited company under the Companies Act, 1956, having CIN U45203MH2010PTC204932. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main object, as contained in the memorandum of association of ITCTPL, is as follows:

"*To carry on the business of infrastructure development in respect of the work of design, build, finance and operation of Six Laning of Tumkur Chitradurga section from km 75.00 to km. 189.00 of NH-4 in the State of Karnataka under NHDP Phase V on BOT basis, including collection of the fee and the retention of the fee and to carry out the activities, in relation of the foregoing, as specified in the Concession Agreement to be executed with the National Highway Authority of India (NHAI).*"

Capital Structure

The capital structure of ITCTPL is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	155,510,000
Issued, subscribed and paid-up capital	155,500,002

Shareholding Pattern

The shareholding pattern of ITCTPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	IRB Infrastructure Developers Limited	155,499,996	100.00
2.	Mr. Dhananjay K. Joshi*	1	Less Than 0.01
3.	Mr. Mukeshlal Gupta*	1	Less Than 0.01
4.	Mr. Ajay P. Deshmukh*	1	Less Than 0.01
5.	Mr. Vinod Kumar Menon*	1	Less Than 0.01
6.	Mrs. Anushree Joshi*	1	Less Than 0.01
7.	Mrs. Arati Taskar*	1	Less Than 0.01
	Total	**155,500,002**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of ITCTPL on a fully diluted basis as on the date of this Final Offer Document.

6. M.V.R. Infrastructure and Tollways Private Limited ("MITPL")

Corporate Information

MITPL was incorporated on January 5, 2006, as a private limited company under the Companies Act, 1956, having CIN U45200MH2006PTC249855. Its registered office is situated at IRB Complex, Chandivali Farm, Chandivali Village, Andheri (East), Mumbai - 400 072, Maharashtra, India.

Main Object

The main objects, as contained in the memorandum of association of MITPL, are as follows:

"*1. To carry on the business of developers of infrastructure projects including but not limited to Roads and to turn to account the infrastructure projects through Build Own Operate (BOOT) or BOT Contracts and to collect tolls, cess, fees of any kind for the use of the infrastructure facilities created.*

2. To carry on the business of builders and contractors and to purchase, acquire, take on lease, or in exchange or in any other lawful manner any area, land, buildings, structures and to turn the same into account, develop the same and dispose of or maintain the same and to build all types of buildings, Dams, Bridges, Roads, Railways, Water ways or conveniences thereon and to equip the same or any part thereof with all or any amenities or conveniences, drainage faculty, electric, and to deal with the same in any manner whatsoever.

3. To carry on the business of consultants, CM Engineers, Electrical Engineers, Technical advisers, mechanical engineers, appraisers, decorators, furnishers, Job contractors, house agents and to construct, assemble, erect, maintain, run and establish factories for making pre-fabricated houses or apartments or structures and all other requisites there for including glassware, plaster ware, furniture furnishing and other materials of all kinds and to exporter import the same."

Capital Structure

The capital structure of MITPL is as follows:

Particulars	No. of equity shares of Rs. 100 each
Authorised capital	7,000,000
Issued, subscribed and paid-up capital	6,910,170

Shareholding Pattern

The shareholding pattern of MITPL before the completion of the Formation Transactions was as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 100 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	IRB Infrastructure Developers Limited	6,910,164	100.00
2.	Mr. Dhananjay K. Joshi*	1	Less Than 0.01
3.	Mr. Vinod Kumar Menon*	1	Less Than 0.01
4.	Mrs. Anushree Joshi*	1	Less Than 0.01
5.	Mrs. Aarti Taskar*	1	Less Than 0.01
6.	Mr. Mukeshlal Gupta*	1	Less Than 0.01
7.	Mr. Ajay Deshmukh*	1	Less Than 0.01
	Total	**6,910,170**	**100.00**

** As a nominee of IRB Infrastructure Developers Limited*

Consequent to an approval from NHAI dated February 15, 2017, IRB Infrastructure Developers Limited (the Sponsor) acquired 1,796,643 equity shares in MITPL (representing 26% of MITPL's equity share capital on a fully diluted basis) from certain unrelated parties in March 2017.

Pursuant to the completion of the Formation Transactions, the Trust, together with its nominee, holds 100% of the equity shares of MITPL on a fully diluted basis as on the date of this Final Offer Document.

Formation Transactions

Prior to the Allotment of the Units in the Issue, the Trust acquired an initial portfolio of six special purpose vehicles, namely, IDAAIPL, IJDTPL, ISDTPL, ITATPL, ITCTPL and MITPL, all of which are were wholly owned by the Sponsor and its subsidiaries (together, the "**Formation Transactions**").

Consequent to the completion of the Formation Transactions, the Trust has acquired 100% of the equity shares in each of IDAAIPL, IJDTPL, ISDTPL, ITATPL, ITCTPL and MITPL on May 9, 2017 (the "**Acquisition Date**"). As consideration for the acquisition of the equity shares of the Project SPVs, the Investment Manager (on behalf of the Trust) issued 115,290,664 Units, in aggregate, to the sellers of each Project SPV (comprising the Sponsor and its subsidiaries that owned the Project SPVs) on the Acquisition Date, out of which 28,210,664 Units comprise the Offer for Sale in the Issue. The share purchase agreements for each Project SPV were executed on the Acquisition Date.

The purchase price for the equity shares of each Project SPV was mutually agreed between the Investment Manager (in consultation with the Trustee) and the respective Selling Unitholders on the date of the acquisition of such equity shares, which was after the Bid/Issue Closing Date. The total purchase price for each Project SPV was not higher than the value of each Project SPV as set forth in the Valuation Report, and as adjusted for the actual outstanding debt of each Project SPV as on the Acquisition Date. For details of the number of Units issued to each Selling Unitholder pursuant to the Share Purchase Agreements, see "*Background and Structure of the Trust - Issuance of Units Pursuant to the Formation Transactions*" on page 129. For details of the number of Units offered by each Selling Unitholder in the Offer for Sale, see "*Background and Structure of the Trust - Unit Holding Structure of the Trust*" on page 227.

The Trust (acting through the Trustee) has acquired the shareholding of the Selling Unitholders in each of the Project SPVs, by entering into the following share purchase agreements:

1. Share purchase agreement dated May 9, 2017, entered into among the Sponsor, Ideal Road Builders Private Limited, Aryan Toll Road Private Limited, ATR Infrastructure Private Limited, the Trust (acting through the Trustee), the Investment Manager and IDAAIPL (the "**IDAAIPL SPA**") for the transfer of an aggregate of 198,120,003 equity shares in IDAAIPL (representing 100% of the equity shares of IDAAIPL on a fully diluted basis), from the Sponsor (and its nominee shareholders), Ideal Road Builders Private Limited, Aryan Toll Road Private Limited and ATR Infrastructure Private Limited, in consideration of 8,546,353 Units to the Sponsor, 5,050,118 Units to Ideal Road Builders Private Limited, 2,719,294 Units to Aryan

Toll Road Private Limited and 3,107,765 Units to ATR Infrastructure Private Limited (aggregating to 19,423,530 Units);

2. Share purchase agreement dated May 9, 2017, entered into among the Sponsor and the Project Manager, the Trust (acting through the Trustee), the Investment Manager and IJDTPL (the "**IJDTPL SPA**") for the transfer of an aggregate of 131,750,000 equity shares in IJDTPL (representing 100% of the equity shares of IJDTPL on a fully diluted basis), held by the Sponsor (and its nominee shareholders) and the Project Manager, in consideration of 9,557,843 Units to the Sponsor and 3,358,824 Units to the Project Manager (aggregating to 12,916,667 Units);

3. Share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and ISDTPL (the "**ISDTPL SPA**") for the transfer of an aggregate of 510,842,000 equity shares in ISDTPL (representing 100% of the equity shares of ISDTPL on a fully diluted basis), held by the Sponsor (and its nominee shareholders), in consideration of an aggregate of 52,188,703 Units to the Sponsor;

4. Share purchase agreement dated May 9, 2017, entered into among the Sponsor and the Project Manager, the Trust (acting through the Trustee), the Investment Manager and ITATPL (the "**ITATPL SPA**") for the transfer of an aggregate of 49,250,000 equity shares in ITATPL (representing 100% of the equity shares of ITATPL on a fully diluted basis), held by the Sponsor (and its nominee shareholders) and the Project Manager, in consideration of 3,573,039 Units to the Sponsor and 1,255,392 Units to the Project Manager (aggregating to 4,828,431 Units);

5. Share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and ITCTPL (the "**ITCTPL SPA**") for the transfer of an aggregate of 155,500,002 equity shares in ITCTPL (representing 100% of the equity shares of ITCTPL on a fully diluted basis), held by the Sponsor (and its nominee shareholders), in consideration of an aggregate of 15,245,098 Units to the Sponsor; and

6. Share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and MITPL (the "**MITPL SPA**") for the transfer of an aggregate of 6,910,170 equity shares in MITPL (representing 100% of the equity shares of MITPL on a fully diluted basis), held by the Sponsor (and its nominee shareholders), in consideration of an aggregate of 10,688,235 Units to the Sponsor.

(individually, a "**Share Purchase Agreement**" and collectively, the "**Share Purchase Agreements**").

Terms of the Share Purchase Agreements

In connection with the Formation Transactions, the Investment Manager and the Trust (acting through the Trustee) have entered into the aforesaid Share Purchase Agreements with the relevant Selling Unitholder(s) and Project SPV, on May 9, 2017. For additional details, see "*Issue Structure*" on page 460.

Certain relevant definitions in the Share Purchase Agreements:

"Applicable Law" shall mean any statute, law, regulation, ordinance, rule, judgment, order, arbitral award, decree, bye-law, approval of any Government Authority, directive, guideline, policy, requirement or other government restriction or any similar form of decision of or determination by, or any interpretation having the force of law of any of the foregoing by any Government Authority (including the NHAI) the Republic of India having jurisdiction, applicable to any Party, in force from time to time;

"**Closing**" shall mean completion of the transactions contemplated by the Share Purchase Agreement

"Concessioning Authority" shall mean the National Highways Authority of India;

"**Charter Documents**" mean the Memorandum of Association and the Articles of Association of the Project SPV as amended from to time;

"**Encumbrance**" shall mean any (i) encumbrance including without limitation any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of

security, beneficial ownership (including usufruct and similar entitlements), or any other interest held by a third Person; (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law; (iii) power of attorney in relation to the shares, voting trust agreement, interest, option or right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any Person; and/or (iv) any adverse claim as to title, possession or use; but shall not cover the pledge of Equity Shares of the Project SPVs in favour of the lenders under their respective financing documents;

"Equity Shares" shall mean equity shares of the Project SPV;

"Existing Project" shall mean project(s) of the Project SPV, as described in Share Purchase Agreement;

"**Lenders**" shall mean the banks, financial institutions, funds and agents or trustees of debenture holders, non-banking financial companies or other major lending agencies approved by RBI including their successors and assignees, who have provided or have agreed to provide finance to the Project SPV under any form of financing arrangements (including the senior debt, subordinate debt and funded interest term loan) for meeting costs of all or any part of the Existing Project, and who hold any form of charge over any assets, rights or interests of the Project SPV;

"**Material Adverse Effect**" shall mean any (a) event, occurrence, fact, condition, change, development or effect (including without limitation any action of any Governmental Authority or the act of nature) that in the opinion of the Trust affects the validity or enforceability of the Share Purchase Agreement or which may be materially adverse to the business, or operations, condition (financial or otherwise), properties, prospects or assets (whether tangible or intangible) or liabilities of the Project SPV; or (b) material impairment of the ability of the Project SPV or the Selling Unitholders, as the case may be, to perform their respective obligations hereunder; or any other agreement or document contemplated thereby to which it is a party; or (c) material impairment of the ability of the Trust to exercise or enjoy the benefits of any right or privilege, in each case under the Share Purchase Agreement, or any other agreement or document contemplated thereby to which it is a party;

"Project Approval Parties" shall mean the Lenders and the Concessioning Authority;

"Project Documents" shall mean the concession agreement executed by the Project SPV with the Concessioning Authority for the execution of the Existing Project along with other agreements incidental thereto, the financing documents with the senior lenders and sub-ordinate lenders executed by the Project SPV in relation to the financing of the Existing Project, undertakings given to lenders; and

"Sale Shares" shall mean the equity shares of the Project SPV that were purchased by the Trust which comprised of the equity shares of the Selling Unitholders and their respective nominee shareholders.

Sale and Purchase of Sale Shares

Upon the terms and subject to the conditions set forth in the Share Purchase Agreement, in consideration of the mutual rights and obligations of the Selling Unitholders and relying on the mutual warranties of the Selling Unitholders as set out in the Share Purchase Agreement, the Trustee on behalf of the Trust agreed to acquire from the Selling Unitholders and their respective nominee shareholders, the Sale Shares on the Acquisition Date, free and clear from all Encumbrances, in consideration for the issue of an agreed number of Units by the Trust to the Selling Unitholders ("**Consideration Units**"). The proportion in which the Investment Manager on behalf of the Trust issued the Consideration Units to each of the Selling Unitholders shall be as set out in Share Purchase Agreement.

Conditions Precedent

The Trustee's obligation to acquire the Sale Shares on behalf of the Trust at the closing date was subject to the completion of certain conditions on or before the closing date, to the satisfaction of the Trustee, unless waived in writing by the Trustee with the prior consent of the GCBRLMs and the BRLM, which, *inter alia*, are as follows:

i) The Selling Unitholders shall cause the Project SPV to hand over to the Trustee a copy of all the records pertaining to the share transfers approved by the Project SPV along with the supporting documents since incorporation;

ii) The Selling Unitholders and the Project SPV shall have duly performed and complied with all terms, provisions, agreements, covenants and conditions required under the Project Documents to be performed or complied with by them prior to or on the closing date;

iii) The Selling Unitholders have obtained a no-objection certificate from the relevant assessing officer of the Income Tax Department, Government of India, for the transfer of the Sale Shares to Trust pursuant to section 281 of the IT Act and such certificate continues to remain valid as of the closing date;

iv) Each of the Project Approval Parties shall have approved the transfer of the Sale Shares, and the Sponsor, the Selling Unitholders and the Project SPV shall have satisfied all the conditions set out in such approvals; and

v) No event, occurrence, fact, condition, change, development or effect shall exist or have occurred or come to exist or have been threatened since the date of the Share Purchase Agreement that, individually or in the aggregate has had or resulted in, or might become or result in, a Material Adverse Effect.

Representations and Warranties

Under the respective Share Purchase Agreements, the Selling Unitholders, jointly and severally, on their own behalf and on behalf of the respective Project SPVs, provided certain representations and warranties to the Trust, which, *inter alia*, are as follows:

i) the sale of the equity shares of the Project SPVs contemplated under the Share Purchase Agreement is and shall remain in compliance with Applicable Law, the Charter Documents and the Project Documents. The Project SPV has approved the transfer of its equity shares in compliance with the Companies Act and its Charter Documents;

ii) there are no legal suits, complaints, proceedings or actions that are pending, threatened or undertaken against the Selling Unitholders or its respective assets, which are either continuing or have been undertaken, that may have a Material Adverse Effect on the performance of its obligations under the Share Purchase Agreement;

iii) the equity shares of the Project SPV, when purchased (i) will be duly authorized, validly issued, fully paid up and free and clear of all Encumbrances; (ii) shall provide clear and marketable title to the Trust in respect thereof; (iii) shall be free of restrictions on transfer, pre-emptive rights, rights of first refusal or other rights; and (iv) shall have all the rights attached to equity shares of the Project SPVs as set out in the Share Purchase Agreement;

iv) the books, accounts and records of the respective Project SPV have been maintained in accordance with the applicable law and the Indian GAAP and from April 1, 2016, they have been maintained in accordance with Ind-AS on a proper and consistent basis and comprise complete and accurate records of all information required to be recorded. All such books, accounts and records are free from misstatements or omissions;

v) since the Accounts Date (as defined under the Share Purchase Agreement), there has not been (a) any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets owned or used by the Project SPV for the conduct of its business; (b) any waiver by the Project SPV of a valuable right or of a material debt owed to it or factoring of any of its debts; (c) any change or amendment to any contract(s) with any related party except in the ordinary course of its business or in respect of employment terms of the officers/directors of the Project SPV; (d) any purchase, sale, transfer or other disposition of any of the immovable properties of or by the Project SPV; (e) any declaration, setting aside or, save as provided for in the Financial Statements, payment of any dividend on, or the making of any other distribution in respect of, the share capital of the Project SPV, or any direct or indirect redemption, purchase or reduction by the Project SPV of its own shares; (f) any debt, obligation or contingent or other liability incurred, assumed or guaranteed by the Project SPV except in the ordinary course of its business; (g) any payment or discharge of an Encumbrance of the Project SPV except in the ordinary course of its business; (h) no obligation or liability incurred or assumed or loan or advances made by the Project SPV to any employees, directors or shareholders except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement;

vi) the Project SPV has obtained all governmental approvals required under Applicable Law and other approvals under the Project Documents for carrying on its business effectively in the places and in the

manner, in which such businesses are carried on. All such governmental approvals are in full force and effect under the Applicable Law and Project Documents and, are not subject to any unusual or onerous conditions and have been complied with in all respects;

vii) the Project SPV's assets and properties are adequately insured and the Project SPV has obtained all insurance policies that it is required to obtain under any contracts with third persons as well as under Applicable Law and the Project Documents. The Project SPV is in compliance with all its obligations under such insurance policies and such insurance policies are legal, valid, binding, enforceable and in full force and effect and will continue to be legal, valid, binding, enforceable, and in full force and effect on the same terms following the consummation of the transactions contemplated hereby. The Project SPV is not in material breach or default (including with respect to the payment of premiums / negative grant or the giving of notices), and no event has occurred that, with notice or the lapse of time, would constitute such a breach or default, or permit termination, modification, or acceleration, under the insurance policies and no party to the policy has repudiated any provision thereof;

viii) the Project SPV has not disposed off, leased or licensed any equipment or assets (including real property) that are used in its business, except in accordance with the Applicable Law and the Project Documents. Where any such assets are used in the business of the Project SPV but not owned by the Project SPV, or any facilities or services are provided to the Project SPV by any third party, there has not occurred any event of default or any other event or circumstance (other than the expiry of any agreement in the normal course) which may entitle any third party to terminate any agreement or license in respect of the provision of such assets, facilities or services (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance);

ix) the Project SPV is not in default under any arrangement or agreement (no event or circumstance has occurred which will lead to an event of default) including the Project Documents to which it is a party or by which it is bound, nor has it received any notices of default or termination under any such arrangement or agreements including the Project Documents and no such notices of default or termination are threatened or anticipated;

x) Except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement, there have been no actions, suits, proceedings or investigations against the Project SPV prior to the date of the Share Purchase Agreement. Except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement, the Project SPV is not a claimant or defendant in or otherwise a party to any product liability claims, litigation, arbitration or administrative proceedings, which are in progress or pending or threatened, by or against or concerning the Project SPV or any of its assets or intellectual property rights. Except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement, no investigation or inquiry by any Governmental Authority concerning the Project SPV or its business is in progress or pending or threatened;

xi) the Project SPV does not have any outstanding borrowings in the nature of borrowing, except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement. The change in the level of borrowings since the Accounts Date has been in the ordinary course of business and any new borrowings have been used exclusively for the business of the Project SPV. Further, the Project SPV is in compliance of the terms of the financing agreements and has not received and is not likely to receive any notice to prepay or any notice of default under the financing agreements or any agreement relating to any Borrowings;

xii) no claim has been made or threatened against the Project SPV or its directors, employees, agents, officers or consultants that involves a potential liability of or against the Project SPV, which has or may have a Material Adverse Effect on the Project SPVs;

xiii) no dispute has arisen between the Project SPV and any of its employees (or his or her heirs), trade union, or contract workers or other body representing employees and there are no circumstances which are likely to give rise to any such dispute except as disclosed to the Trust and the Investment Manager in accordance with the manner prescribed in Share Purchase Agreement;

xiv) all related party transactions between the Selling Unitholders, as the case may be, and their respective affiliates have been entered into in compliance with Applicable Law and all the related party transactions are in full compliance with Applicable Law and Indian GAAP;

xv) the Project SPV conducts and has always conducted its business in a normal and prudent manner and in compliance in all respects with the Applicable Law and in accordance with its Charter Documents and Project Documents; and

xvi) the Project Documents are valid and existing and will continue to remain as such in accordance with the terms of each of such Project Documents thereof.

Indemnification

The Selling Unitholders and the Sponsor ("**Indemnifying Parties**") shall jointly and severally indemnify, defend and hold harmless, the Trust, the Trustee on behalf of the Trust, the Investment Manager on behalf of the Trust, their respective affiliates and (as applicable) all of their respective directors, officers employees, representatives and advisors (collectively the "**Indemnified Parties**"), immediately upon demand at any time and from time to time, from and against any and all losses, costs, damages, expenses and fees (including legal fees) ("**Loss**") suffered or incurred by the Indemnified Parties relating to or arising out of or in connection with any actual or threatened claim, by or against any Indemnified Parties arising out of or in connection with (collectively referred to as "**Indemnification Events**"):

i) any inaccuracy, misrepresentation or any breach of any warranty of the Selling Unitholders;

ii) any actual or alleged breach of any covenant or obligation of the Selling Unitholders or of the Project SPV contained under the Share Purchase Agreement;

iii) any pending or threatened claims against the Project SPV or any claims which may be made against the Project SPV and which relate to or arise out of, the period prior to the Closing Date;

iv) the Trustee on behalf of the Trust and/or the Investment Manager being called upon to pay any liabilities in respect of or pertaining to a period up to and including the Closing Date;

v) any failure of the Selling Unitholders to obtain consents from the Project Approval Parties;

vi) any actual or alleged breach by the Selling Unitholders of any covenant or agreement contained in the Project Documents pertaining to a period prior to the Closing Date;

vii) any and all costs and expenses incurred by the Trustee on behalf of the Trust in respect of a claim under this indemnity.

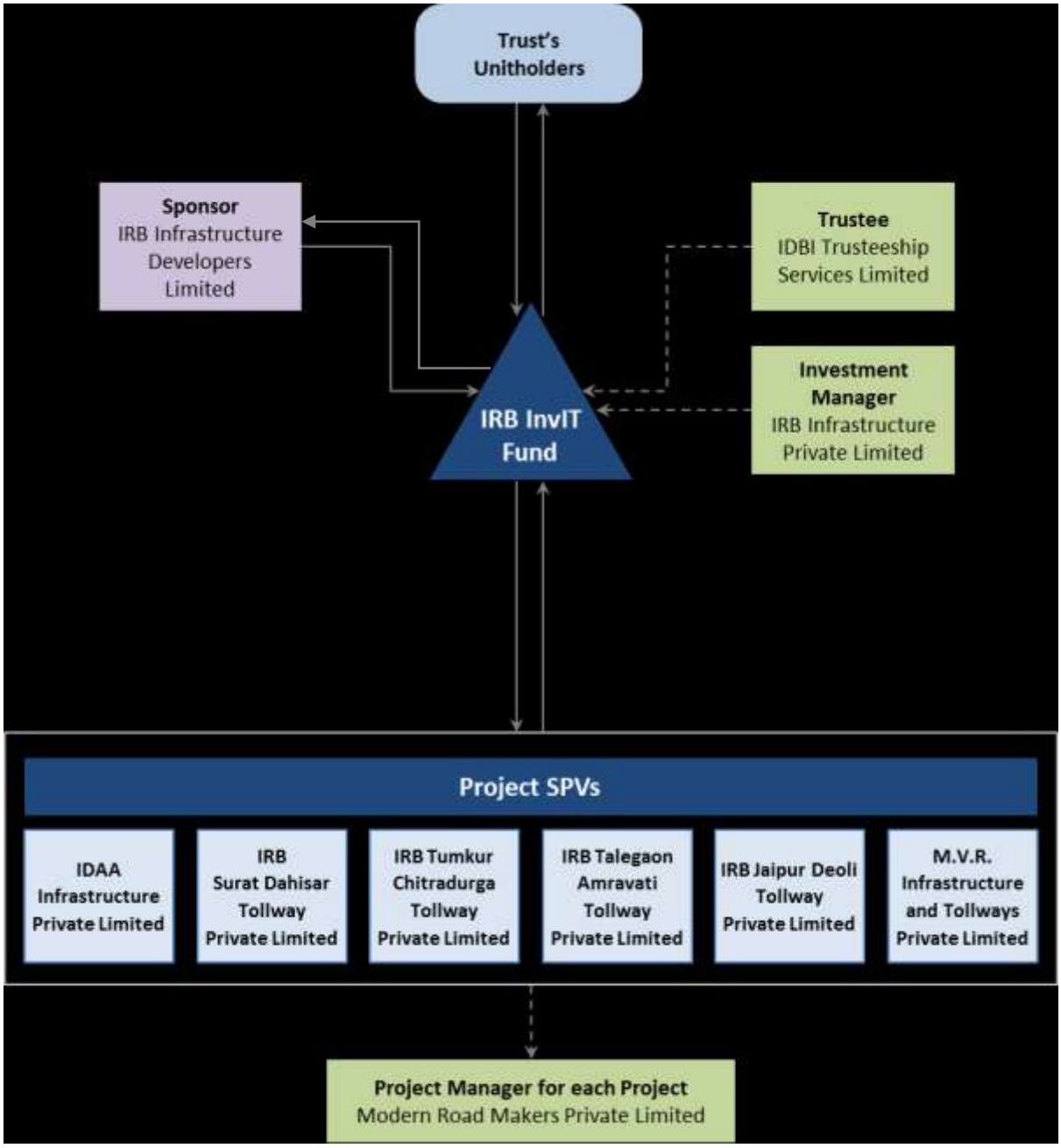
Issuance of Units Pursuant to the Formation Transactions

Name of Selling Unitholder	No. of equity shares held[1] (Pre-Formation Transactions)						No. of Units issued against equity shares held[2] (Upon-Formation Transactions)						Total pre-Issue Unit Holding[2] (Upon-Formation Transactions)	Post-Issue Unit Holding[3][4]
	IDAAIPL	IJDTPL	ISDTPL	ITATPL	ITCTPL	MITPL	IDAAIPL	IJDTPL	ISDTPL	ITATPL	ITCTPL	MITPL		
IRB Infrastructure Developers Limited (Sponsor)	87,172,803	97,490,000	510,842,000	36,445,000	155,500,002	6,910,170[5]	8,546,353	9,557,843	52,188,703	3,573,039	15,245,098	10,688,235	99,799,271	87,080,000
Modern Road Makers Private Limited (Project Manager)	-	34,260,000	-	12,805,000	-	-	-	3,358,824	-	1,255,392	-	-	4,614,216	-
Aryan Toll Road Private Limited	27,736,800	-	-	-	-	-	2,719,294	-	-	-	-	-	2,719,294	-
ATR Infrastructure Private Limited	31,699,200	-	-	-	-	-	3,107,765	-	-	-	-	-	3,107,765	-
Ideal Road Builders Private Limited	51,511,200	-	-	-	-	-	5,050,118	-	-	-	-	-	5,050,118	-
Total	**198,120,003**	**131,750,000**	**510,842,000**	**49,250,000**	**155,500,002**	**6,910,170**	**19,423,530**	**12,916,667**	**52,188,703**	**4,828,431**	**15,245,098**	**10,688,235**	**115,290,664**	**87,080,000**

[1]Includes the shares held by the nominees of such Selling Unitholder(s) pre-Formation Transactions
[2]At the Issue Price of Rs. 102 per Unit
[3]Consequent to the Units sold by such Selling Unitholder(s) pursuant to the Offer for Sale
[4]Based on the Total Issue.
[5]Consequent to an approval from NHAI dated February 15, 2017, IRB Infrastructure Developers Limited (the Sponsor) acquired 1,796,643 equity shares in MITPL (representing 26% of MITPL's equity share capital on a fully diluted basis) in from unrelated parties March 2017. Accordingly, 2,778,940 Units received by IRB Infrastructure Developers Limited against such 1,796,643 equity shares in MITPL, will not be offered by IRB Infrastructure Developers Limited in the Offer for Sale in compliance with Regulation 14(4)(v) of the InvIT Regulations.

Structure of the Trust

The following diagram illustrates the structure of the Trust after completion of the Formation Transactions:



Initial Road Assets

As of December 31, 2016, the Project SPVs owned, operated and maintained the following toll road assets comprising 3,645 Lane Kilometres of highways:

- the Bharuch–Surat NH 8 toll road: a 65.00 km section of NH 8 between Bharuch and Surat in Gujarat, which is held by IDAAIPL (the "**Bharuch–Surat NH 8 Project**");

- the Jaipur–Deoli NH 12 toll road: a 148.77 km section of NH 12 between Jaipur and Deoli in Rajasthan, which is held by IJDTPL (the "**Jaipur–Deoli NH 12 Project**");

- the Surat–Dahisar NH 8 toll road: a 239.00 km section of NH 8 between Surat in Gujarat and Dahisar in Maharashtra, which is held by ISDTPL (the "**Surat–Dahisar NH 8 Project**");

- Tumkur–Chitradurga NH 4 toll road: a 114.00 km section of NH 4 between Tumkur and Chitradurga in Karnataka, which is held by ITCTPL (the "**Tumkur–Chitradurga NH 4 Project**");

- the Omalur–Salem–Namakkal NH 7 toll road: a 68.625 km section of NH 7 between Omalur and Salem and Namakkal in Tamil Nadu, which is held by MITPL (the "**Omalur–Salem–Namakkal NH 7 Project**"); and

- the Talegaon–Amravati NH 6 toll road: a 66.73 km section of NH 6 between Talegaon and Amravati in Maharashtra, which is held by ITATPL (the "**Talegaon–Amravati NH 6 Project**", and together with the Surat–Dahisar NH 8 Project, the Tumkur–Chitradurga NH 4 Project, the Bharuch–Surat NH 8 Project, the Jaipur–Deoli NH 12 Project and the Omalur–Salem–Namakkal NH 7 Project, the "**Initial Road Assets**").

Investment in the Project SPVs by way of an issue of debt

The Investment Manager proposes to invest almost all of the Net Proceeds in the Project SPVs, namely IDAAIPL, IJDTPL, ISDTPL, ITATPL, ITCTPL and MITPL, through the provision of debt to such Project SPVs. The Project SPVs in turn, intend to utilize such proceeds towards (i) the repayment/prepayment, in part or full, of certain loans/facilities availed by such Project SPVs from their respective senior lenders ("**Secured Trust Financing**"); (ii) the prepayment, in full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager ("**Trust Non Interest Financing**"); and (iii) the prepayment, in full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group ("**Trust Other Financing**", and together with Trust Non Interest Financing, "**Unsecured Trust Financing**"). For additional details in relation to the utilization of the Net Proceeds, see "*Use of Proceeds*" on page 81.

Further, in accordance with the InvIT Regulations, the Investment Manager, in consultation with the GCBRLMs and the BRLM, has retained Oversubscription, amounting to 9.70% of the Issue size, aggregating to Rs. 4,451.35 million. The Oversubscription Proceeds, being the proceeds from the fresh issue of 43,640,709 Units pursuant to the Oversubscription, are also proposed to be invested in the Project SPVs by way of the issue of debt pursuant to the Debt Documentation, and such Project SPVs, in turn, intend to utilize the proceeds of such investment towards the additional repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders.

The aforesaid investments will be made pursuant to certain debt financing agreements entered into with each of the Project SPVs (the "**Debt Documentation**"), and in compliance with the requirements prescribed under the relevant provisions of Companies Act, including to the extent applicable, the Companies (Acceptance of Deposits) Rules, 2015, as amended.

Each of the Project SPVs has received the consent of their respective senior lenders in relation to the Secured Trust Financing and the Unsecured Trust Financing. For more details, please see the section headed "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" on page 372 in this Final Offer Document.

Terms of the Debt Documentation

The Trust (acting through the Trustee) and the Project SPVs have entered into the Debt Documentation on May 12, 2017.

Nature and Purpose

(a) The Secured Trust Financing shall be utilized solely for the purpose of repayment/prepayment, in part or full, of certain loans/facilities (including principal amounts, interest thereon and any other fees or charges payable in connection thereto) availed by such Project SPVs from their respective senior lenders;

(b) The Trust Non Interest Financing shall be utilized solely for the purpose of the prepayment, in full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager; and

(c) The Trust Other Financing shall be utilized solely for the purpose of the prepayment, in full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group.

Interest

(a) Each issue of debt in relation to the Secured Trust Financing to each of the relevant Project SPVs shall carry an interest rate of 13% per annum. The rate of interest may be revised by the Trust and the relevant Project SPV on an annual basis or such other interval as may be agreed between the parties.

(b) No issue of debt in relation to the Trust Non Interest Financing shall carry any interest.

(c) Each issue of debt in relation to the Trust Other Financing to each of the relevant Project SPVs shall carry an interest rate of 13% per annum. The rate of interest may be revised by the Trust.

Repayment/Redemption

The Secured Trust Financing, the Trust Non Interest Financing and the Trust Other Financing given to each Project SPV shall be repayable/redeemable in accordance with the relevant Debt Documentation.

Security

The Secured Trust Financing shall be secured by a fixed charge over (a) all cash flows deposited in the relevant escrow account of the respective Project SPV established pursuant to the escrow agreement executed *inter alia* among the relevant Project SPVs, the lenders' representative and the NHAI; and (b) the relevant escrow account of such Project SPVs and all amounts standing to the credit of such account, which shall at all times be subordinated to the security interest created in favour of the existing senior lenders of the respective Project SPVs.

The Trust Non Interest Financing and the Trust Other Financing shall be unsecured.

Events of Default

The occurrence of the certain events under the Debt Documentation in relation the Secured Trust Financing after the expiry of the cure period of 30 days (unless specified otherwise) shall result in an event of default under such Debt Documentation, including:

(a) Failure by the relevant Project SPV to pay the any amounts due and payable to the Trust under the relevant Debt Documentation within a period of 30 days from the date on which such amounts fall due;

(b) The concession agreement being terminated by the relevant Project SPV or the NHAI, each in accordance with the terms of the relevant concession agreement;

(c) Breach of representations, warranties, covenants or undertakings given by the Project SPVs to the Trust or any misrepresentation under the relevant Debt Documentation;

(d) Failure to obtain any material license or clearance;

(e) If the relevant Project SPV becomes subject of (i) any voluntary winding-up proceedings; or (ii) any involuntary proceedings under any law relating to winding up or bankruptcy or insolvency law; which been not been dealt with, disposed of, discharged or otherwise withdrawn to the satisfaction of the Trust, within 90 days from the date of commencement of such proceedings and the same results in a material adverse change;

(f) A moratorium in respect of all or any debts of the Project SPV or a composition or an arrangement with creditors of the Project SPV, by which the assets of such Project SPV are submitted to the control of its creditors is declared by a court of competent jurisdiction;

(g) Appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the relevant Project SPV and results in a material adverse change and the same is not set aside within 90 days;

(h) Any nationalization or expropriation of the relevant Project SPV;

(i) Unenforceability, illegality or unlawfulness of the relevant financing documents;

(j) Cessation of business by the relevant Project SPV;

(k) Failure to create and maintain the security in accordance with the terms of the relevant Debt Documentation; and

(l) The relevant Project SPV defaults in the payment of any principal, interest, premium or other amount due (whether by scheduled maturity, mandatory prepayment, acceleration or demand) under any loan or credit agreement or other financial indebtedness and/or defaults in making any payment due under any of the financing agreements or the occurrence of an event of default (as defined under such financing agreement) under the existing financing agreement.

Upon the occurrence of any of the events above, which has not been waived or cured and which is continuing, the Trust may, upon the delivery of seven business days' notice, accelerate the Secured Trust Financing and declare all or part of amounts outstanding under such Secured Trust Financing (including any interest accrued thereupon) due and payable, whereupon such amounts will become due and payable immediately by the relevant Project SPV. In the event the Trust does not accelerate the repayment of the debt, the relevant Project SPV is required to continue to perform all its obligations under the relevant Debt Documentation and any such amounts would continue to accrue until repayment is made by the relevant Project SPV, when it has adequate resources to do so.

The occurrence of the certain events under the Debt Documentation in relation to Trust Non Interest Financing and Trust Other Financing, after the expiry of the cure period of 30 days (unless specified otherwise) shall result in an event of default under such Debt Documentation, including:

(a) Failure by the relevant Project SPV to pay the any amounts due and payable under the relevant Debt Documentation on such dates when they fall due;

(b) The concession agreement being terminated by the relevant Project SPV or the NHAI, each in accordance with *the* terms of the relevant concession agreement.

(c) Breach of covenants and undertakings or misrepresentation under the relevant Debt Documentation;

(d) Failure to obtain any material license or clearance;

(e) If the relevant Project SPV becomes subject of (i) any voluntary winding-up proceedings; or (ii) any involuntary proceedings under any law relating to winding up or bankruptcy or insolvency law; which been not been dealt with, disposed of, discharged or otherwise withdrawn to the satisfaction of the Trust, within 90 days from the date of commencement of such proceedings and the same results in a material adverse change;

(f) Appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the relevant Project SPV and results in a material adverse change and the same is not set aside within 90 days;

(g) A moratorium in respect of all or any debts of the Project SPV or a composition or an arrangement with creditors of the Project SPV, by which the assets of such Project SPV are submitted to the control of its creditors is declared by a court of competent jurisdiction;

(h) Any nationalization or expropriation of the relevant Project SPV;

(i) Unenforceability, illegality or unlawfulness of the relevant financing documents;

(j) Cessation of business by the relevant Project SPV; and

(k) The relevant Project SPV defaults in the payment of any principal, interest, premium or other amount due (whether by scheduled maturity, mandatory prepayment, acceleration or demand) under any loan or credit agreement and/or defaults in the payments due under any existing facility agreement or the occurrence of an event of default under the existing facility agreements of the Project SPV.

Ranking

The issue of debt by the Trust in relation to the Secured Trust Financing, the Trust Non Interest Financing and the Trust Other Financing shall at all times remain subordinate to the debt owed by the relevant Project SPVs to the respective senior lenders.

Governing Law

The Debt Documentation shall be subject to the laws of India.

Unit Holding Structure of the Trust

The table below provides details of the Unit holding structure of the Trust:

Sr. No.	Name of Unitholder	Pre-Issue Unit Holding[1] (Pre-Formation Transaction)		Pre-Issue Unit Holding (Upon-Formation Transaction)[2]		Units Purchased/(Sold) in the Offer for Sale		Units To Be Allotted in the Fresh Issue		Post-Issue Unit Holding	
		No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units[3]	No. of Units	As a % of the total outstanding Units[3]	No. of Units	As a % of the total outstanding Units[3]
1.	IRB Infrastructure Developers Limited	*Nil*	-	99,799,271	86.56	12,719,271	2.19	*Nil*	-	87,080,000	15.00
2.	IRB Infrastructure Private Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
3.	Modern Road Makers Private Limited	*Nil*	-	4,614,216	4.00	4,614,216	0.79	*Nil*	-	-	-
4.	IDBI Trusteeship Services Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
5.	Aryan Toll Road Private Limited	*Nil*	-	2,719,294	2.36	2,719,294	0.47	*Nil*	-	-	-
6.	ATR Infrastructure Private Limited	*Nil*	-	3,107,765	2.70	3,107,765	0.54	*Nil*	-	-	-
7.	Ideal Road Builders Private Limited	*Nil*	-	5,050,118	4.38	5,050,118	0.87	*Nil*	-	-	-
8.	Public[#]	*Nil*	-	*Nil*	-	-	-	465,209,336	80.14	493,420,000	85.00
TOTAL		***Nil***	**-**	**115,290,664**	**100.00**	**28,210,664**	**4.86**	**465,209,336**	**80.14**	**580,500,000**	**100.00**

[1] As on the date of the Offer Document
[2] The Units issued to the Selling Unitholders pursuant to the Formation Transactions were created post Bid/Issue Closing Date
[3] On a post-Issue basis (i.e. after the Total Issue)

Fees and Expenses

1. Fees and Expenses Payable to the Investment Manager

The proposed fee of the Investment Manager shall be equivalent to 1% per annum (plus applicable taxes) of the consolidated net toll revenue (after revenue share and premium payment to NHAI) of the underlying projects in which the Trust, directly or indirectly, makes investments. In accordance with the terms of appointment of the Investment Manager, the amount payable to the Investment Manager per annum as management fee, exclusive of taxes, shall not be less that Rs. 100.00 million and shall not exceed Rs. 250.00 million.

2. Fees and Expenses Paid or Payable to the Trustee

The trusteeship remuneration for the Trustee is as follows:

Particulars	Description
Acceptance Fee	Rs. 1.50 million plus applicable taxes (one-time payment, paid upfront, non-refundable)
Service Charges	(i) Rs. 1.00 million p.a. plus applicable taxes pro rata service charges would become payable on the date of execution of the Indenture of Trust (October 16, 2015) for the pro-rata period from the date of execution of the Indenture of Trust till March 31, 2016; thereafter service charges are payable annually on April 1 each year till the date of subscription amount from investors and listing of the Units; (ii) Service charges of Rs. 2.50 million p.a. plus applicable taxes would become payable from the date of listing of the Units for the pro-rata period from the date of listing of the units till March 31 of the prevailing financial year; thereafter service charges are payable annually in advance on April 1 each year till the redemption/repayment and satisfaction of charge in full. Provided that the aggregate of service charges payable under (i) and (ii) above shall not exceed Rs. 2.50 million plus applicable taxes in any financial year.
Delayed Payment Charges	In case the payment of service charges is not received within a period of 30 days from the date of the bill, the Trustee reserves the right to charge delayed payment charges of 12% p.a. on the outstanding amount
Reset Clause	The Trustee has the right to reset the service charges after expiry of three years from the date of execution of the Indenture of Trust
Out of Pocket Expenses	To be claimed by the Trustee on an actual basis
Invocation and Enforcement	Any other work relating to invocation and enforcement of the Trust Assets, in case of default, would attract separate expenses and fees

In case of late payment of the above fees, penal interest on the outstanding amount would be payable in accordance with the terms of the Indenture of Trust.

3. Fees and Expenses Payable to the Project Manager

In accordance with the Project Implementation Agreements, the fees and remuneration payable by the Project SPVs to the Project Manager shall be worked out and agreed upon for the duration of each financial year, between the Project Manager, Investment Manager and the respective Project SPV, on an arm's length basis, after taking into account the extent of work to be done in respect of maintenance and other services to be provided by the Project Manager to such Project SPV. The project management/operating and maintenance expenses associated with a toll road asset are primarily based upon the actual wear-and-tear of the road, and depend upon a number of factors, including, *inter alia*, climatic conditions during the year, quantum of rainfall, ability of maintenance team to control and repair damages at an early stage and quality of construction. While the Traffic Consultant has been engaged to, *inter alia*, provide an estimate of the cost for operation and maintenance activities for each of the Project SPVs, the extent to which such activities are actually required to be performed is subject to a number of factors including the existing condition of the road, quantum of traffic and weather conditions.

As the fees payable to the Project Manager (which are on the basis of estimates for each ensuing financial year) are based upon the operating and maintenance work that is actually required to be undertaken by the Project Manager with respect to each of the Project SPVs in the ensuing financial year, these fees may vary each year.

Such fees shall be decided at least one month before the commencement of every financial year. Payments shall be released on a monthly basis, after deduction of applicable taxes and after due certification. No additional charges will be paid by any Project SPV to the Project Manager for performing its duties under the Project Implementation Agreements.

Based on the foregoing, the fees payable to the Project Manager (which are on the basis of estimates for each ensuing year) are bound to vary each year based upon the operating and maintenance work that is actually required to be undertaken by the Project Manager with respect to each of the Project SPVs, and accordingly, cannot be a flat rate or decided upfront for all periods. Please also see "*Risk Factors – The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.*" on page 42.

4. Fees and Expenses Paid or Payable to the Valuers, Auditors and Any Third Party

The following table provides the fees and expenses payable by the Investment Manager and the Trustee (on behalf of the Trust) to the Valuers, Auditors and the Traffic Consultant in connection with the services rendered by such parties in relation to the Issue:

Sr. No.	Particulars	Amount (Rs. in Millions)
1.	Fees payable to the Valuers in relation to the Valuation Report	3.99*
2.	Fees payable to the Auditors	4.95*
3.	Fees payable to the Traffic Consultant	2.30*
	Total	**11.24***

** Plus applicable taxes*

Set-up Costs

In connection with the establishment and registration of the Trust, the Sponsor has incurred Rs. 1.10 million in expenses. The Trust shall reimburse the Sponsor the aforesaid set-up costs incurred in relation to the establishment and registration of the Trust from the Net Proceeds.

INDUSTRY OVERVIEW

The information contained in this section is derived from various government and other industry sources. Neither we nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. All references to years refer to calendar years except as otherwise stated.

Overview of the Indian Economy

In 2015, India's population was approximately 1.25 billion, second only to China. India had an estimated GDP of approximately US$ 7.965 trillion in 2015, which made it the fourth largest national economy in the world after China, the European Union and the United States of America, in purchasing power parity terms *(Source: CIA World Factbook)*. According to the IMF, in 2014, 2015 and 2016, India's gross domestic product ("**GDP**") based on purchasing power parity per capita was estimated at US$ 5,758.3, US$ 6,161.6 and US$ 6,599.0, respectively *(Source: International Monetary Fund, World Economic Outlook, April 2016 (the "**IMF Report**"))*.

India is also one of the world's fastest growing economies. The table below sets forth a comparison between India's real GDP growth rate in 2014 and 2015 and its expected real GDP growth rate during 2016 and 2017, as compared to advanced economies, emerging markets and developing economies and the world:

	Real GDP growth rate		Projected GDP growth rate	
	2014	2015	2016	2017
	(in percentage)			
India	7.2	7.3	7.5	7.5
Advanced Economies	1.8	1.9	1.9	2.0
Emerging Markets and Developing Economies	4.6	4.0	4.1	4.6
World	3.4	3.1	3.2	3.5

Source: IMF Report

As shown in the table above, India's pace of growth is expected to outperform that of advanced and developing economies. In 2014 and 2015, India's real GDP grew at rate of 7.2% and 7.3%, respectively and is expected to grow at a rate of 7.5% in 2016 and 2017. According to the IMF Report, growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and increase in industrial activity, recovery of private investment is expected to further strengthen growth. (*Source: IMF Report*) India's services sector remains the major driver of economic growth contributing 72.4% of GDP growth in the financial year 2015. Services sector growth increased from 7.8% in the financial year 2014 to 10.3% in the financial year 2015. In the financial year 2016, the services sector registered a growth rate of 9.2%, mainly due to the lower growth rate of 6.9% in public administration, defence and other services. (*Source: Government of India, Ministry of Finance, Economic Survey 2015-2016, Volume II ("**Economic Survey 2015-2016**")*)

World output rates, in percentage terms, for certain developed and developing economies for each of the calendar years 2014 and 2015 and projections for 2016 and 2017 are set forth below:

Countries	2014	2015	2016 (projected)	2017 (projected)
	(in percentage)			
China	7.3	6.9	6.5	6.2
India	**7.2**	**7.3**	**7.5**	**7.5**
Russia	0.7	-3.7	-1.8	0.8
Brazil	0.1	-3.8	-3.8	0.0
South Africa	1.5	1.3	0.6	1.2
United States	2.4	2.4	2.4	2.5
Japan	0.0	0.5	0.5	-0.1
United Kingdom	2.9	2.2	1.9	2.2

Source: IMF Report

Overview of the Infrastructure Sector in India

Development of the infrastructure sector has been a priority area for the government of India and has witnessed enhanced public investment. Many reforms have been initiated in the infrastructure sector, resulting in robust growth in most of the sectors. Major infrastructure sectors, namely power, road, railways, civil aviation, ports and telecommunication, have performed better during the financial year 2015 as compared to the financial year 2014. The civil aviation sector witnessed an improvement of 20.4% in domestic traffic and 7.8% in international passenger traffic during the period from April to November 2015 over the same period of the previous year. During the period from April to September 2015, while cargo traffic at all ports increased by 1.1%, major ports reported an increase of 4.1% and non-major ports a decline of 1.0% as compared to the corresponding period in the previous year. Yet, growth in infrastructure, based on an index of eight core infrastructure-supportive industries such as coal, crude oil, natural gas and refiner products, registered a cumulative growth of 1.9% during the period from April to December 2015 as compared to 5.7% during the corresponding period in the previous year. (*Source: Economic Survey 2015-2016*)

In financial year 2017, the Government is focused on enhancing expenditure in priority areas such as the agriculture and rural sector, the social sector and the infrastructure sector. *(Source: Government of India, Ministry of Finance, Union Budget 2016-2017, Key Features of Budget 2016-17 ("**Key Features of Budget 2016-17**"))*. The Government sees higher investments in the infrastructure sector, particularly in the roads sector, as critical to growth. *(Source: Government of India, Ministry of Finance, Union Budget 2016-2017, Macro-Economic Framework Statement 2016-17 ("**Macro-Economic Framework Statement 2016-17**"))*. According to the Union Budget 2016-17, the total outlay for infrastructure in financial year 2017 is Rs. 2,212.46 billion. *(Source: Key Features of Budget 2016-17)* To further leverage the higher budgetary provision in these sectors, the Government has allowed an additional Rs. 313 billion to be raised through bond issuances. The funds will be raised through public sector enterprises and other government institutions like the National Bank for Agriculture and Rural Development and the NHAI. Except in the case of the NHAI, the Government will bear the repayment and interest servicing obligations. *(Source: Macro-Economic Framework Statement 2016-17)*

- **Overview of the Road Sector in India**

India has one of the largest road networks in the world, with approximately 3.3 million km of roads comprising expressways, national highways, state highways, major district roads and rural roads (which include other district roads and village roads). India's national highways carry 40% of the total road-based traffic despite constituting less than 2% of the total road network. State highways and the major district roads together constitute a secondary system of road transportation and contribute significantly to the development of India's rural economy and industrial growth. The secondary system also carries about 40% of the total road traffic, although it constitutes only 13% of the total road network. At the tertiary level are the other district roads and the rural roads. (*Source: Twelfth Five Year Plan (2012-2017), Economic Sectors, Volume II ("**Twelfth Five Year Plan**") and the NHAI website at www.nhai.org/roadnetwork.htm)*

According to the NHAI, the Indian road network consists of the following:

Type of Road	Length (in km)	% of total Indian road network
Expressways	200	< 0.1
National Highways	96,261	2.9
State Highways	131,899	3.9
Major District Roads	467,763	14.0
Rural and Other Roads	2,650,000	79.2
Total Length	**3,346,123**	**100.0**

Source: NHAI website at www.nhai.org/roadnetwork.htm

Against an outlay of Rs. 1,924.28 billion in the Eleventh Five Year Plan (2007-2012) for the road sector (the "**Eleventh Five Year Plan**"), the anticipated expenditure for the Twelfth Five Year Plan is Rs. 1,580.77 billion (at current prices). (*Source: Twelfth Five Year Plan*). The Twelfth Five Year Plan was first published in 2013.

With regard to the road sector, the main targets of the Twelfth Five Year Plan include:

- completing (i) Phase III of the NHDP for inter-district roads and other roads under the programme and (ii) Phase IV of the NHDP that aims to convert single-lane roads to double lane roads;
- setting specific targets for Phase V of the NHDP, which involves the conversion of the Golden Quadrilateral to a six-lane road;
- upgrading the national and state highways to a minimum two-lane standard; and
- connecting all villages by all-weather roads.

In addition to targeted works, the Twelfth Five Year Plan also envisages a comprehensive master plan for the phased development of 15,600 km of expressways. 1,000 km of expressways are proposed to be completed during the Twelfth Five Year Plan period, while land for another 6,000 km is proposed to be acquired to initiate work. (*Source: Twelfth Five Year Plan*)

According to the Union Budget 2016-17, the total investment in the road sector, including the allocation for the Pradhan Mantri Gram Sadak Yojana, in financial year 2017 would be Rs. 970 billion. Specifically, the Government has allocated Rs. 550 billion in the budget for roads, and an additional Rs. 150 billion is expected to be raised by the NHAI through bond issuances. *(Source: Key Features of Budget 2016-17).*

Vehicle Traffic and Road Transport in India

According to the NHAI, the number of vehicles on Indian roads has grown at an average rate of approximately 10% per annum over the last five years. (*Source: NHAI website at www.nhai.org/roadnetwork.htm*)

Road transport has emerged as the dominant segment in India's transportation sector with a 4.7% share of India's GDP for the financial year 2010. Road transport has gained importance over the years despite significant barriers to inter-state freight and passenger movement compared to inland waterways, railways and air, which do not face the same rigorous en route checks and barriers. According to the Twelfth Five Year Plan, India transports nearly 57% of all goods by road, as compared to 22% in China and 37% in the United States. Despite the performance of the road transport sector, the sector faces slow technological development, low energy efficiency, pollution and slow movement of freight and passenger traffic. (*Source: Twelfth Five Year Plan*)

According to the Union Budget 2016-17, the Government expects amendments to be made in the Motor Vehicles Act to open up the road transport sector in the passenger segment. *(Source: Key Features of Budget 2016-17).*

National Highways

Overview

There are currently approximately 96,261 km of national highways in India, constituting less than 2% of India's entire road network but carrying approximately 40% of total road traffic. (*Source: NHAI website at www.nhai.org/roadnetwork.htm*)

As at the date of publication of the Twelfth Five Year Plan in 2013, approximately 23% of the national highways' length was 4-lane road, approximately 54% was 2-lane road and approximately 23% was single-lane road. As of March 2012, 30,537 km of national highways were entrusted to the NHAI, 42,483 km were entrusted to state public works departments and 3,798 km to the border roads organization. (*Source: Twelfth Five Year Plan*)

Regulatory framework for the highways infrastructure industry

The Ministry of Road Transport and Highways

The Ministry of Road Transport and Highways (the "**MoRTH**") is responsible for the formulation and administration of policies for road transport, national highways and transport research and consults with other central ministries, departments, state governments, organizations and individuals. The aim of the MoRTH is to increase mobility and the efficiency of the road transport system in India. (*Source: Ministry of Road Transport and Highways website at www.morth.nic.in*)

The National Highways Authority of India

The NHAI was constituted by the National Highways Authority of India Act, 1988. The NHAI is responsible for the development, maintenance and management of national highways entrusted to it and for matters connected or incidental thereto. It became operational in February 1995 with the appointment of a full time chairman and other members. It is mandated to implement the National Highways Development Project. (*Source: NHAI website at www.nhai.org/estd.htm*)

National Highway Development Project

The rapid expansion of passenger and freight traffic makes it imperative to improve the road network in India. Accordingly, the Government has launched major initiatives to upgrade and strengthen national highways through various phases of the NHDP. The Government initiated the NHDP in 2000 in an effort to improve road infrastructure. It is India's largest highways project and is being undertaken in phases. India's road network has benefited from the NHDP which, when conceived, envisaged an investment of approximately Rs. 2,362.47 billion between 2005 and 2012. (*Sources: Citizen Charter of NHAI (April 2012) and Twelfth Five Year Plan*)

The growth various phases of the NHDP are outlined below:

- *NHDP Phase I and Phase II:* NHDP Phase I and NHDP Phase II comprise the Golden Quadrilateral (5,846 km), the North-South and East-West ("NS-EW") Corridor (7,300 km), port connectivity and other projects. NHDP Phase I was approved by the Cabinet Committee on Economic Affairs ("CCEA") on January 12, 2000 and involves the four laning of 6,359 km at an estimated cost of Rs. 303.0 billion. NHDP Phase II was approved by the CCEA on December 18, 2003 and involves the four laning of 6,702 km at an estimated cost of Rs. 343.4 billion.

- *NHDP Phase III:* On April 12, 2007, the CCEA approved the upgrading of 12,109 km at an estimated cost of Rs. 806.3 billion under NHDP Phase III.

- NHDP Phase IV: On June 18, 2008, the CCEA approved the upgrading and strengthening of 20,000 km of national highways from two to four lanes with paved shoulders on an EPC and BOT (toll and annuity) basis under NHDP Phase IV.

- NHDP Phase V: On October 5, 2006, the CCEA approved the six laning of 6,500 km of national highways comprising 5,700 km of the Golden Quadrilateral and approximately 800 km of other stretches of road at a cost of Rs. 412.1 billion under NHDP Phase V.

- NHDP Phase VI: In November 2006, the CCEA approved the construction of 1,000 km of expressways with full access control on new alignments at a cost of Rs. 166.8 billion under NHDP Phase VI.

- NHDP Phase VII: In December 2007, the CCEA approved the construction of ring roads, bypasses, grade separators, flyovers, elevated roads and tunnels at a cost of Rs. 166.8 billion.

(*Source: NHAI Annual Report 2014-2015*)

The ongoing NHDP involves a total of seven road construction phases (Phase I-VII), and as of May 31, 2016, all the phases are undergoing implementation, with the exception of Phase VI. (*Source: NHAI website at www.nhai.org/WHATITIS.asp*)

The table below illustrates the details and the latest status updates of the NHDP and other NHAI projects as of December 31, 2015:

NHDP	Total Length	Already 4 or 6 Laned	Under Implementation	Contracts Under Implementation	Balance length for award
	(km)	*(km)*	*(km)*	*(No.)*	*(km)*
Golden Quadrilateral (GQ)[1]	5,846	5,846	-	-	-
NS-EW Phases I & II[2]	7,142	6,422	463	39	257
Port Connectivity	431	379	52	3	-
NHDP Phase III	12,308	6,734	3,402	82	2,172
NHDP Phase IV[3]	19,416	3,000	7,450	126	8,966
NHDP Phase V	6,500	2,319	1,491	29	2,690
NHDP Phase VI	1,000	0	0	0	1,000

NHDP	Total Length	Already 4 or 6 Laned	Under Implementation	Contracts Under Implementation	Balance length for award
	(km)	*(km)*	*(km)*	*(No.)*	*(km)*
NHDP Phase VII	700	22	19	1	659
NHDP Total	53,343	24,722	12,877	280	15,744
Others NHs	1,844	1,578	266	11	-
SARDP – NE[4]	110	105	5	1	-
Total	**55,297**	**26,405**	**13,148**	**292**	**15,744**

[1] *The Golden Quadrilateral connects four metropolitan cities Delhi, Mumbai, Chennai and Kolkata.*
[2] *The North South (NS) Corridor connects Srinagar to Kanniakumari whereas the East West (EW) Corridor connects Porbandar to Silchar.*
[3] *A total of 20,000 km was approved under NHDP Phase IV of which 14,799 km are assigned to NHAI with the remaining length with MoRTH.*
[4] *Special Accelerated Road Development Programme for the North-East Region (SARDP-NE).*
(*Source: Outcome Budget 2016-2017)*

According to the Union Budget 2016-17, the Government awarded 4,367 km of new highways, the highest ever number of kilometres to be awarded, in 2015. *(Sources: NHAI website, Key Features of Budget 2016-17)*. According to the NHAI, 102 NHDP and non-NHDP road projects in Phase I totalling 6,631 km are targeted for award in the financial year 2017. *(Source: NHAI website at www.nhai.org/Projecttargetedforaward201617.pdf)*

State Roads

Overview

State roads tend to suffer from low investment, inadequate carriageway width to meet traffic demand, weak pavement and bridges, congested stretches passing through cities and towns, poor safety features and road geometrics and inadequate formation width in hilly and mountainous regions, among others. (*Source: Twelfth Five Year Plan*)

The Twelfth Five Year Plan aims to encourage states to develop a core road network. The development of both the four lane and two lane roads will be taken up as part of this plan. The resources required for the Government's programme of the above are estimated at Rs. 4,900 billion, of which 20% is expected to be funded via private sector investment. For this purpose, PPPs would be encouraged pursuant to the Viability Gap Funding ("**VGF**") scheme available through the Government.

Targets for the Twelfth Five Year Plan with respect to state highways are outlined in the table below:

	State Highways		Major District Roads	
	Km	% of Existing / Total Length	Km	% of Existing / Total Length
Two laning	30,000	30	20,000	8.5
Four laning	5,000	8	1,000	4
Strengthening	41,500	25	66,500	25
Improvement in Riding Quality Programme ("**IRQP**")	50,000	30	80,000	30

Source: Twelfth Five Year Plan

Funding of State Roads

The MoRTH finances the development of state roads through the Central Road Fund ("**CRF**") and VGF.

The CRF was given statutory status by the Central Road Fund Act, 2000. The CRF consists of the cess collected on the sale of diesel and petrol. The MoRTH provides funds for the development of state roads from the amounts collected by the CRF and also provides funds for the development of roads under the Inter-State Connectivity

Scheme and the Economic Importance Scheme. The allocation and expenditure of funds are illustrated in the table below:

Item	2014-15			2015-16			2016-17
	Budge estimates	**Revised estimates**	**Expenditure**	**Budget estimates**	**Revised estimates**	**Expenditure as of December 31, 2015**	
	(Rs. in millions)			*(Rs. in millions)*			*(Rs. in millions)*
Grants to states and UTs for State Roads (CRF)	**26,430.0**	**26,356.0**	**20,947.8**	**29,100.0**	**29,100.0**	**16,240.8**	109,930.0
Grants to States and UTs for Roads of Inter-State Connectivity and Economic Importance.....	2,936.3	2,510.0	931.1	2,940.0	3,553.5	965.3	12,330.0

(*Source: Ministry of Road Transport and Highways, Government of India, Outcome Budget 2016-17*)

The Government created a VGF arrangement for projects in the infrastructure sector which are seemingly marginally viable or unviable to attract investments, including through PPPs. This was done to expand the network of roads in India, particularly the state highways, which are part of the secondary road transportation network. (*Source: Twelfth Five Year Plan*)

States also generate their own funds through road cess and other such local taxes. States allocate these funds to State PWDs who are entrusted with road development and maintenance. Many states have also incorporated road development corporations like the MSRDC, APRDC and GSRDC to generate funds for road development through, among other ways, leases of government land and tolling of developed roads. States also look to long-term loans from institutions such as the World Bank, the Asian Development Bank and the Japan International Cooperation Agency. (*Sources: MSRDC website at www.msrdc.org; APRDC website at www.aprdc.in; GSRDC website at www.gsrdc.com*)

Financing of Road Projects in India

The modes of procurement adopted for the implementation of highway projects can be classified into PPP and public funded projects. The details of such modes are provided below:

Public Private Partnership

PPP projects are generally categorised into two types, namely BOT (Toll) and BOT (Annuity). On BOT (Toll) projects, construction, operation, maintenance and tolling responsibility rests with the concessionaire during the entire concession period, which is typically between 20 to 30 years. On BOT (Annuity) projects, while construction, operation and maintenance also rests with the concessionaire during the concession period, toll is collected by the Authority through a bidding process with the concessionaire receiving annuity payments through the concession period. *(Source: NHAI Annual Report 2014-15).* A new mode of hybrid annuity has been introduced which provides a government grant of 40% of the total project cost and rest of the investment is compensated through semi-annual annuity payments on completion of the project. Tolling rights rest with the government. *(Source: NHAI website, Model Concession Agreement for Annuity Based Project Circular No. NH-24028/14/2014-H (vol-II) issued by MoRTH)*

The NHDP is now primarily funded through PPP, a policy which was initiated in the Eleventh Five Year Plan. For this purpose, VGF of 40% was provided in the road sector, including 20% from the cess on petrol and diesel, which is available with the NHAI. During the Eleventh Five Year Plan, the total private sector investment in the NHDP was Rs. 626.3 billion against a target of Rs. 867.9 billion. This is an increase from the Tenth Five Year Plan (2002-2007) investment of Rs. 110.3 billion (at 2011-12 prices). *(Source: Twelfth Five Year Plan)*

The Government intends to introduce several steps in the financial year 2017 to re-vitalize PPPs by introducing the Public Utility (Resolution of Disputes) Bill, issuing new guidelines for the renegotiation of PPP concession agreements and instituting a new credit rating system for infrastructure projects. *(Source: Government of India, Ministry of Finance, Union Budget 2016-2017, Key Features of Budget 2016-17).*

Public Funded Projects

The traditional method of executing public funded projects was by item rate contract. This method was, however, prone to time and cost overruns. This method has since been replaced by new EPC contracts. Projects which are not viable as BOT (Toll) projects, such as those in remote areas, are now carried out as EPC projects. The model EPC contract agreement relies on assigning the responsibility for investigations, design and construction to a contractor for a lump sum price determined through competitive bidding. The model EPC agreement incorporates international best practices and provides a contractual framework that specifies the allocation of risks and rewards, equity of obligations between the Government and the contractor, precision and predictability of costs, force majeure, termination and dispute resolution, apart from transparent and fair procedures. *(Source: NHAI Annual Report 2014-15, Model EPC Agreement)*

Key Drivers of Road Sector Investment

Key growth drivers of road sector investment include:

- *Government initiatives:* In the next five years, the Government aims to develop a total of 57,653 km of national highways under programs such as the NHDP, the Special Accelerated Road Development Program for the North-East region and the National Highways Interconnectivity Improvement Project. The NHAI aims to award 15,000 km of projects and MoRTH aims to award a further 10,000 km of projects in the current financial year. During the financial year 2016, approximately 6,000 km of national highways were constructed. (*Source: Government of India, Ministry of Road Transport & Highways, Press Information Bureau, "Ministry of Road Transport & Highways sets steep targets for 2016-17", April 20, 2016*)

- *Funding:* An increase in funding for road projects is expected to drive growth within the road sector. For the financial year 2016, an outlay of US$3.8 billion was provided for the highway sector.

- *Intensity and Composition of Traffic:* The rise in two wheeler and four wheeler vehicles, increasing freight traffic, strong trade and tourist flows between states are all expected to drive growth.

(*Source: Make In India website*)

Policy Framework for the Infrastructure Sector

The NHAI is the agency responsible for the development, maintenance and management of national highways.

At the state level, the overall policy, development programme and resource planning for the road sector is carried out by the state's planning body in consultation with the central level planning commission and the state ministry of roads. The State PWD's and road development corporations are the implementing agencies at state level and are responsible for the implementation, operation and maintenance of state highways, major district roads and rural roads in certain states.

Recent Policy Reforms

Recently, the Government has enacted several policy reforms to boost investment in the infrastructure sector. For example, in September 2015, the NHAI modified Circular No. NHAI/11033/CGM (FA)/4/2015 to permit 100% equity divestment after two years of construction completion for all BOT projects, irrespective of the year of award. In that same circular, the NHAI also allowed the concessionaire to use the proceeds from the sale of divested equity in incomplete NHAI projects, any other highway projects, any other power sector projects and/or to retire their debt to financial institutions in any other infrastructure projects. In addition, in March 2014, the MoRTH approved a policy for rationalisation of premium quoted by concessionaires to salvage stressed highway projects that were awarded until March 4, 2014.

THE TRUST'S BUSINESS

Overview

We are a registered infrastructure investment trust under the InvIT Regulations. We own, operate and maintain a portfolio of six toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu. These toll roads are operated and maintained pursuant to concessions granted by the NHAI. We believe that, upon the listing of the Units on the Stock Exchanges, we will be the first listed infrastructure investment trust focused on toll-road assets in India.

Our Sponsor is IRB Infrastructure Developers Limited, one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for public private partnerships in national highway projects report for 2016. The Sponsor has been listed on the Stock Exchanges since 2008. Excluding the toll-road assets that have been transferred by the Sponsor and the other Selling Unitholders to the Trust pursuant to the Formation Transactions (as described below), as of December 31, 2016, the Sponsor had 16 road projects, of which eight were "operational", five were "under construction" and three were "under development". For more information, please see the section headed "*Parties to the Trust – The Sponsor*" on page 267 of this Final Offer Document.

Consequent to the Formation Transactions, on May 9, 2017 we have acquired an initial portfolio comprising the Project SPVs, all of which were wholly owned by the Sponsor and its subsidiaries.

The Formation Transactions

The Trust acquired 100% of the equity shares of each of the Project SPVs on May 9, 2017 (for each such Project SPV, the "**Acquisition Date**"). As consideration for the acquisition of the equity shares of the Project SPVs, the Investment Manager (on behalf of the Trust) issued 115,290,664 Units, in aggregate, to the sellers of each Project SPV (comprising the Sponsor and its subsidiaries that owned the Project SPVs) on the Acquisition Date, out of which 28,210,664 Units comprise the Offer for Sale in the Issue. The share purchase agreements for each Project SPV were executed on the Acquisition Date, and the purchase price for the equity shares of each Project SPV was determined taking into consideration the Valuation Report which is set forth in this Final Offer Document. The number of Units issued to each Selling Unitholder of the Project SPV was decided based on such purchase price and the Issue Price of Units, which was determined in accordance with the book-building process pursuant to the Issue.

For additional information about the Formation Transactions, please see the section headed "*About the Trust – Background and Structure of the Trust – Formation Transactions*" on page 123 of this Final Offer Document.

There are certain other agreements that the Trustee on behalf of the Trust has entered into with the Sponsor and other parties, such as the ROFO/ROFR Deed and the Future Assets Agreement on the Acquisition Date.

As of December 31, 2016, the Project SPVs owned, operated and maintained the following toll road assets comprising 3,645 Lane Kilometres of highways:

- the Surat–Dahisar NH 8 Project: a 239.00 km section of NH 8 between Surat in Gujarat and Dahisar in Maharashtra, which is held by ISDTPL;
- the Tumkur–Chitradurga NH 4 Project: a 114.00 km section of NH 4 between Tumkur and Chitradurga in Karnataka, which is held by ITCTPL;
- the Bharuch–Surat NH 8 Project: a 65.00 km section of NH 8 between Bharuch and Surat in Gujarat, which is held by IDAAIPL;
- the Jaipur–Deoli NH 12 Project: a 148.77 km section of NH 12 between Jaipur and Deoli in Rajasthan, which is held by IJDTPL;
- the Omalur–Salem–Namakkal NH 7 Project: a 68.625 km section of NH 7 between Omalur and Salem and Namakkal in Tamil Nadu, which is held by MITPL; and

- the Talegaon–Amravati NH 6 Project: a 66.73 km section of NH 6 between Talegaon and Amravati in Maharashtra, which is held by ITATPL.

The Project SPVs' total income on a combined historical basis for the nine months ended December 31, 2016 was Rs. 7,511.12 million. For more information about the Combined Financial Statements of the Project SPVs, please see the section headed "*Financial Statements*" on page 289 of this Final Offer Document.

The following map depicts the location of the Initial Road Assets:

Note:

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

Our Investment Manager is IRB Infrastructure Private Limited, a wholly owned subsidiary of the Sponsor. The Investment Manager has experience in operating a road asset on a BOT basis for a period of approximately 18 years and in developing, operating and maintaining toll plazas. The Investment Manager's investment strategy for the Trust Group is to maintain and operate the Initial Road Assets, generate returns to unit holders on a regular and long term basis, achieve long-term growth in the net asset value per unit of the Trust and diversify the risk across different geographies and assets. For more information about the Investment Manager, please see the section headed "*Parties to the Trust – The Investment Manager*" on page 272 of this Final Offer Document.

The Trustee, the Investment Manager and the respective Project SPVs have appointed Modern Road Makers Private Limited, a wholly owned subsidiary of the Sponsor, to act as the Project Manager for each Project SPV. The Project Manager forms a part of the EPC division of the Sponsor's business and executes a majority of the EPC work being undertaken by the Sponsor. The Project Manager has experience in constructing, operating and maintaining road projects in accordance with the terms of concession agreements and also acts as the operations and maintenance contractor or subcontractor for substantially all projects of the Sponsor. For more information

about the Project Manager, please see the section headed "*Parties to the Trust – The Project Manager*" on page 281 of this Final Offer Document.

The Sponsor has appointed IDBI Trusteeship Services Limited to act as the sole trustee of the Trust. The Trustee is registered with the SEBI as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. For more information about the Trustee, please see the section headed "*Parties to the Trust – The Trustee*" on page 283 of this Final Offer Document.

Pursuant to the ROFO/ROFR Deed and the Future Assets Agreement, the Sponsor has provided us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are owned or which may be set up, acquired or developed by the Sponsor or its existing or future subsidiaries. For a more detailed description of these rights, please see the section headed "*Related Party Transactions*" on page 238 of this Final Offer Document.

In addition, the Trust has entered into the Debt Documentation with the Project SPVs on May 12, 2017. For more information, please see the section headed "*Use of Proceeds*" on page 81 of this Final Offer Document.

Competitive Strengths

We believe that our competitive strengths are as follows:

Portfolio of income generating assets in key growth markets

Consequent to the completion of the Formation Transactions, we own 100% of the six Project SPVs. Each of these Project SPVs owns, operates and maintains a toll-road project in India.

The following table sets forth the Project SPVs' gross toll revenues and gross toll revenue growth rates on a historical combined basis for the years indicated:

			For the FY ended March 31			For the nine months ended December 31,
			2014	2015	2016	2016[5]
Project SPV[1]						
ISDTPL	Surat–Dahisar NH 8 Project	Gross toll revenue *(Rs. millions)*	4,879.37	5,549.28	6,134.76	4,207.51
		Gross toll revenue growth rate *(%)*	-	13.73%	10.55%	-
ITCTPL	Tumkur–Chitradurga NH 4 Project	Gross toll revenue *(Rs. millions)*	1,629.89	1,841.53	2,019.10[2]	1,425.68
		Gross toll revenue growth rate *(%)*	-	12.99%	9.64%	-
IDAAIPL	Bharuch–Surat NH 8 Project	Gross toll revenue *(Rs. millions)*	1,665.73	1,857.33	1,935.52	1,335.74
		Gross toll revenue growth rate *(%)*	-	11.50%	4.21%	-
IJDTPL	Jaipur–Deoli NH 12 Project	Gross toll revenue *(Rs. millions)*	342.35[3]	1,014.45	1,206.17	811.96
		Gross toll revenue growth rate *(%)*	-	196.32%	18.90%	-
MITPL	Omalur–Salem–Namakkal NH 7 Project	Gross toll revenue *(Rs. millions)*	612.70	756.10	749.39[4]	544.28
		Gross toll revenue growth rate *(%)*	-	23.40%	-0.89%	-

ITATPL	Talegaon–Amravati NH 6 Project	Gross toll revenue *(Rs. millions)*	264.22	461.28	472.17	346.10
		Gross toll revenue growth rate *(%)*	-	74.58%	2.36%	-

Notes:

(1) For more information concerning year-on-year changes in toll revenue, please see the section headed "Financial Information – Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 348 of this Final Offer Document.

(2) Gross toll revenues for the Tumkur–Chitradurga NH 4 Project in financial years 2015 and 2016 excludes toll fees collected in relation to the Tumkur Bypass as per the supplementary agreement to the concession agreement dated January 20, 2015, with the NHAI.

(3) The Jaipur–Deoli NH 12 Project commenced operations on September 27, 2013 and was only operational for part of financial year 2014.

(4) During the financial year 2016, the toll collection for Omalur–Salem–Namakkal NH 7 Project was impacted by the stoppage of toll collection for a period of 15 days due to floods in Tamil Nadu in December 2015.

(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. For further information on the compensation claims and other remedies sought by the Project SPVs please refer to the section headed "Risk Factors – Risks Related to India – The Government of India has recently implemented certain currency measures which may affect the Indian economy and our business, results of operations, financial condition and cash flows." on page 44 of this Final Offer Document and to page 348 of the Management's Discussion and Analysis of Financial Condition and Results of Operation.

We believe that the Initial Road Assets have growth potential due to expected growth in traffic volumes as a result of regional growth and expected increases in toll fees as a result of inflation adjustments. For more information, please see the "*Revenue, Profit and Cash Flow Projections*" included in **Annex B** to this Final Offer Document.

Diversified road project portfolio and revenue base

The Initial Road Assets consist of a mix of operational toll road projects spread across several states in India. We believe that the geographic diversity of the Initial Road Assets will play a significant role in developing our experience and expertise, including our ability to evaluate, acquire, operate and maintain new projects.

The Initial Road Assets are generally located near or connect major cities in India. For example, the Surat–Dahisar NH 8 Project in Maharashtra and Gujarat, which is our largest Initial Road Asset based on revenue as of December 31, 2016, and the Bharuch–Surat NH 8 Project in the State of Gujarat are located along NH 8. The NH 8 passes through Vapi, Valsad Navsari, Surat, Ankleshwar, Vadodara and Ahmedabad and forms a part of the stretch of national highways that connect New Delhi and Mumbai.

The Project SPVs' concession agreements are also temporally diverse in that they commenced and are expected to expire at different times. The concession agreements' residual terms range between approximately 4 and 20 years as of December 31, 2016.

We believe that our geographically and temporally diverse project portfolio provides us with an advantage in capitalizing on new opportunities available in the roads and highways sector. We believe that this diversification strengthens our business by reducing our reliance on any specific region or project and reducing the potential impact on our business of any economic slowdown or force majeure event in any particular region or with respect to any particular project.

Experienced Sponsor, Investment Manager and Project Manager with consistent track records in operating and maintaining projects in the roads and highways sector in India

The Sponsor is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector with a large project portfolio of 8,183 Lane Kilometres of roads and highways in operation, under construction or under development, excluding the Initial Road Assets which have been transferred to the Trust pursuant to the Formation Transactions, as of December 31, 2016. The Sponsor's BOT project portfolio includes large road and highway BOT projects, such as the Yashwantrao Chavan Mumbai–Pune Expressway project and Mumbai Pune section of NH 4, , the Amritsar–Pathankot section of NH 15, the Ahmedabad Vadodara section of NH 8 and the Ahmedabad Vadodara Expressway, the Goa Karnataka Border–Kundapur section of NH 17, the Solapur Yedeshi section of NH 211, the Yedeshi–Aurangabad section of NH 211 project, the Agra–Etawah section of NH 2, the Kaithal–Rajasthan Border sections of NH 152 / 65, the Udaipur – Gujarat border section of NH-8, the Gulabpura-Chittorgarh section of NH-79 and the Kishangarh – Gulabpura

section of NH79 and NH79A. The Sponsor has experience in developing road and highway infrastructure and has received various industry awards and recognitions.

The Investment Manager has approximately 18 years of experience in operating a road BOT project and is also experienced in developing, operating and maintaining toll plazas. The Investment Manager is a wholly-owned subsidiary of the Sponsor.

The Project Manager is a wholly-owned subsidiary of the Sponsor, having executed a majority of all EPC work being undertaken by the Sponsor. It also acts as the operations and maintenance contractor for substantially all of the Sponsor's projects, and has also previously acted in such capacity for the Initial Road Assets. The Project Manager has experience in the execution of construction work for roads, highways, and other relevant structures and has a track record of constructing over 2,500 kms of roads and highways as of December 31, 2016. The Project Manager has a team of approximately 3,296 skilled and semi-skilled persons to support its operations as of December 31, 2016.

Low leverage upon Listing, providing debt capacity to finance future growth

We expect to use the Net Proceeds to repay and replace a significant portion of the Project SPVs' existing indebtedness. We believe that the resulting low leverage will provide us with debt capacity to grow our business, including by financing future acquisitions. We intend to finance future development and acquisitions through the issuance of additional Units, as well as through bank borrowings and other indebtedness, subject to the borrowing limits contained in the InvIT Regulations. We believe that our low leverage will provide us with a significant advantage over our competitors in developing and acquiring projects that meet our investment objectives. Furthermore, India Ratings and Research (India Ratings) has assigned the Trust's senior debt a long-term rating of IND AAA, with a stable outlook, assuming that the consolidated external debt of the Trust would be up to Rs. 10 billion on March 31, 2017. Please note that the issuer rating assigned by India Ratings is a reflection of the combined credit quality of the underlying assets. India Rating has not rated the Units of the Trust. We have also obtained a credit rating of CARE AAA from CARE Ratings, assuming that the external debt exposure of the Trust Group does not exceed Rs. 10 billion after the listing of the Units. Please note that the issuer rating assigned by CARE is an opinion on the general creditworthiness of the Trust. CARE has not rated the Units of the Trust.

Experienced management team with industry experience

We will be managed by qualified personnel of the Investment Manager who have management and operational experience in the roads and highways sector. In addition, our projects will be managed by qualified personnel of the Project Manager. For further details, see the sections headed "*Parties to the Trust – The Investment Manager*" and "*Parties to the Trust – The Project Manager*" on page 272 and page 281 of this Final Offer Document, respectively. We believe that the experience and leadership of these teams will contribute to our growth and success and will position the Initial Road Assets to be operated and managed in an efficient manner.

Growth opportunities and access to Sponsor's portfolio

Through our relationship with the Sponsor, we will have access to an important pipeline of potential acquisitions. Pursuant to the ROFO/ROFR Deed and the Future Assets Agreement, the Sponsor has provided us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are owned or which may be acquired or developed by the Sponsor or its existing or future subsidiaries. The valuation for the toll-road assets under the Future Assets Agreement will be based on the average of the valuations provided by any two independent valuers, one appointed by the Sponsor or its subsidiary, and the other by the Trust (acting through the Trustee) and the Investment Manager. We believe that this access to future toll road assets sourced by the Sponsor or its existing or future subsidiaries will be an important source of growth in the future.

Attractive sector with strong underlying fundamentals

Roads are the dominant mode of transportation within India. The road transport sector alone accounted for 4.7% of India's GDP in 2009-2010. Road transport has gained importance over the years despite significant barriers to inter-state freight and passenger movement compared to inland waterways, railways and air, which do not face the same rigorous en route checks and barriers *(Source: Twelfth Five Year Plan (2012-2017), Economic Sectors, Volume II* and *Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15 available at finmin.nic.in/reports/outcomebudget.asp as of March 4, 2015)*.

Over the last five years, the number of vehicles on Indian roads has grown at an average rate of approximately 10.2% per year *(Source: National Highways Authority of India, available at: http://www.nhai.org/roadnetwork.htm as of August 15, 2016)*. The share of road traffic in total traffic movement by roads and railways has grown from 13.8% of freight traffic and 15.4% of passenger traffic in the financial year 1951 to an estimated 65% of freight and 90% of passenger traffic in the financial year 2014, according to the National Transport Development Policy Committee *(Source: Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15)*. In the financial year 2014, India transported approximately 57% of all goods by road, as compared to 22% in China and 37% in the United States of America *(Source: Twelfth Five Year Plan).*

There are currently approximately 96,260 kilometres of national highways in India, constituting less than 1.7% of India's entire road network but carrying approximately 40% of India's total road traffic *(Source: National Highways Authority of India, available at: http://www.nhai.org/roadnetwork.htm).* Going forward, an increase in traffic is expected to drive investment in the roads and highways sector. Increases in two wheeler and four wheeler vehicles, freight traffic, trade and interstate tourism are all expected to drive growth *(Source: Make In India, available at: http://www.makeinindia.com/sector/roads-and-highways).*

India's National Transport Development Policy Committee estimates that road freight traffic in India will grow at approximately 9% per annum and road passenger traffic will grow at approximately 17% per annum over the next 20 years *(Source: National Transport Development Policy Committee, India Transport Report: Moving India to 2032 available at http://planningcommission.nic.in/sectors/NTDPC/volume3_p1/roads_v3_p1.pdf)*. The rapid expansion and strengthening of the road network, therefore, is imperative, for managing both present and future traffic *(Source: Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15).*

Investment Strategy and Risk and Capital Management Strategy

Our principal business strategies (implemented by the Investment Manager) are set out below:

Organic growth through proactive management

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

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

Acquisition of toll road projects

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

- *Yield thresholds.* The Investment Manager will seek to acquire assets with yields that are estimated to be above our cost of capital so as to maintain or enhance returns to the Unitholders;

- *Traffic characteristics*. The Investment Manager will seek to acquire assets with potential for traffic growth;

- *Residual concession period*. The Investment Manager will actively seek projects with residual concession periods of sufficient duration to meet the investment objectives of the Trust to generate stable returns and ensure long-term growth;

- *Geographic diversity*. The Investment Manager will seek projects in a variety of geographical locations in India to mitigate concentration risk and to take advantage of regional growth; and

- *Other*. In addition, the Investment Manager will also take into account factors such as estimated maintenance costs based on technical assessments of projects under evaluation, the impact of acquisitions on our expected distributions, and the requirements under the InvIT Regulations that with respect to the proportion of completed and revenue generating projects and under-construction projects.

Optimization of capital structure

The Investment Manager will seek to employ appropriate financing policies and diversify its sources of financing with the objective of minimizing our overall cost of capital. The Investment Manager will operate within the InvIT Regulations for borrowing, whereby the maximum level of external debt in the Trust Group will not exceed 49% (or such other percentage as may, from time to time, be prescribed in the InvIT Regulations) of the value of the assets of the Trust. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units.

Description of the Project SPVs and the Initial Road Assets

The Project SPVs undertook their respective projects on a BOT or DBFOT basis, pursuant to which they designed, built, finance, operate and maintain the Initial Road Assets pursuant to concession agreements with the NHAI. After provisional certificates with respect to construction of the toll roads were issued, the Project SPVs, except ITCTPL and ISDTPL, began operating these roads for the time periods specified in the respective concession agreements and collecting tolls from users of their respective toll roads. ISDTPL and ITCTPL commenced toll collection on the date as specified in the respective concession agreements and continued construction on the toll roads in parallel.

BOT and DBFOT project model

Each of the Project SPVs operates under a BOT or DBFOT concession agreement with the NHAI. Government authorities in India typically award highway infrastructure development projects under BOT concessions, which are characterized by three distinct phases:

- *Build*: upon successfully securing a project concession through a competitive bid, a concessionaire secures financing for, and completes construction, of a road;

- *Operate*: during the agreed concession period, the concessionaire operates, manages and maintains the road at its own expense and earns revenues by collecting tolls from vehicles using the road; and

- *Transfer*: at the end of the agreed concession period, the ownership of the road, the obligation to maintain the road and the right to collect tolls from the vehicles using the road revert to the government entity that granted the concession.

DBFOT infrastructure development projects, a category of BOT projects, have become increasingly prevalent in India. A DBFOT project involves, in addition to the activities required under a BOT project, the provision of engineering design and financing for such project.

Selection criteria for our initial portfolio

Our investment objectives are to increase our margins and achieve long-term growth of the Trust.

Our initial portfolio of assets comprise the six Project SPVs, each of which operates and maintains a toll-road asset. The following selection criteria were applied to each road asset of the Sponsor to determine their suitability for inclusion in our initial portfolio:

- assets that have already completed construction and are generating stable toll revenue;
- assets with a concession period of sufficient duration to meet the investment objectives of the Trust to generate returns and to ensure long-term growth outstanding;
- assets that have potential for traffic growth; and
- assets which will be wholly owned or are capable of being wholly owned by the Trust, subject to applicable law and consents from the relevant regulatory authorities, including the InvIT Regulations.

Each of the Initial Road Assets is "completed and revenue generating" within the meaning of Regulation 2(1)(i) of the InvIT Regulations, meaning that a provisional completion certificate or final completion certificate has been issued by the relevant government authority and the relevant Project SPV has begun realizing toll revenue. For the Bharuch–Surat NH 8 Project and the Jaipur–Deoli NH 12 Project, final completion certificates have also been issued and the construction or "build" phase has been completed.

Summary of the Project SPVs' concession agreements

Each of the Project SPVs has entered into a concession agreement with the NHAI with respect to its Initial Road Asset. The Project SPVs built, operate and maintain their respective Initial Road Assets pursuant to the requirements set forth in their respective concession agreements. For details of such agreements, please see the section headed "*Summary of the Concession Agreements*" on page 184 of this Final Offer Document.

General

Bids for projects are invited and evaluated by the concessioning authority on the basis of the lowest financial grant required for implementing the project or the highest premium / negative grant offered to be paid in the form of an annual concession fee, revenue share or upfront payment, as the case may be, to the concessioning authority. A bidder must meet the conditions precedent under the concession agreements, including, among other things, obtaining the necessary government approvals and providing bid security.

Under the concession agreements, the Project SPVs are entitled to receive tolls from the users of their respective toll road during the concession period. The Project SPVs operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement. They are required to maintain an escrow account and insurance during the operation and maintenance period. In the event of any deviations or non-compliance in relation to the concession agreements, the concessioning authority may enforce its rights under the agreement, including suspension or termination of the agreement. The Project SPVs may need to take remedial measures within the cure periods referred to in the respective concession agreements at their cost and may be obligated to pay a percentage of the cost additionally as penalties. For more information, see the section headed "*Risk Factors – Risks Related to Our Business and Industry – The Project SPVs' toll-road concessions may be terminated prematurely under certain circumstances*" on page 24 of this Final Offer Document.

During the concession period, the Project SPVs operate and maintain the road asset and earn revenues through charges, fees or tolls generated from the asset. The amount of charges, fees or tolls that they may collect are notified by the relevant government agency, which are usually revised annually as specified in the relevant concessions and toll notifications. The revision typically either (i) is linked to the extent of variation in the Wholesale Price Index for all commodities as published by the Ministry of Industry (the "**WPI**") or (ii) comprises a fixed component, which is three percent and a component linked to variation in the WPI, which is capped at 40% of the variation in the WPI. As a result, the prevailing toll rates may not reflect changes in the operational environment from the time that the Project SPVs start to operate the project.

The scope of the Project SPV's responsibilities is usually set out in the relevant concession agreement, where they may be required to undertake routine maintenance of the project road, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site and prevent any unauthorized entry

and exit. The concessioning authority may use one or more firms of engineers to carry out periodic tests to assess the quality of the road and related maintenance. If the Project SPV is determined to have failed to carry out its maintenance obligations, the concessioning authority may, following the issuance of notices and the expiry of cure periods, terminate the relevant concession agreement.

Escrow arrangements

The escrow arrangements mandated under the concession agreements require all receivables and monies that are received by each Project SPV, including funds constituting the financing package and the fees collected from the operation of the Initial Road Assets, to be deposited in an escrow account and utilised only in the order prescribed in the escrow agreement. The consent of the NHAI is required to amend the order of outflow of payments from such escrow account. The escrow arrangements typically prioritise the payment of all taxes due, followed by payment of expenses in connection with the construction of the project, operation and maintenance expenses including expenses for repair works, payment of concession fees, negative grant payable to the NHAI, debt service payments, reimbursement of expenditure incurred by the NHAI, any payments and damages due and payable and any reserve requirements set forth in any financing agreements. For more details, see the section headed "*Summary of the Concession Agreements*" on page 184 of this Final Offer Document.

Suspension and termination

The NHAI may suspend the rights of the Project SPV, including its right to collect toll, or terminate the concession agreement with a Project SPV upon the occurrence of a default by such Project SPV, which includes, but is not limited to, the following:

- the Project SPV is in breach of its maintenance or safety requirements;
- the Project SPV has failed to make any payment to the NHAI within the specified period;
- the Project SPV commits a default under the escrow arrangement and fails to cure such defaults within the cure period under the relevant escrow agreement;
- the Project SPV creates an encumbrance on its Initial Road Asset in breach of the concession agreement;
- the Project SPV repudiates the concession agreement;
- the Project SPV undertakes or permits a change in ownership without the prior approval of the NHAI;
- the Project SPV materially breaches the representations and warranties contained in the concession agreement;
- the Project SPV fails to fulfil any obligation, for which failure termination is a remedy under the concession agreement;
- any act or event which has a material adverse effect on the ability of either the NHAI or the Project SPV to perform their obligations under the concession agreement and which causes a material financial burden or loss to either party to the concession agreement; and
- certain insolvency events including liquidation, winding-up or bankruptcy of the Project SPV.

In the event of a concessionaire default, the concessionaire is given a cure period to remedy the default, which varies depending on the event of default.

If a concession agreement is terminated by the NHAI due to a default by a Project SPV, such Project SPV is entitled to termination payments from the NHAI in accordance with the terms of the relevant concession agreement. The termination payment is linked to the total debt raised for the project and adjusted equity, as applicable. Generally, in the event of a default by a Project SPV, the termination payment is the amount equal to 90% of the debt due less the insurance cover taken by the Project SPV.

The concession agreements contain provisions that mandate substitution clauses in the project agreements. Such substitution clauses allow the NHAI to step into project agreements in place of the Project SPV in the event of

suspension or termination of the concession agreements due to a breach or default by such Project SPV. The concession agreements also provide that the senior lenders to a Project SPV may substitute the Project SPV with new concessionaires approved by the NHAI in the event of a default by the Project SPV under the relevant concession agreement, financing agreements or other project agreements.

In case of a force majeure event as defined under the relevant concession agreement, the concession agreement may be terminated by either party by giving a written notice to the other. In such cases, the NHAI will make a termination payment to the Project SPV in varying amounts, depending on the type of force majeure event.

Prior approval of the NHAI

Certain terms and conditions in the Project SPVs' concession agreements and our other approvals require the NHAI's prior written consent to be obtained for one or more of the following actions, among others:

- amendment, modification or replacement by the Project SPV of any financing agreements relating to the operation of the Initial Road Assets to which the Project SPV is a party if the amendment, modification or replacement of such agreement has or may have the effect of increasing or imposing any financial liability or obligation on the NHAI. In the event that such amendment, modification or replacement is effected without the necessary consent, the Project SPV will not enforce or permit the enforcement of the modification, replacement or amendment against the NHAI;

- the creation of any encumbrance or security interest over, or transfer of all or any rights and benefits of the Project SPVs under, the concession agreements or any project agreements;

- the selection or replacement of any operation and maintenance contractor and execution of the operation and maintenance agreements;

- any replacement of the Project Manager. Additionally, any change to the Project Manager will only be to an entity which is equal or better in terms of prescribed operations and maintenance capacity requirements; and

- any change in ownership, as defined under the relevant concession agreement of any Project SPV during the operation of the concession agreement.

In addition, NHAI concession agreements typically require the submission to the NHAI, for its review and comments, all draft project agreements to which a Project SPV is a party prior to entry, amendment or replacement of such agreements, even if such agreements do not affect the financial liability or obligations of the NHAI.

Furthermore, any change in ownership of the Project SPVs during the operation of the concession agreement would be subject to the prior approval of the NHAI.

Limited development

In accordance with the terms and conditions of certain of the concession agreements, should threshold levels of total traffic set out in the concession agreements be exceeded, the Project SPVs may be required to undertake limited development of the Initial Road Assets during an extended concession period by way of construction of additional lanes to the Initial Road Assets.

In the event the government decides to augment the capacity of MITPL's road asset, it may do so by inviting proposals from eligible persons. In the event that MITPL's does not qualify as the lowest bidder, it shall be entitled to match the price quoted by the lowest bidder and enter into suitable contractual arrangements for the revised scope of the project. In the event that MITPL fails to bid for the revised scope of the project or match the price quoted by the lowest bidder, the relevant authority may terminate MITPL's concession agreement after paying MITPL's compensation, as specified.

Additional roads

Under the terms of the concession agreements entered into by each of the Project SPVs and the NHAI, the central and state governments have the right to construct and open additional roads which may serve as alternate routes to the Initial Road Assets after the expiry of between eight and fifteen years from the commencement of the

concession period, depending on terms of the concession. Upon the commissioning of an additional toll road, the relevant Project SPV is required to continue to levy and collect the regular fee, although such regular fee will be at least 25% higher and not more than 133% higher than the regular fee levied and collected from similar vehicles using their Initial Road Asset. For further details on the risks associated with the construction of a competing road, see the section headed "*Risk Factors – Risks Related to the Trust Group's Business and Industry – Certain provisions of the standard form of concession agreement may be non-negotiable or untested, and the concession agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations*" on page 28 of this Final Offer Document.

Details of the Project SPVs and the Initial Road Assets

The Initial Road Assets, which have been acquired by the Trust pursuant to the Formation Transactions, comprise six toll roads in the states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu that the Project SPVs operate and maintain pursuant to concessions granted by the NHAI.

The table below sets forth details of the Project SPVs:

Project SPV	Project	Lane Kms	Commencement of concession period	Commencement of toll collection	End of concession period with no reduction or extension	Possible end of concession period with extension due to projected traffic shortfalls[1]	Trust's equity interest as on date	Gross toll revenue in FY 2016 (Rs. in millions)	Gross toll revenue in nine months ended December 31, 2016[6] (Rs. in millions)
ISDTPL	Surat–Dahisar NH 8	1,434	February 20, 2009	February 20, 2009	February 19, 2021	January 2022	100%	6,134.76	4,207.51
ITCTPL	Tumkur–Chitradurga NH 4	684	June 4, 2011	June 4, 2011	June 3, 2037[2]	N/A	100%	2,019.10[3]	1,425.68
IDAAIPL	Bharuch–Surat NH 8	390	January 2, 2007	September 25, 2009	January 1, 2022	N/A	100%	1,935.52	1,335.74
IJDTPL	Jaipur–Deoli NH 12	595	June 14, 2010	September 27, 2013[4]	June 13, 2035	September 2037	100%	1,206.17	811.96
MITPL	Omalur–Salem–Namakkal NH 7	275	August 14, 2006	August 6, 2009	August 13, 2026	N/A	100%	749.39	544.28
ITATPL	Talegaon–Amravati NH 6	267	September 3, 2010	April 24, 2013[5]	September 2, 2032	January 2037	100%	472.17	346.10

Notes:

(1) This is the most likely extension date estimated in the Traffic Reports based on the terms of the concession agreements and the projections made by the Traffic Consultant.

(2) ITCTPL's concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. According to projections in the Traffic Reports, we believe that the traffic volume on the target date will exceed the target traffic volume by 10,078 PCUs, which, according to the Traffic Reports, may warrant a reduction in the concession period of approximately 2.6 years. However, because NHAI may at its discretion cause ITCTPL to undertake suitable capacity augmentation of the project instead of reducing the concession period, the concession period under the concession agreement with ITCTPL is expected to end in June 2037 without any reduction.

(3) Gross toll revenues for the Tumkur–Chitradurga NH 4 Project in financial year 2016 excludes toll fees collected in relation to the Tumkur Bypass as per the supplementary agreement to the concession agreement dated January 20, 2015, with the NHAI.

(4) Toll collection for partial length of 119.75 km began on September 27, 2013 and toll collection for the balance stretch of 25.22 km began on May 20, 2014. A final completion certificate was issued on April 1, 2016.

(5) Toll collection for partial length of 45.31 km began on April 24, 2013 and toll collection for the balance stretch of 63.70 km began on April 1, 2014.

(6) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. For further information on the compensation claims and other remedies sought by the Project SPVs please refer to the section headed "Risk Factors – Risks Related to India – The Government of India has recently implemented certain currency measures which may affect the

Indian economy and our business, results of operations, financial condition and cash flows." on page 44 of this Final Offer Document and to page 348 of the Management's Discussion and Analysis of Financial Condition and Results of Operation.

1. Surat–Dahisar NH 8 Project

On April 30, 2008, the NHAI and ISDTPL entered into a concession agreement in respect of the Surat–Dahisar NH 8 Project. ISDTPL was engaged to expand a 239 km section of NH 8 between Surat in Gujarat and Dahisar in Maharashtra from four lanes to six lanes on a BOT basis or a DBFOT pattern. The concession period and the collection of tolls commenced on February 20, 2009. A provisional certificate of completion was issued on April 6, 2013.

As per the relevant concession agreement, the Surat–Dahisar NH 8 Project comprises the section of NH 8 from km 263.00 to km 502.00. According to the Traffic Reports, the project features:

- 239 km of six-lane carriageway
- 283.369 km of service road
- 17 major bridges
- 37 minor bridges
- 25 flyovers
- 2 railway-over-bridges
- 496 culverts
- 12 pedestrian underpasses
- 16 vehicular underpasses
- 304 intersections
- 4 toll plaza complexes

Corridor description and competing roads

NH 8 is a four- to six-lane National Highway in India. It connects India's national capital, New Delhi, with its financial capital, Mumbai and other important cities along the way, including Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat. The Surat–Dahisar NH 8 Project is part of the Golden Quadrilateral project undertaken by the NHAI and was the first section of that project to be completed. The Delhi Mumbai Industrial Corridor also runs parallel to NH 8 in length.

According to the Traffic Reports, the Surat–Dahisar NH 8 Project falls on one of the busiest sections of NH-8 and passes through cities such as Surat, Vapi, Navsari, Valsad and Dahisar. The land abutting the project is largely agricultural or barren, but, in many places, ribbon development is occurring on both sides of the project, especially near urban centres like Surat, Navsari, Valsad, Vapi and Dahisar.

There are several existent local roads and state highways which, if integrated and improved, could form a road network that could compete with the Surat–Dahisar NH 8 Project. These local roads and state highways include the sections of SH 611 and SH 6 between Surat and Navsari; the sections of SH 88, SH 104, SH 180, SH 179, SH 15, SH 181 and SH 67 between Navsari and Valsad; and the sections of SH 186, SH 185, and SH 5 between Valsad and Vapi; the sections of SH 5 and SH 185 between Vapi and Kasa; and the sections of SH 74 and SH 76 between Kasa and Dahisar. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Surat–Dahisar NH 8 Project highway. The quality and geometry of such roads and highways are also inferior, adding to travel time. Accordingly, traffic is not expected to shift from NH 8 to these competing roads in the near future according to the Traffic Reports.

Figure 1: Map of the Surat–Dahisar NH 8 Project

Concession period and revenue sharing arrangement

The NHAI granted ISDTPL a concession for a period of 12 years for this project. The concession period commenced on February 20, 2009 and is expected to expire on February 19, 2021. ISDTPL began collecting tolls with respect to this project on February 20, 2009.

The concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. For this project, the target date set forth in the concession agreement was January 1, 2017, and the target traffic volume set forth in the concession agreement is 82,043 passenger car units ("**PCUs**"), the passenger car equivalent for various types of vehicles based on industry guidelines. The traffic volume is calculated as per the terms of the concession agreement using an average of the PCU count as on January 1, 2016, 2017 and 2018. The Traffic Consultant projects that the actual traffic volume on the target date will fall short of the target volume by 4,563 PCUs. Based on the terms of the concession agreement, in the event that the actual traffic volume on the target date falls short of the target traffic volume by more than 2.5%, the concession period may be increased by 1.5% for every 1% of shortfall in traffic, provided that the aggregate increase in the concession period does not exceed 20% of the original concession period. Accordingly, based on its projections, the Traffic Consultant estimates that the concession period may most likely be extended to January 2022. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date.

In consideration of the grant of the concession, ISDTPL pays the NHAI a nominal annual concession fee of Rs. 1 and a share of the project's "realizable fees", which comprise all charges levied on and payable for vehicles using the project toll road, less any fees that ISDTPL is unable to realize despite due diligence and its best efforts. In the first year of toll collection, ISDTPL was required to pay the NHAI 38% of its realizable fees as additional concession fees. In each subsequent year of the concession period, such concession fee increases by an additional 1% as compared to the immediately preceding year. Thus, the premium paid to the NHAI for the second and third years of the concession was 39% and 40%, respectively, of the project's realizable fee for those years. As of December 31, 2016, the premium for the concession was 45% of the project's total realizable fees and 46% of the project's total realizable fees from February 20, 2017.

Traffic volume

The tollable traffic count for the Surat–Dahisar NH 8 Project increased to 9.92 million vehicles in 2016 from 7.93 million vehicles in 2014, representing a CAGR of 11.86%.

According to the Traffic Report, traffic growth on the project is attributed to, among other things, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
					(%)
Car[1]	2,483,749	3,215,670	3,521,059	2,318,379	19.06
LCV[2]	1,532,237	1,761,901	1,982,178	1,380,361	13.74
Bus/Truck[3]	1,347,025	1,468,728	1,493,489	993,589	5.30
Multi-axle[4]	2,567,018	2,733,670	2,926,106	1,996,901	6.77
Total	**7,930,029**	**9,179,969**	**9,922,832**	**6,689,230**	**11.86**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 65,962 PCUs in 2016 from 55,821 PCUs in 2014, representing a CAGR of 8.70%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)
Car[1]	6,805	8,810	9,620	9,237	18.90
LCV[2]	4,198	4,827	5,416	5,499	13.58
Bus/Truck[3]	3,690	4,024	4,081	3,959	5.16
Multi-axle[4]	7,033	7,490	7,995	7,956	6.62
Total	**21,726**	**25,151**	**27,112**	**26,651**	**11.71**
Total PCUs	**55,821**	**61,825**	**65,962**	**65,162**	**8.70**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the Surat–Dahisar NH 8 Project's total traffic mix, 34.11%, 19.52%, 15.94% and 30.43% of tollable traffic, respectively. In the financial year 2016, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 35.48%, 19.98%, 15.05%, and 29.49% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of ISDTPL's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the Surat–Dahisar NH 8 Project's by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	2015	2016	2016[5]	FY14 –FY16
					(%)
Car[1]	490.61	612.81	742.87	509.44	23.05
LCV[2]	464.13	540.66	613.95	436.76	15.01
Bus/Truck[3]	849.37	895.20	925.58	639.07	4.39
Multi-axle[4]	3,075.31	3,500.41	3,852.15	2,622.24	11.92
Total	**4,879.42**	**5,549.07**	**6,134.55**	**4,207.52**	**12.13**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. ISDTPL has raised a claim seeking compensation from the relevant authorities for Rs. 74.20 million and the NHAI has released only Rs. 24.95 million a part of the amount claimed as of February 28, 2017. An amount of Rs. 49.25million for ISDTPL is currently outstanding as a receivable from the NHAI. However, ISDTPL has made an application for adjustment of Premium payable to NHAI to the tune of Rs. 49.25 million against the compensation amount receivable from NHAI. The amounts that ISDTPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017 were Rs. 502.35 million, Rs. 461.09 million, Rs. 511.33 million and Rs. 503.03 million, respectively.

Maintenance

The Surat–Dahisar NH 8 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, ISDTPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, ISDTPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment.

The following table sets forth the ISDTPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,
	2014	2015	2016	2016
		(Rs. In millions)		
Operation and maintenance expenditure	314.35	228.82	238.05	197.64
Periodic maintenance	-	444.67	178.16	116.78
Total expenditure	**314.35**	**673.49**	**416.21**	**314.42**

Project cost and financing

The cost of this project was approximately Rs. 25,285.74 million. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 7,420.69 million.

Land

The NHAI owns the land that underlies the Surat–Dahisar NH 8 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

2. Tumkur–Chitradurga NH 4 Project

On August 16, 2010, the NHAI and ITCTPL entered into a concession agreement in respect of the Tumkur–Chitradurga NH 4 Project. ITCTPL was engaged to expand a 114.00 km section of NH 4 between Tumkur and Chitradurga in Karnataka from four to six lanes on a BOT basis in the DBFOT format**.** Construction on the project commenced on June 4, 2011. ITCTPL received a provisional certificate of completion on July 4, 2014.

As per the relevant concession agreement, the Tumkur–Chitradurga NH 4 Project comprises the section of NH 4 from km 75.00 to km 189.00. According to the Traffic Reports, the project features:

- 114.45 km of six-lane carriageway
- 4.2 km of service road
- 3 major bridges
- 21 minor bridges
- 6 flyovers
- 147 culverts
- 20 pedestrian underpasses
- 36 major intersections
- 66 entry / exit ramps
- 38 bus bays
- 7 truck lay byes
- 2 toll plaza complexes

Corridor description and competing roads

NH 4 is a four- to six-lane national highway in India. It connects Mumbai and Chennai via Pune, Kolhapur and Belgaum and intersects NH 9 at Pune, NH 4A at Belgaum, NH 63 and NH 218 at Dharwad, NH 13 at Chitradurga, NH 206 at Tumkur, NH 48 and NH 207 at Nelamangala. NH 4 passes through three states, namely, Maharashtra, Karnataka and Tamil Nadu. Between Thane and Chennai, it connects major urban centres and state capitals, such as Thane, Pune, Kolhapur, Belgaum, Dharwad, Hubli, Chitradurga, Tumkur, Bangalore and Chennai.

The Tumkur–Chitradurga NH 4 Project caters to various types of traffic, including urban, suburban and regional traffic. The land use on both sides of the project is mixed and includes agricultural, residential, commercial, and small and medium scale industrial uses, as well as undeveloped land. The corridor in general has significant potential for future development.

There are several existent local roads and state highways which, if integrated and improved, could form a road network that could compete with the Tumkur–Chitradurga NH 4 Project. These local roads and state highways connect Chitradurga and Hiriyur, Chitradurga and Sira and Chitradurga and Tumkur on both the east and west sides of the project. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Tumkur–Chitradurga NH 4 Project highway. The quality and geometry of such roads and highways are also inferior, adding to travel time. Accordingly, traffic is not expected to shift from NH 4 to these competing roads in the near future according to the Traffic Reports.

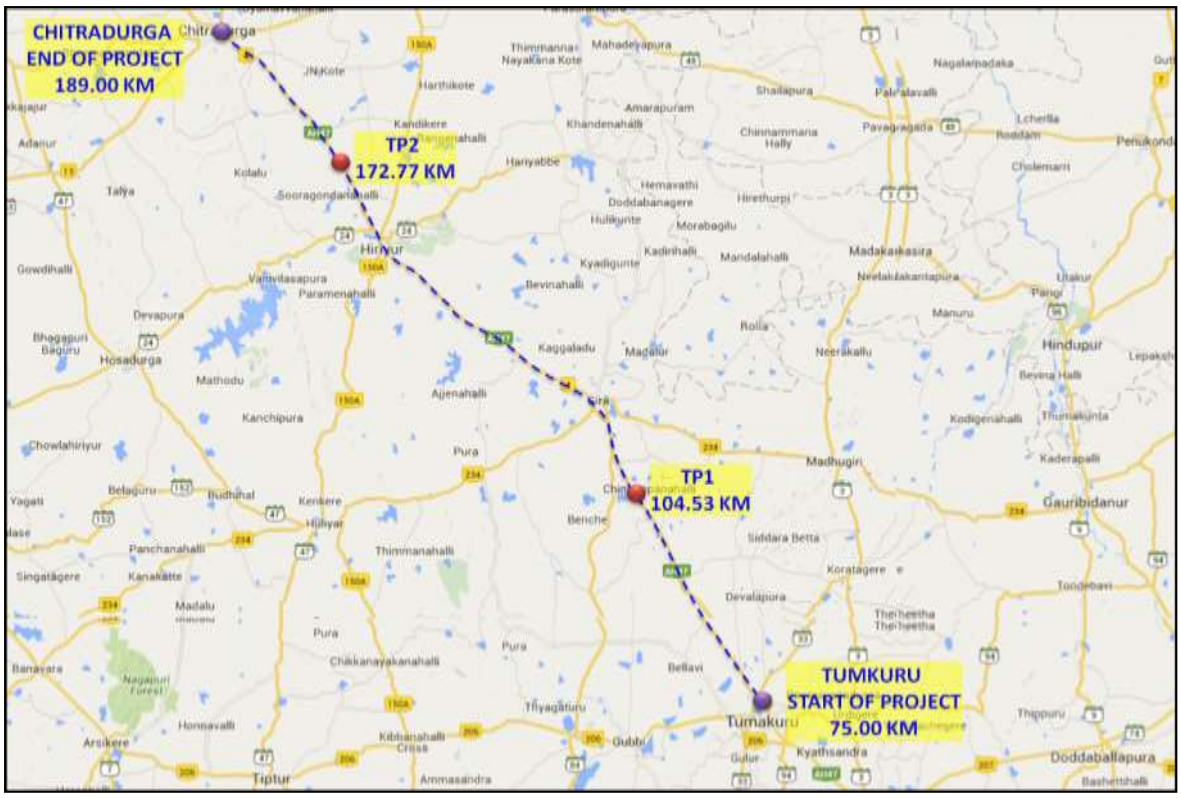


Figure 2: Map of the Tumkur–Chitradurga NH 4 Project's toll plazas

Concession period and revenue sharing arrangement

The NHAI granted ITCTPL a concession for a period of 26 years for this project. The concession period commenced on June 4, 2011 and is expected to expire on June 3, 2037. ITCTPL began collecting tolls with respect to this project on June 4, 2011.

The concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively. As per the concession agreement, in the event the actual traffic volume on the target date exceeds the target traffic volume by more than 2.5%, the concession period may be reduced by 0.75% for every 1.00% excess in actual traffic volume as compared to the target traffic volume, provided that the aggregate reduction does not exceed 10% of the original concession period. The concession agreement, however, also stipulates that, if the actual traffic volume exceeds the design capacity on the target date, the NHAI may at its discretion cause ITCTPL to undertake suitable capacity augmentation of the project. If capacity augmentation is required, the concession period would be for a period of up to five years so as to yield a post-tax return on equity of 16%. The concession agreement also states that, in the event that the NHAI requires ITCTPL to undertake capacity augmentation, there will be no reduction in the concession period pursuant to any other provision of the concession agreement.

For this project, the target date and target traffic volume set forth in the concession agreement is April 1, 2020 and 54,558 PCUs, respectively. Accordingly, based on its projections, the Traffic Consultant estimates in the most likely scenario that the traffic volume on the target date will exceed the target traffic volume by 10,078 PCUs, which may warrant a reduction in the concession period of approximately 2.6 years However, because the NHAI may at its discretion cause ITCTPL to undertake suitable capacity augmentation of the project instead of reducing the concession period, the concession period under the concession agreement with ITCTPL has been assumed to end in June 2037 without any reduction.

The NHAI has not notified ITCTPL whether the concession period will be reduced or whether a capacity augmentation will be required. Notification will be triggered on or after the target date of April 1, 2020.

The project was bid on a premium payable to the NHAI of Rs. 1,404.00 million in the first year of operation with a subsequent increment of 5% each year on the premium paid in the previous year. In June 2014, pursuant to a scheme of premium restructuring approved by the Government, the NHAI approved the rescheduling of the

premium payable to the NHAI for this project. Pursuant to the supplementary agreement for the deferment of premium dated June 6, 2014, and the sanction letter dated June 6, 2014, the NHAI has permitted ITCTPL to defer its premium payments in the manner set forth therein. For a description of the premium deferment, please see the section "*Summary of the Concession Agreements*" on page 184 of this Final Offer Document. For the financial year 2016, ITCTPL paid the NHAI a premium of Rs. 1,028.60 million.

Traffic volume

The tollable traffic count for the Tumkur–Chitradurga NH 4 Project increased to 5.82 million vehicles in 2016 from 4.63 million vehicles in 2014, representing a CAGR of 12.02%.

According to the Traffic Report, traffic growth on the project is attributed to, among other things, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
					(%)
Car[1]	1,077,111	1,345,933	1,690,273	1,380,186	25.27
LCV[2]	779,763	769,897	860,714	594,620	5.06
Bus/Truck[3]	946,511	1,071,613	1,127,733	818,677	9.15
Multi-axle[4]	1,830,944	1,992,831	2,137,173	1,429,034	8.04
Total	**4,634,329**	**5,180,274**	**5,815,893**	**4,222,516**	**12.02**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 43,666 PCUs in 2016 from 36,508 PCUs in 2014, representing a CAGR of 9.36%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)
Car[1]	2,951	3,687	4,618	5,499	25.10
LCV[2]	2,136	2,109	2,352	2,369	4.93
Bus/Truck[3]	2,593	2,936	3,081	3,262	9.00
Multi-axle[4]	5,016	5,460	5,839	5,693	7.89
Total	12,696	14,192	15,890	**16,823**	11.87
Total PCUs	**36,508**	**40,228**	**43,666**	**44,457**	**9.36**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, buses and trucks, and multi-axle vehicles accounted for, in terms the Tumkur–Chitradurga NH 4 Project's total traffic mix, 26.31%, 15.42%, 20.13%, and 38.14% of tollable traffic, respectively. In the financial year 2016, cars, LCVs, buses and trucks, and multi-axle vehicles represented, in terms of the project's total traffic mix, 29.06%, 14.80%, 19.39% and 36.75% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of ITCTPL's operating revenues are derived from the tolls that it is entitled to collect. The table below sets forth the toll fees charged for the Tumkur–Chitradurga NH 4 Project by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[6]**	**FY14 –FY16**
		(Rs. in millions)			*(%)*
Car[1]	120.31	142.70	193.29	171.17	26.75
LCV[2]	135.87	136.49	162.61	118.30	9.40
Bus/Truck[3]	362.17	387.27	443.41	328.31	10.65
Multi-axle[4]	1,011.58	1,175.00	1,431.39	990.95	18.95
Total[5]	**1,629.93**	**1,841.46**	**2,230.70**	**1,609.21**	**16.99**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Includes toll fees charged in relation to the Tumkur Bypass as per the supplementary agreement to the concession agreement dated January 20, 2015, with the NHAI.

(6) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. ITCTPL has raised a claim seeking compensation from the relevant authorities for Rs. 152.90 million and the NHAI has released only Rs. 27.22 million a part of the amount claimed as on February 28, 2017 An amount of Rs. 125.68million for ITCTPL is currently outstanding as a receivable from the NHAI. However, ITCTPL has made an application for adjustment of Premium payable to NHAI to the tune of Rs. 125.68 million against the compensation amount receivable from NHAI. The amounts that ITCTPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017 were Rs. 210.88 million, Rs. 196.06 million, Rs. 207.05 million and Rs. 205.06 million, respectively.

Maintenance

The Tumkur–Chitradurga NH 4 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, ITCTPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, ITCTPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment.

The following table sets forth ITCTPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,
	2014	**2015**	**2016**	**2016**
		(Rs. In millions)		
Operation and maintenance expenditure	69.62	97.28	92.75	103.20

Periodic maintenance	-	79.72	100.59	72.27
Total expenditure	**69.62**	**177.00**	**193.34**	**175.47**

Project cost and financing

The cost of this project was approximately Rs. 11,420.00 million. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 9,608.54 million.

Land

The NHAI owns the land that underlies the Tumkur–Chitradurga NH 4 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

3. Bharuch–Surat NH 8 Project

On July 7, 2006, the NHAI and IDAAIPL entered into a concession agreement in respect of the Bharuch–Surat NH 8 Project. IDAAIPL was engaged to expand a 65.00 km section of NH 8 between Bharuch and Surat in Gujarat to four or six lanes on a BOT basis. Construction on the project commenced on January 2, 2007. The project was completed on March 14, 2011.

As per the relevant concession agreement, the Bharuch–Surat NH 8 Project comprises the section of NH 8 from km 198.00 to km 263.00. According to the Traffic Reports, the project features:

- 47.35 km of six-lane carriageway
- 17.65 km of four-lane carriageway
- 27.5 km of service road
- 14 major bridges
- 33 minor bridges
- 6 flyovers
- 3 railway-over-bridges
- 83 culverts
- 10 pedestrian underpasses
- 1 vehicular underpasses
- 6 major intersections
- 19 bus bays
- 1 toll plaza complex

Corridor description and competing roads

NH 8 is a four- to six-lane national highway in India. It connects the national capital Delhi to the financial capital Mumbai, and other major cities along the way, including Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat. The Bharuch–Surat NH 8 Project is part of the Golden Quadrilateral project undertaken by the NHAI and is part of the first section of that project to be completed. The Delhi Mumbai Industrial Corridor also runs parallel to NH 8 in considerable length.

The Bharuch–Surat NH 8 Project passes through certain semi-urban centres, including Pipodra, Palod and Ankleshwar. The land abutting the project is largely agricultural and undeveloped, but in many places, especially near urban centres, ribbon development is occurring on both sides of the project for reasonable lengths. The corridor in general has significant potential for future development.

There are several existent local roads and state highways which, if integrated and improved, could form a road network that could compete with the Bharuch–Surat NH 8 Project. These local roads and state highways include the section of SH 76 between Bharuch and Ankleshwar, the section of Karmali and Kosamba between Ankleshwar and Palod on the east side, the sections of SH 165, SH 175 and SH 168 between Ankleshwar and Palod on the west side, and the sections of SH 168 and SH 66 between Palod and Surat. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Bharuch–Surat NH 8 Project highway. The quality and geometry of such roads and highways are also inferior, adding to travel time. Accordingly, traffic is not expected to shift from NH 8 to these competing roads according to the Traffic Reports.

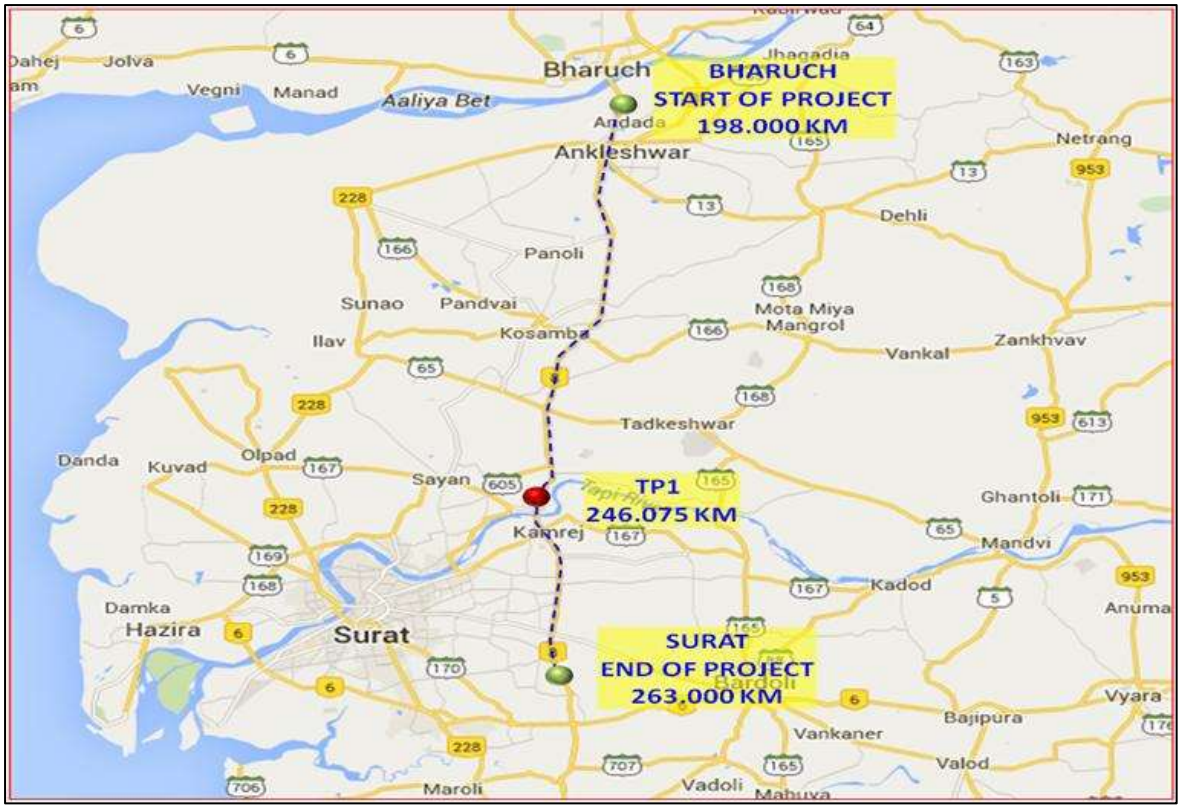


Figure 3: Map of the Bharuch–Surat NH 8 Project's toll plazas

Concession period and fee

IDAAIPL was granted a concession period of 15 years for this project. The concession period commenced on January 2, 2007 and is scheduled to expire on January 1, 2022. IDAAIPL began collecting tolls with respect to this project on September 25, 2009.

The concession agreement does not have any provisions regarding the extension or reduction of the concession period.

In partial consideration of the grant of the concession, IDAAIPL pays the NHAI a nominal annual concession fee of Rs. 1.

Traffic volume

The tollable traffic count for the Bharuch–Surat NH 8 Project increased to 9.03 million vehicles in 2016 from 8.14 million vehicles in 2014, representing a CAGR of 5.33%. According to the Traffic Report, traffic growth on the project is attributed to, among other things, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	2015	2016	2016	FY14 –FY16
					(%)
Car[1]	1,994,283	1,984,961	2,188,807	1,481,501	4.76
LCV[2]	1,373,528	1,468,521	1,632,794	1,159,402	9.03
Bus/Truck[3]	1,687,346	1,685,562	1,745,295	1,171,237	1.70
Multi-axle[4]	3,087,644	3,268,433	3,466,667	2,415,320	5.96

Total	**8,142,801**	**8,407,477**	**9,033,563**	**6,227,460**	**5.33**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 69,601 PCUs in 2016 from 63,044 PCUs in 2014, representing a CAGR of 5.07%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)
Car[1]	5,464	5,438	5,980	5,902	4.62
LCV[2]	3,763	4,023	4,461	4,619	8.88
Bus/Truck[3]	4,623	4,618	4,769	4,666	1.57
Multi-axle[4]	8,459	8,955	9,472	9,623	5.82
Total	**22,309**	**23,034**	**24,682**	**24,811**	**5.18**
Total PCUs	**63,044**	**65,623**	**69,601**	**70,132**	**5.07**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, buses and trucks, and multi-axle vehicles accounted for, in terms the Bharuch–Surat NH 8 Project's total traffic mix, 24.11%, 17.49%, 20.01% and 38.39% of tollable traffic, respectively. In the financial year 2016, cars, LCVs, buses and trucks, and multi-axle vehicles represented, in terms of the project's total traffic mix, 24.23%, 18.07%, 19.32% and 38.38% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of IDAAIPL's operating revenues are derived from the tolls that it is entitled to collect. The table below sets forth the toll fees charged for the Bharuch–Surat NH 8 Project by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
		(Rs. in millions)			*(%)*
Car[1]	119.18	133.16	142.92	94.84	9.51
LCV[2]	141.43	164.46	175.11	123.52	11.27
Bus/Truck[3]	337.91	355.69	355.88	243.48	2.62
Multi-axle[4]	1,067.30	1,204.08	1,261.55	873.85	8.72
Total	**1,665.82**	**1,857.39**	**1,935.46**	**1,335.69**	**7.79**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. IDAAIPL has raised a claim seeking compensation from the relevant authorities for Rs. 95.70 million An amount of Rs. 95.70 million for IDAAIPL is currently outstanding as a receivable from the NHAI as on February 28, 2017. The amounts that IDAAIPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017 were Rs. 169.18 million, Rs. 156.36 million, Rs. 174.26 million and Rs. 172.40 million, respectively.

Maintenance

The Bharuch–Surat NH 8 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, IDAAIPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, IDAAIPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project toll road, to repair potholes, cracks, concrete joints, drains, line marking, lighting and signage, and to refurbish tolling systems, hardware and other equipment.

The following table sets forth IDAAIPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,
	2014	**2015**	**2016**	**2016**
	(Rs. In millions)			
Operation and maintenance expenditure	196.80	195.17	228.38	254.59
Periodic maintenance	-	158.83	76.64	57.48
Total expenditure	**196.80**	**354.00**	**305.02**	**312.07**

Project cost and financing

The cost of this project was approximately Rs. 14,054.90 million. This includes a negative grant of Rs. 5,040.00 million paid to the NHAI. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 2,831.84 million.

Land

The NHAI owns the land that underlies the Bharuch–Surat NH 8 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

4. Jaipur–Deoli NH 12 Project

On December 16, 2009, the NHAI and IJDTPL entered into a concession agreement in respect of the Jaipur–Deoli NH 12 Project. IJDTPL was engaged to expand a 148.77 km section of NH 12 between Jaipur and Deoli in Rajasthan from two lanes to four lanes on a DBFOT basis. The project received a provisional completion certificate on September 27, 2013 and IJDTPL commenced partial tolling for a project length of 119.75 kms on that date. Subsequently, IJDTPL received a second provisional completion certificate on May 20, 2014, and received a final completion certificate with effect from April 1, 2016 and began collecting tolls for the rest of the project length.

As per the relevant concession agreement, the Jaipur–Deoli NH 12 Project comprises the section of NH 12 from km 18.700 to km 165.00. According to the Traffic Reports, the project features:

- 148.77 km of four-lane carriageway
- 36.76 km of service road
- 1 major bridge
- 23 minor bridges
- 4 flyovers
- 124 culverts
- 3 pedestrian underpasses
- 5 cattle underpasses
- 11 vehicular underpasses
- 25 major intersections
- 32 bus bays
- 2 toll plaza complexes

Corridor description and competing roads

NH 12 connects Jaipur and Jabalpur via Tonk, Kota, and Bhopal. It intersects with several other national highways like NH 3 at Biora, NH 7 at Jabalpur, NH 8 at Jaipur, NH 11 at Jaipur, and NH 69 at Bhopal. NH 12 passes through two states via Rajasthan and Madhya Pradesh.

The Jaipur–Deoli NH 12 Project caters to various types of traffic, including urban, suburban and regional traffic. The land use on both sides of the project is mixed and includes agricultural, residential, commercial and small and medium scale industrial uses, as well as undeveloped land. The dominant land use of both sides of the project corridor is for rural agriculture land. The corridor in general has significant potential for future development.

There are several local roads and state highways which, if integrated and improved, could form a road network that could compete with the Jaipur–Deoli NH 12 Project. These local roads and state highways include the sections of SH 12 and SH 2 between Jaipur and Chaksu on the east side, the sections of NH 11 and SH 2 between Jaipur and Chaksu on the west side, the section of SH 12 between Jaipur and Tonk on the east side, the sections of NH 11, SH 24 and NH 116 between Jaipur and Tonk on the west side, the sections of SH 12 and SH 26 between Jaipur and Deoli on the east side and the sections of NH 11, SH 24 and NH 116 between Jaipur and Deoli on the west side. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Jaipur–Deoli NH 12 Project highway. The quality and geometry of such roads and highways are also inferior, adding to travel time. Accordingly, traffic is not expected to shift from NH 12 to these competing roads in the near future according to the Traffic Reports.

Figure 4: Map of the Jaipur–Deoli NH 12 Project's toll plazas

Concession period and fee

IJDTPL was granted a concession period of 25 years for this project. The concession period commenced on June 14, 2010 and is scheduled to expire on June 13, 2035. IJDTPL began collecting tolls with respect to this project on September 27, 2013.

The concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. For this project, the target date and target traffic volume set forth in the concession agreement is October 1, 2018 and 30,344 PCUs, respectively. The Traffic Consultant projects in the most likely scenario that the actual traffic volume on the target date will fall short of the target volume by 7,025 PCUs. Based on the terms of the concession agreement, in the event that the actual traffic volume falls short of the target traffic volume by more than 2.5%, the concession period may be increased by 1.5% for every 1% of shortfall in traffic, provided that the aggregate increase in the concession period does not exceed 20% of the original concession period. Accordingly, based on its projections, the Traffic Consultant estimates that the concession period may most likely be extended to September 2037. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date.

In partial consideration of the grant of the concession, IJDTPL pays the NHAI a nominal annual concession fee of Rs. 1.

Traffic Volume

This project commenced operations on September 27, 2013 and thus the financial year 2014 numbers only represent the traffic count for part of 2014. The tollable traffic count for the Jaipur–Deoli NH 12 Project increased to 3.26 million in 2016 from 1.31 million in 2014, representing a CAGR of 57.57%.

According to the Traffic Report, traffic growth on the project is attributed to, among other things, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
					(%)
Car[1]	474,053	1,100,442	1,343,259	1,032,775	68.33
LCV[2]	171,775	353,271	421,025	292,973	56.56
Bus/Truck[3]	367,530	646,080	792,579	468,116	46.85
Multi-axle[4]	297,757	554,218	698,316	484,402	53.14
Total	**1,311,115**	**2,654,011**	**3,255,179**	**2,278,266**	**57.57**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 20,478 PCUs in 2016 from 17,066 PCUs in 2014, representing a CAGR of 9.54%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)

Car[1]	2,549	3,015	3,670	4,115	19.99
LCV[2]	924	968	1,150	1,167	11.56
Bus/Truck[3]	1,976	1,770	2,166	1,865	4.70
Multi-axle[4]	1,601	1,518	1,908	1,930	9.17
Total	7,050	7,271	8,894	9,077	12.32
Total PCUs	17,066	16,610	20,478	20,145	9.54

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, trucks and buses and multi-axle vehicles accounted for, in terms the Jaipur–Deoli NH 12 Project's total traffic mix, 39.78%, 13.10%, 25.47% and 21.66% of tollable traffic, respectively. In the financial year 2016, cars, LCVs, trucks and buses and multi-axle vehicles represented, in terms of the project's total traffic mix, 41.27%, 12.93%, 24.35% and 21.45% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of IJDTPL's operating revenues are derived from the tolls that it is entitled to collect. The table below sets forth the toll fees charged for the Jaipur–Deoli NH 12 Project by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
		(Rs. in millions)			*(%)*
Car[1]	40.32	120.93	155.43	121.65	96.34
LCV[2]	25.03	72.81	90.06	63.83	89.69
Bus/Truck[3]	112.60	348.64	364.03	211.97	79.80
Multi-axle[4]	164.42	472.14	596.66	414.59	90.50
Total	**342.38**	**1,014.52**	**1,206.18**	**812.03**	**87.69**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. IJDTPL has raised a claim seeking compensation from the relevant authorities for Rs. 89.20 million and the NHAI has released only Rs. 45.06 million a part of the amount claimed. An amount of Rs. 44.14million for IJDTPL is currently outstanding as a receivable from the NHAI. The amounts that IJDTPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017 were Rs. 98.06 million, Rs. 101.31 million, Rs. 112.57 million and Rs. 113.83 million, respectively.

Maintenance

The Jaipur–Deoli NH 12 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, IJDTPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, IJDTPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project toll road, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment.

The following table sets forth IJDTPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,
	2014	**2015**	**2016**	**2016**
	(Rs. In millions)			
Operation and maintenance expenditure	43.84	106.04	279.56	137.31
Periodic maintenance	-	49.36	84.19	60.31
Total expenditure	**43.84**	**155.40**	**363.75**	**197.62**

Project cost and financing

The cost of this project was approximately Rs. 17,746.96 million. We received a government grant of Rs. 3,060.00 million. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 9,439.13 million.

Land

The NHAI owns the land that underlies the Jaipur–Deoli NH 12 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

5. Omalur–Salem–Namakkal NH 7 Project

In October 2012, the Sponsor acquired a 74% equity interest in MITPL, a Project SPV incorporated to expand a 41.575 km section of NH 7 from Salem to Namakkal in Tamil Nadu from two lanes to four lanes and to improve, operate and maintain a 7.85 km section of NH 7 from Omalur to Salem in Tamil Nadu, in each case on a BOT basis pursuant to a concession agreement dated February 16, 2006 between MITPL and the NHAI. MITPL and MITPL's Other Shareholders applied to the NHAI for consent to transfer the remaining 26% equity interest in MITPL to the Sponsor, and, pursuant to a letter dated February 15, 2017, the NHAI granted approval for such transfer, subject to certain conditions. As on the date of the Offer Document, the Sponsor acquired the balance 26% from MITPL's Other Shareholders. Accordingly, 100% of the equity interest in MITPL has been transferred to the Trust as part of the Formation Transactions. For further details, please see the section headed "*About the Trust – Background and Structure of the Trust – Formation Transactions*" on page 116 of this Final Offer Document and the section headed "*Legal and Other Information – Government and Other Approvals*" on page 449 of this Final Offer Document. For risks in relation to such acquisition, please see the section headed "*Risk Factors – Risks Related to Our Organization and the Structure of the Trust*" on page 17 of this Final Offer Document.

The concession agreement contemplates that the NHAI could award additional highway to MITPL for operation and maintenance. On May 7, 2010, the NHAI awarded an additional 19.20 km section of highway to MITPL, in respect of which MITPL is carrying out operations and maintenance services.

As per the relevant concession agreement, the Omalur–Salem–Namakkal NH 7 Project comprises the sections of NH 7 from km 207.05 to km 248.625 and from km 180.00 to 207.05. According to the Traffic Reports, the project features:

- 68.625 km of four-lane carriageway
- 23.58 km of service road
- 14 minor bridges
- 36 culverts
- 8 underpasses
- 16 major intersections

- 5 flyovers and railway-over-bridges
- 1 toll plaza complex

Corridor description and competing roads

NH 7 is one of India's busiest traffic routes, connecting the north and south of India via commercial hubs like Varanasi, Rewa, Jabalpur, Nagpur, Adilabad, Nirmal, Armoor in (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bangalore, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari.

The Omalur–Salem–Namakkal NH 7 Project stretches from Omalur to Namakkal, passing through the Salem and Namakkal districts. The land abutting the project from Omalur to Namakkal is a mix of agriculture, urban and semi-urban land use. The portions of the project near Salem and Namakkal are predominately urban.

There are several local roads and state highways which, if integrated and improved, could form a road network that could compete with the Omalur–Salem–Namakkal NH 7 Project. These local roads and state highways include the section of SH 188 between Omalur and Salem, the section of SH 94 between Rasipuram and Namakkal on the east side, the sections of SH 79 and SH 95 between Rasipuram and Namakkal on the west side, the sections of SH 86A and SH 94 between Salem and Namakkal on the east side and the sections of SH 79 and SH 95 between Salem and Namakkal on the west side. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Omalur–Salem–Namakkal NH 7 Project highway. The quality and geometry of such roads and highways are also inferior, adding to travel time and costs. Accordingly, traffic is not expected to shift from NH 7 to these competing roads in the near future according to the Traffic Reports.

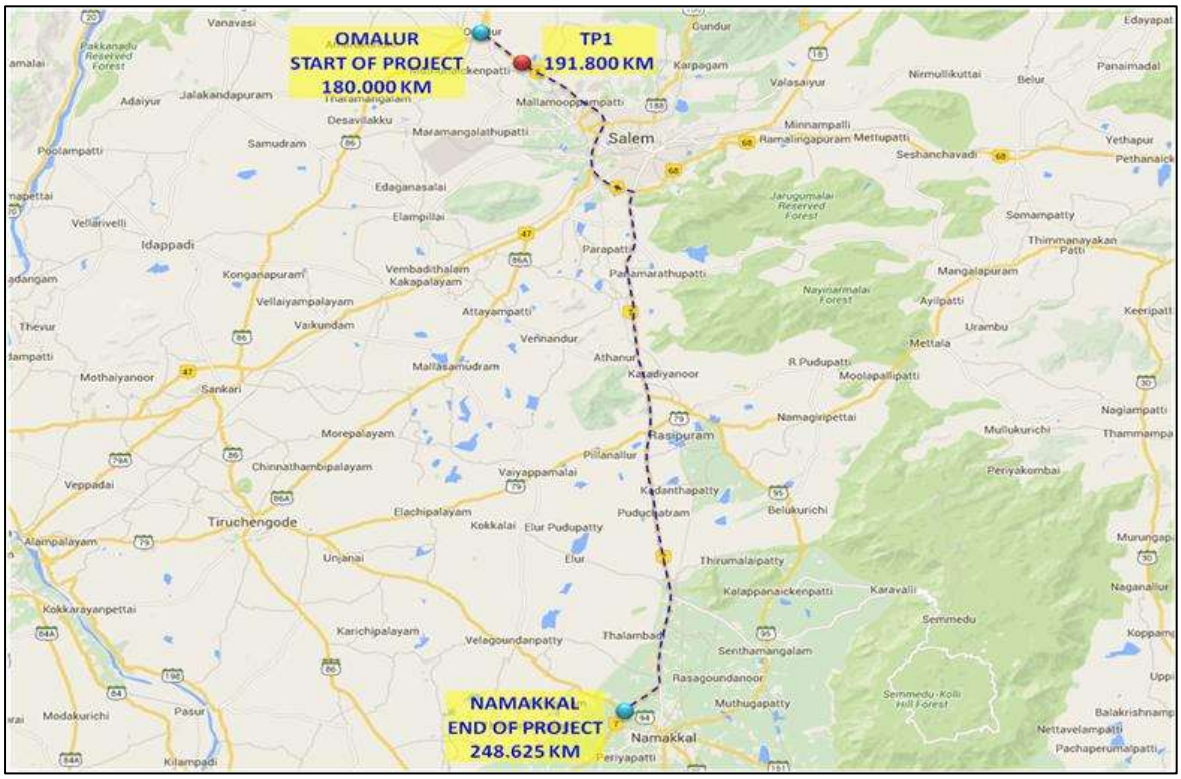


Figure 5: Map of the Omalur–Salem–Namakkal NH 7 Project's toll plazas

Concession Period and revenue sharing arrangement

MITPL was granted a concession period of 20 years for this project. The concession period commenced on August 15, 2006 and is scheduled to expire on August 14, 2026. MITPL began collecting tolls with respect to this project on August 6, 2009.

The concession agreement does not have any provisions regarding the extension or reduction of the concession period.

In consideration of the grant of the original concession, MITPL pays the NHAI (i) a nominal annual concession fee of Rs. 1 and (ii) 80.43% of the additional proportional revenue per year collected in respect of the additional 19.20 km section of highway. For the financial year 2016, MITPL paid the NHAI Rs. 168.63 million pursuant to such revenue sharing arrangement.

In addition, MITPL paid the NHAI a negative grant of Rs. 90.00 million in financial year 2016 and is obligated to pay the NHAI a negative grant of Rs. 460.00 million and Rs. 540.00 million in financial years 2017 and 2018, respectively.

Traffic volume

The tollable traffic count for the Omalur–Salem–Namakkal NH 7 Project increased to 7.91 million vehicles in 2016 from 4.96 million vehicles in 2014, representing a CAGR of 26.23%.

According to the Traffic Reports, traffic growth on the project is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
					(%)
Car[1]	2,334,244	3,020,453	3,769,095	2,613,898	27.07
LCV[2]	1,171,025	1,378,884	1,502,324	1,008,863	13.27
Bus/Truck[3]	751,691	1,223,040	1,601,208	1,068,610	45.95
Multi-axle[4]	706,695	1,234,180	1,036,519	704,941	21.11
Total	**4,963,655**	**6,856,557**	**7,909,146**	**5,396,312**	**26.23**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 42,324 PCUs in 2016 from 26,099 PUCs in 2014, representing a CAGR of 27.34%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)
Car[1]	6,395	8,275	10,298	10,414	26.90
LCV[2]	3,208	3,778	4,105	4,019	13.12
Bus/Truck[3]	2,059	3,351	4,375	4,257	45.77
Multi-axle[4]	1,936	3,381	2,832	2,809	20.95
Total	**13,598**	**18,785**	**21,610**	**21,499**	**26.06**
Total PCUs	**26,099**	**39,210**	**42,324**	**41,854**	**27.34**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9,

2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, trucks and buses and multi-axle vehicles accounted for, in terms the Omalur–Salem–Namakkal NH 7 Project's total traffic mix, 46.24%, 20.54%, 18.12% and 15.09% of tollable traffic, respectively. In the financial year 2016, cars, LCVs, trucks and buses and multi-axle vehicles represented, in terms of the project's total traffic mix, 47.65%, 18.99%, 20.25% and 13.11% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of MITPL's operating revenues are derived from the collection of tolls. The table below sets forth the toll fees charged for the Omalur–Salem–Namakkal NH 7 Project by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
		(Rs. in millions)			*(%)*
Car[1]	118.68	134.87	159.46	115.69	15.92
LCV[2]	71.02	75.05	83.76	60.46	8.60
Bus/Truck[3]	158.12	183.18	172.02	117.94	4.30
Multi-axle[4]	264.89	363.00	334.16	250.20	12.32
Total	**612.71**	**756.10**	**749.39**	**544.28**	**10.59**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. MITPL has raised a claim seeking compensation from the relevant authorities for Rs. 54.88 million and the NHAI has released only Rs. 5.53 million a part of the amount claimed. An amount of Rs. 49.35million for MITPL is currently outstanding as a receivable from the NHAI. The amounts that MITPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017, were Rs. 66.93 million, Rs. 60.82 million, Rs. 64.84 million and Rs. 66.49 million, respectively.

Maintenance

The Omalur–Salem–Namakkal NH 7 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, MITPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, MITPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project toll road, to repair potholes, cracks, concrete joints, drains, line marking, lighting and signage, and to refurbish tolling systems, hardware and other equipment.

The following table sets forth MITPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,	For the nine months ended December 31,

	2014	2015	2016	2016
		(Rs. In millions)		
Operation and maintenance expenditure	51.84	123.61	56.63	57.11
Periodic maintenance	-	118.20	142.67	63.83
Total expenditure	**51.84**	**241.81**	**199.30**	**120.94**

Project cost and financing

The cost of this project was approximately Rs. 3,075.99 million. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 2,061.81 million.

Land

The NHAI owns the land that underlies the Omalur–Salem–Namakkal NH 7 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

6. Talegaon–Amravati NH 6 project

On November 18, 2009, the NHAI and ITATPL entered into a concession agreement in respect of the Talegaon–Amravati NH 6 Project. ITATPL was engaged to construct a 66.725 km four-lane road on the section of NH 6 from Talegaon to Amravati in Maharashtra on a DBFOT basis. A provisional completion certificate was issued on April 24, 2013, and ITATPL commenced partial tolling on a project length of 45.31 Kms on this date. ITATPL achieved the second provisional completion on March 31, 2014, and commenced tolling on the total project length of 63.695 Kms on April 1, 2014.

As per the relevant concession agreement, the Talegaon–Amravati NH 6 Project comprises the section of NH 6 from km 100.00 to km 166.725. According to the Traffic Reports, the project features:

- 66.725 km of four-lane carriageway
- 26.50 km of service road
- 1 major bridge
- 25 minor bridges
- 2 flyovers
- 1 railway-over-bridge
- 86 culverts
- 11 pedestrian underpasses
- 11 vehicular underpasses
- 36 major intersections
- 15 bus bays
- 1 toll plaza complex

Corridor description and competing roads

NH 6 connects Hazira and Kolkata via Surat, Dhule, Amravati, Nagpur, Raipur, and Sambalpur. It intersects with several other national highways, including NH 3 near Dhule, NH 5 near Jharkoparia, NH 7 near Nagpur and NH 8 near Surat. NH 6 passes through five states, namely Gujarat, Madhya Pradesh, Orissa, Chhattisgarh and West Bengal.

The Talegaon–Amravati NH 6 Project caters to various types of traffic such as urban, suburban and regional traffic. The land use on both sides of the project is mixed and includes agricultural, residential, commercial, and small and medium scale industrial uses, as well as undeveloped land. The corridor in general has significant potential for future development. The dominant land use on both sides of project corridor is rural agriculture land. Since this stretch is part of Great Eastern Highway, which connects Kolkata and Hazira, it carries commercial bulk transportation traffic.

There are several local roads and state highways which, if integrated and improved, could form a road network that could compete with the Talegaon–Amravati NH 6 Project. These local roads and state highways include the sections of SH 244, SH 241 and SH 237 between Talegaon and Tivsa, the sections of SH 24, SH 41 and SH 237 between Talegaon and Mojhri and the sections of SH 244 and SH 241 between Talegaon and Amravati. Most of these competing roads and highways run across the project corridor, covering longer distances for the same pairs of origin and destination as compared to the Talegaon–Amravati NH 6 Project highway. The quality and geometry

of such roads and highways are also inferior, adding to travel time. Accordingly, traffic is not expected to shift from NH 6 to these competing roads in the near future according to the Traffic Reports.

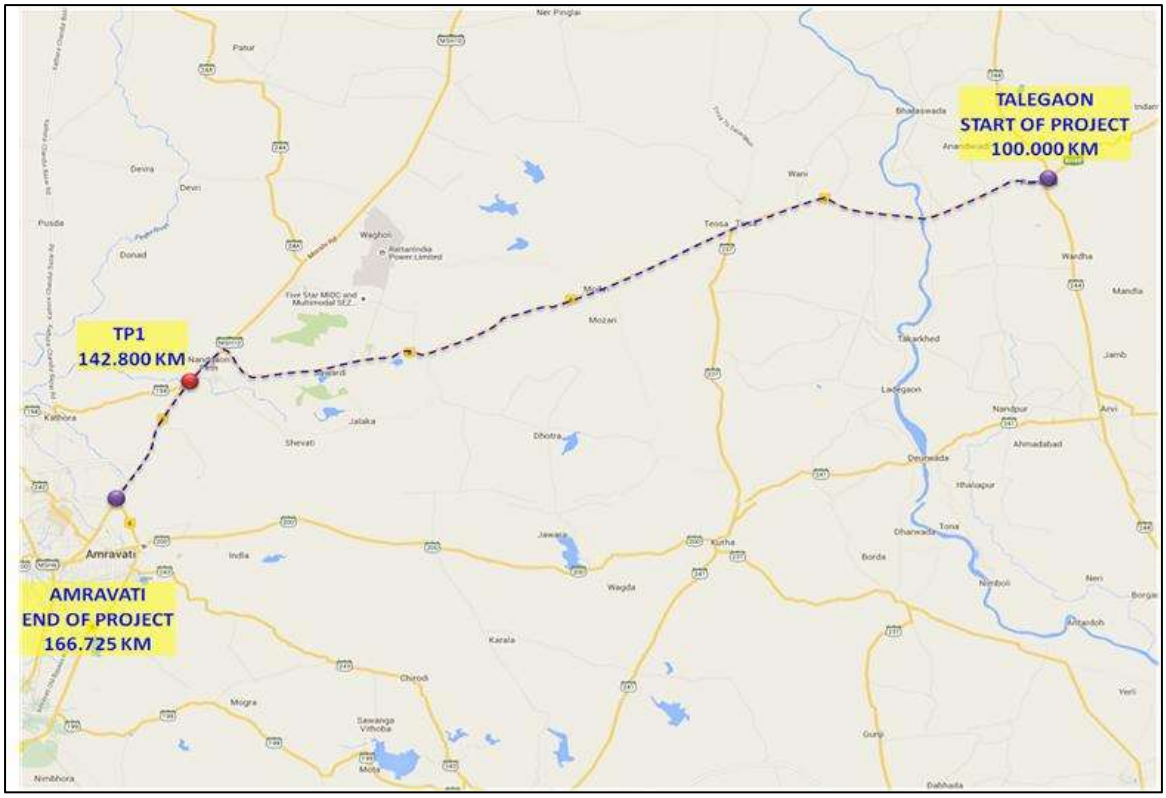


Figure 6: Map of the Talegaon–Amravati NH 6 Project's toll plaza

Concession period and fee

ITATPL was granted a concession period of 22 years for this project. The concession period commenced on September 3, 2010 and is scheduled to expire on September 2, 2032. Substantial completion of the project was achieved on April 24, 2013, and ITATPL commenced partial tolling on a project length of 45.31 kilometres on this date. ITATPL achieved the second provisional completion on March 31, 2014, and commenced tolling on the total project length of 63.695 kilometres on April 1, 2014.

The concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. For this project, the target date and target traffic volume set forth in the concession agreement is April 1, 2020 and 41,052 PCUs, respectively. The Traffic Consultant projects in the most likely scenario that the actual traffic volume on the target date will fall short of the target traffic volume by 15,433 PCUs. As per the concession agreement, in the event the actual traffic volume on the target date falls short of the target traffic volume by more than 2.5%, the concession period may be increased by 1.5% for every 1% shortfall in traffic, provided that the aggregate increase in the concession period does not exceed 20% of the original concession period. Accordingly, based on its projections, the Traffic Consultant estimates that the concession period may most likely be extended to January 2037. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date.

In consideration of the grant of the original concession, ITATPL pays the NHAI a nominal annual concession fee of Rs. 1.

Traffic volume

The tollable traffic count for the Talegaon–Amravati NH 6 Project increased to 3.03 million vehicles in 2016 from 2.67 million vehicles in 2014, representing a CAGR of 6.47%.

According to the Traffic Reports, traffic growth on the project is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
					(%)
Car[1]	1,140,047	1,275,989	1,507,111	1,117,228	14.98
LCV[2]	385,138	392,478	439,598	320,714	6.84
Bus/Truck[3]	437,052	443,084	449,576	300,160	1.42
Multi-axle[4]	711,023	688,335	634,172	452,701	(5.56)
Total	**2,673,260**	**2,799,886**	**3,030,457**	**2,190,804**	**6.47**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project decreased to 17,402 PCUs in 2016 from 18,319 PCUs in 2014, representing a CAGR of negative 2.53%. While the number of vehicles increased overall from 2014 to 2016, the number of multi-axle vehicles decreased from 711,023 in 2014 to 634,172, primarily as a result of a toll exemption in financial year 2015 by the Government of Maharashtra in a two-lane state highway parallel to the Talegaon–Amravati NH 6 project. This resulted in a shift by multi-axle vehicles to the state highway and given that our project is in better condition than the state highway, light motor vehicles (which includes cars), buses and trucks did not shift to the state highway.

The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016[5]**	**FY14 –FY16**
					(%)
Car[1]	3,353	3,496	4,118	4,451	10.82
LCV[2]	1,133	1,075	1,201	1,278	2.96
Bus/Truck[3]	1,285	1,214	1,228	1,196	(2.24)
Multi-axle[4]	2,091	1,886	1,733	1,804	(8.96)
Total	**7,862**	**7,671**	**8,280**	**8,728**	**2.62**
Total PCUs	**18,319**	**17,237**	**17,402**	**18,071**	**(2.53)**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, the tollable annual average daily traffic by category of vehicles for the nine months ended December 31, 2016 is only for 251 days.

On average for the three financial years ended March 31, 2016, cars, LCVs, trucks and buses and multi-axle vehicles accounted for, in terms the Talegaon–Amravati NH 6 Project's total traffic mix, 46.05%, 14.32%, 15.65% and 23.98% of tollable traffic, respectively. In 2016, cars, LCVs, trucks and buses and multi-axle vehicles represented, in terms of the project's total traffic mix, 49.73%, 14.51%, 14.84% and 20.93% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of ITATPL's operating revenues are derived from the tolls that it is entitled to collect. The table below sets forth the toll fees charged for the Talegaon–Amravati NH 6 Project by category of vehicles for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,	CAGR
	2014	**2015**	**2016**	**2016**	**FY14 –FY16**
		(Rs. in millions)			*(%)*
Car[1]	37.73	76.25	89.57	66.21	54.08
LCV[2]	22.53	40.72	46.41	35.28	43.52
Bus/Truck[3]	52.65	90.78	91.65	63.62	31.94
Multi-axle[4]	151.33	253.63	244.55	180.99	27.12
Total	**264.24**	**461.38**	**472.18**	**346.10**	**33.68**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization. Hence, toll collection for the nine months ended December 31, 2016 is only for 251 days. ITATPL has raised a claim seeking compensation from the relevant authorities for Rs. 45.20 million and the NHAI has released only Rs. 12.35 million a part of the amount claimed. An amount of Rs. 32.85million for ITATPL is currently outstanding as a receivable from the NHAI. The amounts that ITATPL will be able to recover and the timing of such recovery is uncertain.

The gross monthly toll revenues received from the project for January 2017, February 2017, March 2017 and April 2017, were Rs. 49.78 million, Rs. 47.75 million, Rs. 50.83 million and Rs. 53.61 million, respectively.

Maintenance

The Talegaon–Amravati NH 6 Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, ITATPL is required to comply with detailed operating and maintenance standards.

Under the concession agreement, ITATPL is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project toll road, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devises, and to refurbish tolling systems, hardware and other equipment.

The following table sets forth ITATPL's operation and maintenance costs during the financial years 2014, 2015 and 2016 and the nine months ended December 31, 2016:

	For the FY ended March 31,			For the nine months ended December 31,
	2014	**2015**	**2016**	**2016**
		(Rs. In millions)		
Operation and maintenance expenditure	80.13	60.92	92.74	119.61
Periodic maintenance	-	60.22	34.67	23.33
Total expenditure	**80.13**	**121.14**	**127.41**	**142.94**

Project cost and financing

The cost of this project was approximately Rs. 8,925.95 million. We received a government grant of Rs. 2,134.58 million. As of December 31, 2016, the outstanding debt with respect to this project was Rs. 3,765.00 million.

Land

The NHAI owns the land that underlies the Talegaon–Amravati NH 6 Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" on page 116 of this Final Offer Document.

Operation and Maintenance Services

Our key business activity will be the operation and maintenance of the Initial Road Assets pursuant to, and in accordance with, the provisions of the concessions and other road project related agreements (as applicable). The Project SPVs are required to operate and maintain the Initial Road Assets in accordance with the concession agreement, including by modifying, repairing or otherwise making improvements to the road. In particular, each of the concession agreements requires the Project SPV to maintain the Initial Road Asset to certain standards during the concession period. The NHAI has used, and will likely to continue to use, independent engineers to carry out periodic tests to assess the quality of the roads or bridges and their related maintenance.

The Project Manager, together with the Project SPVs, manages the critical day-to-day operation and maintenance of the Initial Road Assets. The Project Manager, through the relevant Project Implementation Agreement, provides project and contract management support, such as liaising with and supervising sub-contractors, managing design and planning and obtaining necessary licenses and approvals for the projects.

A Project SPV is generally responsible for carrying out operation and maintenance activities at its toll road during its concession period. The scope of a Project SPV's operation and maintenance activities is usually defined in the relevant concession agreement. Within the scope of such operation and maintenance obligations, the Project SPV may be required to undertake routine and periodic maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required.

A computerised maintenance management system is used to ensure that all maintenance is systematically and correctly scheduled, carried out and recorded. In addition, it is used to assure planning, control and monitoring of each maintenance activity. Maintenance methodologies and system performance are regularly reviewed and examined for optimisation of resource deployment.

Operations

Toll collection system

Toll is collected for each journey through each of the toll plazas. Signs setting out the toll rates for the Initial Road Assets are displayed at the toll booths and tolls can be paid or tendered by the driver of any vehicle in the following manners:

Cash

Tolls paid by means of cash are collected by toll collectors at the manual toll booths.

Electronic toll collection

The Project SPVs make use of technology for the operation of the projects which helps in improving operational efficiency and ensuring transparency in the process of toll collection. In 2014, an electronic toll collection ("**ETC**") system based on radio-frequency identification ("**RFID**") technology was implemented at the Surat–Dahisar NH 8 Project. In addition, the RFID technology based ETC system has been implemented at the Bharuch–Surat NH 8 Project, the Talegaon–Amravati NH 6 Project, the Tumkur–Chitradurga NH 4 Project, the Jaipur–Deoli NH 12 Project and the Omalur–Salem–Namakkal NH 7 Project. Further, the Project SPVs also use weight based tolling systems with the help of devices that are designed to capture and record axle weights and gross vehicle weights as vehicles drive over a measurement device fitted in each lane. As of January 1, 2017, weight based tolling is operational for the Jaipur–Deoli NH 12 Project and the Tumkur–Chitradurga NH 4 Project.

Monitoring

Toll collection

Payments at the toll plazas, both electronic as well as cash payments, are processed through a semi-automated or a fully-automated toll collection system, depending on complexity of the project. Both these systems collect and store traffic and payment data, thereby reducing the need for manual operation. A semi-automated system consists of revenue collection software desktop, barrier gate, smart cards and monitoring cameras and a fully automated system includes equipment such as vehicle counting classifier, vehicle audit system, communication channels and traffic control equipment in addition to all the components of a semi-automated system.

For the purpose of identifying categories of vehicles and to charge an appropriate toll rate, the automatic vehicle identification based in-road/infrared sensors are also used. The Project SPVs also use weigh-in-motion technology for projects where weight based toll collection is mandated. The weight based tolling systems are integrated with the fully automatic toll collection system for enhanced revenue controls. As of January 1, 2017, weight based tolling is operational for the Jaipur–Deoli NH 12 Project and the Tumkur–Chitradurga NH 4 Project.

There are cameras installed particularly for capturing and recording any toll evasion incidents by vehicles. There is also a back-up power supply system to ensure that there is no interruption to power supply at the toll plazas in order to maintain a stable power supply for the sub-systems and equipment. Servers used in the toll collection systems at the toll plazas are capable of real time uploading of transaction data from toll lane equipment and performing an automatic daily backup to prevent any toll data loss and to enable quick system recovery, which allows the Project SPVs to collect variable amounts of tolls depending on the class of motor vehicles and serves as a traffic information system.

Only certain authorised persons have access to the toll collection systems and the activities are recorded for security purposes. Each Project SPV is responsible for operating the toll collection system at its toll plaza and taking regular preventive and corrective measures to maintain such systems at the highest levels of security and reliability.

We have set up a centralized control room (the "**Control Room**") at our office in Mumbai that consolidates cameras at the toll plazas to enable video based monitoring of the toll operations throughout the day.

Traffic control

There is an emergency telephone system to provide a reliable communication channel for the drivers in cases of emergency where they need to communicate with staff at the Control Room. The Project SPVs takes regular preventive and corrective measures to maintain the emergency telephone system at the highest levels of reliability and safety. The Project SPVs are required to carry out regular patrolling and regulate and maintain traffic order within the projects. Emergency telephone systems and emergency helpline numbers are provided at all projects where such systems and numbers are required by the relevant concession agreement. There are also patrol vehicles that continuously move on the section of the project that it is assigned to, which will intervene to regulate traffic and carry out surveillance activities.

Traffic and motorway assistance services

Traffic assistance

The Project SPVs provide emergency assistance to motorists using the toll roads. They station patrol/light recovery vehicles on each toll road, which are deployed to patrol the toll roads on a continuous basis.

In the case of a vehicle breakdown or traffic accident, the Control Room will announce the occurrence via mobile phones or handsets to instruct a mobile supervisor and a recovery supervisor to proceed to the scene immediately, and file relevant reports with the police if personal injury is involved. At the scene of a traffic accident or vehicle breakdown, the mobile supervisor will report to the Control Room the situation of the incident, safety of the scene and apply first aid to injured persons, if any. The recovery supervisor will determine whether the vehicle can be recovered on site or deploy recovery vehicle for towing. The traffic officer will stop the traffic, close the affected lane where necessary and direct trapped vehicles away to other unaffected lanes.

Assistance and recovery services

The Project SPVs maintain a fleet of vehicles for each toll plaza, comprised of one patrol vehicle, an ambulance and a crane, which are on standby 24 hours a day to respond to unexpected conditions or situations on the Initial Road Assets, such as the removal of obstructions or broken-down vehicles. Assistance and recovery services for immobilised vehicles are carried out using the fleet vehicles, which include, among others:

- highway patrol cars: equipped with a full set of vehicle recovery equipment, that remain in contact with the Control Room, clear the road of obstructions and provide assistance to broken-down vehicles and passengers in distress;

- heavy recovery vehicles: equipped with T-bar, hydraulic boom and winches for handling heavy vehicle recoveries (up to 20 tonnes), including the clearing of disabled vehicles; and

- ambulance services: manned by trained paramedics and equipped with first aid and life-saving medical services and support systems to provide initial first aid and to transfer injured persons to nearby hospitals.

As required by the relevant concession agreements, the Project SPVs also maintain emergency communication systems, which are comprised of helpline services and emergency call boxes at 2 km intervals in each traffic direction.

Safety Measures

Under the concession agreement, the concessionaires are obligated to abide by certain safety requirements, which include measures such as road signs, pavement marking, traffic control devices, roadside furniture, highway design elements, enforcement and emergency response. The concessionaires must abide by among others, applicable laws and applicable permits, the Manual for Safety in Road Design as issued by the Ministry of Shipping, Road Transport and Highways, relevant standards and guidelines of the Indian Roads Congress and good industry practice. The concessionaires also carry out safety audits of the projects from time to time, by appointing a safety consultant, which is comprised of, among others, one road safety expert and one traffic planner. These safety requirements apply to all phases of construction, operation and maintenance with emphasis on identification of factors associated with accidents and implementation of appropriate remedial measures.

Management

We will be managed, upon the listing of the Units on the Stock Exchanges, by qualified personnel of the Investment Manager and Investment Committee, if formed, all of whom have or will have management and operational experience in the roads and highways sector. For further details about the Investment Manager, please see the sections headed "*Parties to the Trust – The Investment Manager*" on page 272 of this Final Offer Document. In addition, the Trust Group's projects will be managed by an experienced professional team of senior managers at the Project Manager level. For further details about the Project Manager, please see the section headed "*Parties to the Trust – The Project Manager*" on page 281 of this Final Offer Document.

Consequent to the completion of the Formation Transactions, the Investment Manager, in consultation with the Trustee, has appointed a majority of the directors on the board of each Project SPV in accordance with the InvIT Regulations, and such directors form part of the quorum. Each Project SPV's board of directors will also form committees as may be required under the Companies Act, 2013 and rules made thereunder.

Various financing agreements that the Project SPVs have entered into with certain banks and financial institutions contain certain restrictive covenants, including, but not limited to, requirements that they obtain consent from the lenders prior to changing the composition of any board of directors of any Project SPV. For more details, please see the section headed "*Risk Factors – Risks Related to Our Business and Industry – The Project SPVs are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets*" on page 39 of this Final Offer Document.

Employees

The table below sets forth the Project SPVs' employees as of the date indicated:

As of December 31, 2016

ISDTPL	420
ITCTPL	158
IDAAIPL	115
IJDTPL	132
MITPL	28
ITATPL	77
Total	**930**

As of December 31, 2016, the Project SPVs had 930 full-time and no part-time employees. Staff voluntary turnover for the nine months ended December 31, 2016 was 1.61% for staff after completion of probation and 1.83% for staff on probation respectively. The turnover was mainly attributable to family/health problems and better prospects. The Sponsor provided training for its staff and the Project SPVs both internally and through external workshops. During the nine months ended December 31, 2016, these training courses concern departmental on-the-job training. In addition, all new employees recruited at the level of Operator and Supervisor are given 15 days of on the job training. The Project SPVs have also recently started offering an eight-hour behavioural, communication and motivation training course for Toll Operators and Toll Supervisors conducted by external trainers.

The Project SPVs use contract labour and are therefore also partially dependent on the availability of a sufficient pool of such labour to maintain and operate their projects. The number of contract labourers employed by the Project SPVs varies from time to time based on the nature and extent of work being undertaken. The Project SPVs enter into contracts with independent contractors to complete specified assignments on their projects.

Seasonality

Traffic volume tends to decrease during the monsoon season and conversely tends to increase during holiday seasons. While the northern parts of India experience monsoon rains during the period from June or July until September or October every year, the southern parts of India, especially Tamil Nadu and some parts of coastal Andhra Pradesh, experience monsoon rains even during the months of October to December. Considering the geographical locations of the Trust Group's toll roads, in the case of the Omalur–Salem–Namakkal NH 7 Project that is in the state of Tamil Nadu, traffic may be affected by rains during the period from October to December. The monsoon season may also restrict the Trust Group's ability to carry on activities related to its operation and maintenance of toll roads. For further details on risk associated with seasonality, please see the section headed "*Risk Factors – Risks Relating to Our Business and Industry – Our business will be subject to seasonal fluctuations that may affect our cash flows*" on page 36 of this Final Offer Document. Conversely, traffic volume tends to increase during holiday seasons.

Health, Safety and Environment

The Investment Manager and Project Manager believe that the Trust and the Project SPVs are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in their operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies. The Project Manager believes that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Project managers appointed by the Project SPVs for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

Intellectual Property

We do not own the "IRB" trademark and "IRB" logo, which are registered in the name of, and owned by, the Sponsor. However, pursuant to separate trademark and tradename license, the Sponsor has granted to the Trust, each of the Project SPVs, the Investment Manager and the Project Manager, the non-transferable and non-assignable right to use the "IRB" trademark as part of their respective corporate names, if applicable, as well as the "IRB" logo in connection with their respective businesses, on a non-exclusive basis for a one-time royalty

payment of ₹ 1. The license may be terminated under certain circumstances, including upon a change in control of the entity acting as the investment manager of the Trust or if the entity acting as the investment manager of the Trust ceases to be a subsidiary of the Sponsor or its affiliates, if the Sponsor's holding in the Trust falls below 5% or if the Trust and/or the Project SPVs default in any of their obligations towards the Unitholders or any of their obligations towards any of their respective lenders. Upon the termination of any license, the Trust or the relevant Project SPV, as the case may be, will be required to cease the use of the IRB trademark and change its name to remove IRB from its name within three months from the date of termination, which may have a material adverse effect on the operations of the Project SPVs and require management's time and attention.

We do not require any other licenses relating to intellectual property for the operation of our business and none of the Investment Manager, Project Manager or the Project SPVs is involved in any dispute for violation of intellectual property rights. See also "*Risk Factors – Risks Relating to our Business and Industry – We do not own the 'IRB' trademark and logo. Our license to use the 'IRB' trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired*" on page 34 of this Final Offer Document.

Property

The Investment Manager's corporate offices are located in Mumbai from which all its administrative and reporting activities are conducted. We expect to lease our premises in Mumbai for a nominal amount. For more details, please see the section headed "*Related Party Transactions*" on page 238 of this Final Offer Document. The Project SPVs typically lease various premises across India to facilitate their work at their project sites. These leases usually expire upon completion of the relevant project.

Insurance

The Trust Group's operations are subject to hazards inherent in providing operation and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. The Project SPVs' principal types of insurance coverage include fire insurance, workmen's compensation insurance and money insurance. We also provide Mediclaim to all of our employees, which cover the hospitalisation expenses of our employees, their spouses and up to two children. The Investment Manager and the Trustee confirm that the amount of insurance that we presently maintain represents an adequate and appropriate level of coverage required to insure the Trust Group's business and operations and all the infrastructure assets held by the Trust Group, and is in accordance with the concession agreements and industry standards in India and will perform regular assessment on the adequacy of its insurance coverage on a yearly basis.

Legal Proceedings

The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in legal proceedings or claims from time to time. Certain proceedings or claims are currently pending at different levels of adjudication before various courts, tribunals and regulatory authorities. For a description of the material legal proceedings that are outstanding, please see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" on page 420 of this Final Offer Document.

SUMMARY OF THE CONCESSION AGREEMENTS

The following are summaries of the concession agreements entered into by the Project SPVs in relation to their respective business. The descriptions and summaries of the agreements below are not, nor do they purport to be complete descriptions or summaries of all terms of such agreements. Certain terms used in this section have the meaning assigned to them in the respective concession agreements. Copies of these concession agreements are also available for inspection at the registered office of the Trust. For details, refer to "Material Contracts and Documents for Inspection" on page 485.

1. Concession Agreement between IDAAIPL and NHAI dated July 7, 2006

IDAAIPL has entered into a concession agreement for six/four-laning of km 198/000 to km 263/000, Bharuch to Surat section of NH-8 in Gujarat on build, operate and transfer (BOT) basis (the "**IDAAIPL Concession Agreement**", for a period of 15 years, from January 2, 2007 ("**IDAAIPL Appointed Date**") or such date on which the IDAAIPL Concession Agreement is terminated by a termination notice ("**IDAAIPL Termination Date**", and the period between the IDAAIPL Appointed Date and the IDAAIPL Termination Date, the "**IDAAIPL Concession Period**").

Certain Definitions

"**IDAAIPL Project**" shall mean the development, design, financing, procurement, engineering and construction, operation and maintenance of the IDAAIPL Project Highway in accordance with the provisions of the IDAAIPL Concession Agreement and includes all works relating to or in respect of the IDAAIPL Project Highway as described in the IDAAIPL Concession Agreement;

"**IDAAIPL Project Assets**" shall mean all physical and other assets relating to and forming part of the IDAAIPL Project during IDAAIPL Concession Period from the commercial operations date till IDAAIPL Termination Date including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the IDAAIPL Project during IDAAIPL Concession Period from commercial operations date till IDAAIPL Termination Date, telephone and other communication systems and equipment for the IDAAIPL Project, rest areas, administration and maintenance depots, relief centres, service facilities etc. (iii) project facilities situated on the site (iv) the rights of the IDAAIPL under the IDAAIPL project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorisations relating to or in respect of the IDAAIPL Project during IDAAIPL Concession Period from commercial operation date till IDAAIPL Termination Date, but does not include additional facilities; and

"**IDAAIPL Project Highway**" shall mean the IDAAIPL Project and shall include the IDAAIPL Project Assets and the project facilities to be designed, engineered and built on the site and to be operated and maintained during the IDAAIPL Concession Period in accordance with the provisions of the IDAAIPL Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the IDAAIPL Concession Agreement, NHAI has granted to IDAAIPL and the IDAAIPL has accepted the concession for a period of 15 years commencing from the IDAAIPL Appointed Date, including the exclusive right, licence and authority during the subsistence of the IDAAIPL Concession Agreement to implement the IDAAIPL Project and the concession in respect of the IDAAIPL Project Highway.

Subject to and in accordance with the terms and conditions set forth in the IDAAIPL Concession Agreement, IDAAIPL is entitled to enjoy and has undertaken the following in accordance with the provisions of IDAAIPL Concession Agreement, applicable laws and applicable permits:

i. to develop, design, engineer, finance, procure, construct, operate and maintain the IDAAIPL Project during the IDAAIPL Concession Period;

ii. upon completion of the IDAAIPL Project Highway and during the operations period to manage, operate and maintain the IDAAIPL Project Highway and regulate the use thereof by third parties;

iii. levy, demand, collect and appropriate the fees from vehicles and persons liable to payment of fees for using the IDAAIPL Project Highway or any part thereof and refuse entry of any vehicle to the IDAAIPL Project Highway if the due fee is not paid;

iv. perform and fulfil all of its obligations under the IDAAIPL Concession Agreement;

v. bear and pay all expenses, costs and charges incurred in the fulfilment of all of the IDAAIPL's obligations under the IDAAIPL Concession Agreement; and

vi. not assign or create any lien or encumbrance on the concession granted by way of the IDAAIPL Concession Agreement on the whole or any part of the IDAAIPL Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the IDAAIPL Concession Agreement or the substitution agreement.

Fees

IDAAIPL shall be entitled to, during the IDAAIPL Concession Period, levy, demand and collect the fees from the users of the IDAAIPL Project Highway pursuant to and in accordance with the provisions in the IDAAIPL Concession Agreement and to appropriate the same. In accordance with the terms of the IDAAIPL Concession Agreement, IDAAIPL shall not collect any fees in relation to exempted vehicles. The fees collected by IDAAIPL shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the IDAAIPL Concession Agreement.

Negative Grant

IDAAIPL has paid to the NHAI a cash payment as set forth in the proposal of the consortium bidders and accepted by NHAI, namely, Rs. 5,040.00 million.

Concession Fee

In consideration of the grant of concession under the IDAAIPL Concession Agreement, the concession fee payable by IDAAIPL to the NHAI shall be Re. 1 per year during the term of the IDAAIPL Concession Agreement.

The concession fee shall be paid in advance within 90 days of the commencement of the year for which it is due and payable

Escrow Account

IDAAIPL shall at least 30 days before achievement of financial close open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the IDAAIPL Project cost shall be credited to such escrow account. During operations period all fees collected by IDAAIPL from the users of the IDAAIPL Project Highway shall be deposited therein. In addition, all disbursements or payments by NHAI pursuant to the IDAAIPL Concession Agreement shall subject to the rights of deductions and appropriations therefrom of NHAI under the IDAAIPL Concession Agreement, be deposited by NHAI in the escrow account.

Disbursements from Escrow Account

IDAAIPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the IDAAIPL Concession Agreement to the escrow bank instructing *inter alia* that the deposits into the escrow account shall subject to the provisions of the IDAAIPL Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by IDAAIPL;

ii. all expenses in connection with and relevant to the construction of IDAAIPL Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

iii. operation and maintenance expenses including fees collection expenses incurred by IDAAIPL directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

iv. the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI on account of exercise of any of its rights under the IDAAIPL Concession Agreement provided NHAI certifies to the escrow bank that NHAI had incurred such expenses in accordance with the provisions of the IDAAIPL Concession Agreement;

v. all concession fees due to NHAI from IDAAIPL under the IDAAIPL Concession Agreement;

vi. monthly proportionate provision of debt service payments due in an accounting year and payment of debt service payments in the month when due;

vii. any payments and damages due and payable by IDAAIPL to NHAI pursuant to the IDAAIPL Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in the scope of work; and

viii. balance in accordance with the instructions of IDAAIPL.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the IDAAIPL Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by IDAAIPL;

ii. all concession fees (including negative grant) due and payable to the NHAI;

iii. all accrued operation and maintenance expenses;

iv. any payments and damages due and payable by IDAAIPL to the NHAI pursuant to the IDAAIPL Concession Agreement and/or the escrow agreement (including termination claims, recovery due to reduction in the scope of work and repayment of revenue shortfall loan);

v. all accrued Debt Service Payment;

vi. any other payments required to be made under the IDAAIPL Concession Agreement; and

vii. the balance, if any, in accordance with the instructions of IDAAIPL.

Any termination payments made by NHAI into the escrow account shall not be withdrawn from the escrow account for any purpose whatsoever until the vesting certificate has been issued to IDAAIPL by the NHAI. Such restriction in relation to the withdrawal from the escrow account by IDAAIPL shall not apply to withdrawals from the escrow account in favour of the senior lenders to the extent of debt due.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the IDAAIPL Concession Agreement, require the provision of such addition / deletion to the works and services on or about the IDAAIPL Project which are beyond the scope of the IDAAIPL Project as contemplated by the IDAAIPL Concession Agreement, provided such changes do not require expenditure exceeding 5% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the IDAAIPL Concession Agreement.

Termination of the IDAAIPL Concession Agreement

Termination by either party

Either Party may in its sole discretion terminate the IDAAIPL Concession Agreement by giving 30 days termination notice in writing to the other party, if a force majeure event subsists for a period of 180 days or more within a continuous period of 365 days. Such party giving the termination notice will not be liable in any manner, save as provided by the IDAAIPL Concession Agreement.

Termination by the NHAI

In the event of any breach or default by IDAAIPL under the IDAAIPL Concession Agreement, including any IDAAIPL Default (as defined below) and if IDAAIPL has failed to cure such breach or default within the period provided for the same in the IDAAIPL Concession Agreement, then the NHAI shall be entitled to terminate the IDAAIPL Concession Agreement by a communication in writing to IDAAIPL provided that before issuing the termination notice, NHAI shall by a notice in writing inform IDAAIPL of its intention to issue the termination notice and grant 15 days to IDAAIPL to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by IDAAIPL (an "**IDAAIPL Default**") unless such IDAAIPL Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

i. IDAAIPL fails to achieve financial close in accordance with the provisions of the IDAAIPL Concession Agreement;

ii. IDAAIPL fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the IDAAIPL Concession Agreement and also fails to cure such default within 180 days from the date of its occurrence;

iii. IDAAIPL is in material breach of the IDAAIPL Concession Agreement;

iv. IDAAIPL commits default in complying with any of the terms and conditions of the IDAAIPL Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from the NHAI which (i) requires IDAAIPL to remedy the breach within one month (or such longer period as may be agreed by the NHAI in its absolute discretion) or (ii) permits IDAAIPL to put forward within 15 days of such notice, a reasonable programme for remedying the breach, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

v. IDAAIPL creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the IDAAIPL Concession Agreement;

vi. the shareholding of the consortium bidders falls below the minimum prescribed requirement under the IDAAIPL Concession Agreement and IDAAIPL does not *suo moto* cure such default within 90 days of its occurrence;

vii. IDAAIPL transfers, pursuant to law, either (i) the rights and/or obligations of IDAAIPL under the project agreements, or (ii) all or material parts of the assets or undertaking of IDAAIPL except where such transfer in the reasonable opinion of the NHAI does not affect the ability of IDAAIPL to perform, and IDAAIPL has the financial and technical capability to perform its material obligations under the project agreements;

viii. a resolution is passed by the shareholders of IDAAIPL for the voluntary winding up of IDAAIPL;

ix. IDAAIPL is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for IDAAIPL or for any of its property that has a material bearing on the IDAAIPL Project;

x. any petition for winding up of IDAAIPL is admitted by a court of competent jurisdiction or IDAAIPL is ordered to be wound up by a court of competent except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of IDAAIPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of IDAAIPL under the IDAAIPL Concession Agreement and the project agreements, and provided that: (i) the amalgamated or reconstructed

entity has the technical capability and operating experience necessary for the performance of its obligations under the IDAAIPL Concession Agreement and the project agreements; (ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the IDAAIPL Concession Agreement and the project agreements and has a credit worthiness at least as good as that of IDAAIPL as at the financial close; and (iii) each of the project agreements remains in full force and effect;

xi. IDAAIPL is in material breach of any of the project agreements;

xii. an event of default of IDAAIPL under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

xiii. IDAAIPL abandons the operations of the IDAAIPL Project Highway for more than 15 consecutive days without the prior consent of the NHAI, provided IDAAIPL shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by the NHAI;

xiv. IDAAIPL repudiates the IDAAIPL Concession Agreement or otherwise evidences an intention not to be bound by the IDAAIPL Concession Agreement;

xv. IDAAIPL suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the IDAAIPL Project and allows it to be continued for a period of 15 days;

xvi. IDAAIPL has delayed any payment that has fallen due under the IDAAIPL Concession Agreement if such delay exceeds 90 days; or

xvii. IDAAIPL is in breach of its obligation to repay the revenue shortfall loans in accordance the IDAAIPL Concession Agreement.

Termination by IDAAIPL

IDAAIPL is entitled to terminate the IDAAIPL Concession Agreement upon a 90 days' written notice to the NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of IDAAIPL Default or due to a force majeure event:

i. NHAI is in breach of the IDAAIPL Concession Agreement and such breach has a material adverse effect on IDAAIPL and the NHAI fails to cure such breach or take effective steps for curing such breach within 90 days of receipt of notice in this behalf from IDAAIPL;

ii. NHAI repudiates the IDAAIPL Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the IDAAIPL Concession Agreement;

iii. the Government or the Government of the State of Gujarat or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by IDAAIPL and have failed to cure such circumstances within 90 days of receipt of notice by the NHAI in this behalf from IDAAIPL; or

iv. NHAI has delayed any payment that has fallen due under the IDAAIPL Concession Agreement if such delay exceeds 90 days.

Termination Payments

The termination payment pursuant to the IDAAIPL Concession Agreement becomes due and payable to IDAAIPL by the NHAI within 30 days of a demand being made by IDAAIPL with the necessary particulars duly certified by the statutory auditors. If the NHAI fails to disburse the full termination payment within 30 days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the IDAAIPL Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination of the IDAAIPL Concession Agreement by the NHAI on account of occurrence of IDAAIPL Default, the NHAI shall pay IDAAIPL by way of termination payment an amount equal to 90% of the debt due

less insurance claims, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due.

Upon termination of the IDAAIPL Concession Agreement by IDAAIPL on account of occurrence of an NHAI Default, IDAAIPL shall be entitled to receive from NHAI by way of termination payment a sum equal to:

i. the total debt due, plus

ii. 120% the total subordinated debt, plus

iii. 150% of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the IDAAIPL Concession Agreement) if such termination occurs at any time during three years commencing from the IDAAIPL Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% per annum.

2. Concession Agreement between IJDTPL and NHAI dated December 16, 2009

IJDTPL has entered into a concession agreement for four-laning of km 18/700 to km 165/000, Jaipur to Deoli section of NH-12 in the state of Rajasthan on a design, build, finance, operate and transfer (DBFOT) basis (the "**IJDTPL Concession Agreement**") for a period of 25 years, from June 14, 2010 ("**IJDTPL Appointed Date**") or such date on which the IJDTPL Concession Agreement expires pursuant to the provisions of the IJDTPL Concession Agreement or is terminated by a termination notice ("**IJDTPL Termination Date**", and the period between the IJDTPL Appointed Date and the IJDTPL Termination Date, the "**IJDTPL Concession Period**").

Certain Definitions

"**IJDTPL Project**" shall mean the construction, operation and maintenance of the IJDTPL Project Highway in accordance with the provisions of the IJDTPL Concession Agreement, and includes all works, services and equipment relating to or in respect of the scope of the project;

"**IJDTPL Project Assets**" shall mean the physical and other assets relating to and forming part of the site including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre-stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices, (iii) project facilities situated on the site, (iv) all the rights of IJDTPL under the project agreements, (v) financial assets, such as security deposits, etc.; (vi) insurance proceeds and (vii) applicable permits and authorisations relating to or in respect of the IJDTPL Project Highway, but does not include facilities which are not located on the site of the project but which are provided by IJDTPL, at its own discretion, for the benefit of users of the IJDTPL Project Highway;

"**IJDTPL Project Highway**" shall mean the site comprising the existing road comprising NH-12 from km 18/700 to km 165/000 and all IJDTPL Project Assets and its subsequent development and augmentation in accordance with the IJDTPL Concession Agreement; and

"**IJDTPL PCUs**" shall mean passenger car units under the IJDTPL Concession Agreement based on actual traffic volume.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the IJDTPL Concession Agreement, applicable law and applicable permits, NHAI has granted to IJDTPL the concession including the exclusive right, licence and authority during the subsistence of the IJDTPL Concession Agreement to construct, operate and maintain the IJDTPL Project for a period of 25 years commencing from the IJDTPL Appointed Date, and IJDTPL has accepted the concession and agreed to implement the IJDTPL Project.

Further, IJDTPL is obliged or entitled to, *inter alia*, the following in accordance with the provisions of IJDTPL Concession Agreement:

i. right of way, access and licence to the site for the purpose of and to the extent conferred by the provisions of the IJDTPL Concession Agreement;

ii. finance and construct the IJDTPL Project Highway;

iii. to manage, operate and maintain the IJDTPL Project Highway and regulate the use thereof by third parties;

iv. demand, collect and appropriate the fees from vehicles and persons liable to payment of fees for using the IJDTPL Project Highway or any part thereof and refuse entry of any vehicle to the IJDTPL Project Highway if the due fee is not paid;

v. perform and fulfil all of its obligations under and in accordance with the IJDTPL Concession Agreement;

vi. bear and pay all expenses, costs and charges in connection with or incidental to the performance of its obligations under the IJDTPL Concession Agreement; and

vii. not assign, transfer, sublet or create any lien or encumbrance on the IJDTPL Concession Agreement or the concession granted by way of the IJDTPL Concession Agreement on the whole or any part of the IJDTPL Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the IJDTPL Concession Agreement or the substitution agreement.

Fees

IJDTPL shall have the sole and exclusive right to demand, collect and appropriate fees from the users of the IJDTPL Project Highway pursuant to the IJDTPL Concession Agreement and the National Highways Fee (Determination of Rates and Collection) Rules, 2008. In accordance with the terms of the IJDTPL Concession Agreement, IJDTPL shall not collect any fees in relation to exempted vehicles. The fees shall be ordinarily collected at the toll plazas in accordance with the IJDTPL Concession Agreement. The fees collected by IJDTPL shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the IJDTPL Concession Agreement.

Grant

NHAI provided to IJDTPL cash support by way of an outright grant equal to the sum set forth in the bid submitted by the consortium bidders, namely Rs. 3060 million, in accordance with the provisions of the IJDTPL Concession Agreement ("**IJDTPL Grant**"). The IJDTPL Grant was disbursed to IJDTPL by way of equity support in accordance with the provisions of the IJDTPL Concession Agreement The IJDTPL Grant was credited to the escrow account and was applied by IJDTPL for meeting the total project cost.

Concession Fee

In consideration of the grant of concession, IJDTPL shall pay to NHAI by way of concession fee a sum of Re. 1 per annum.

Escrow Account

IJDTPL shall, prior to the IJDTPL Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package shall be credited to such escrow account. All fees and any other revenues, including the proceeds of any deposits, capital receipts or insurance claims collected by IJDTPL from the users of the IJDTPL Project Highway shall be deposited therein. In addition, all payments made by NHAI subject to the rights of deductions and appropriations therefrom of NHAI under the IJDTPL Concession Agreement, be deposited by NHAI in the escrow account.

Disbursements from Escrow Account

IJDTPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the IJDTPL Concession Agreement to the escrow bank instructing,

inter alia, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals if necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

i. all taxes due and payable by IJDTPL for and in respect of IJDTPL Project Highway;

ii. all payments relating to the construction of the IJDTPL Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iii. operation and maintenance expenses, subject to the ceiling, if any, set forth in the financing agreements;

iv. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the IJDTPL Concession Agreement and certified by the NHAI as due and payable to it;

v. concession fee due and payable to the NHAI from IJDTPL;

vi. monthly proportionate provision of debt service due in an accounting year;

vii. all payments and damages certified by the NHAI as due and payable by IJDTPL to the NHAI pursuant to the IJDTPL Concession Agreement, including, *inter alia*, repayment of revenue shortfall loans.

viii. monthly proportionate provision of debt service payments due in an accounting year in respect of subordinated debt;

ix. any reserve requirements set forth in the financing agreements; and

x. balance, if any, in accordance with the instructions of the IJDTPL.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the IJDTPL Concession Agreements, in case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by IJDTPL in relation to the IJDTPL Project Highway;

ii. 90% of the debt due excluding the subordinate debt;

iii. outstanding concession fees;

iv. all payments and damages due and payable by IJDTPL to the NHAI pursuant to the IJDTPL Concession Agreement, including repayment of revenue shortfall loan;

v. retention and payments relating to the liability for defects and deficiencies set forth in the IJDTPL Concession Agreement;

vi. outstanding debt service including the balance of debt due;

vii. outstanding subordinate debt;

viii. incurred or accrued operation and maintenance expenses;

ix. any other payments required to be made under the IJDTPL Concession Agreement; and

x. the balance, if any, in accordance with the instructions of IJDTPL.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to IJDTPL by the NHAI in accordance with the provisions of the IJDTPL Concession Agreement.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the IJDTPL Concession Agreement, require the provision of additional works and services which are not included in the scope of the IJDTPL Project as contemplated by the IJDTPL Concession Agreement. Any such change of scope shall be made in accordance with the provisions of the IJDTPL Concession Agreement and the costs thereof shall be expended by IJDTPL and reimbursed to it by the NHAI in accordance with the IJDTPL Concession Agreement.

If IJDTPL determines at any time that a change of scope is necessary for providing safer and improved services to the users, it shall by notice in writing require NHAI to consider such change of scope. NHAI shall, within 15 days of receipt of such notice, either accept such change of scope with modifications, if any, and initiate proceedings therefor in accordance with the IJDTPL Concession Agreement or inform IJDTPL in writing of its reasons for not accepting such change of scope.

Effects of Variation in Traffic Growth

Subject to the provisions of the IJDTPL Concession Agreement, in the event actual average traffic shall have fallen short of the target traffic, then for every 1% (one per cent) shortfall as compared to the target traffic, the IJDTPL Concession Period shall, subject to payment of concession fee in accordance with the IJDTPL Concession Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in IJDTPL Concession Period shall not in any case exceed 20% (twenty per cent) of the IJDTPL Concession Period.

Subject to the provisions of the IJDTPL Concession Agreement, in the event actual average traffic shall have exceeded the target traffic, then for every 1% (one per cent) excess as compared to the target traffic, the IJDTPL Concession Period shall be reduced by 0.75% (zero point seven five per cent) thereof; provided that such reduction in IJDTPL Concession Period shall not in any case exceed 10% (ten per cent) thereof.

Provided further that in lieu of a reduction in IJDTPL Concession Period under the IJDTPL Concession Agreement, IJDTPL may elect to pay, in addition to the concession fee that would be due and payable if the IJDTPL Concession Period were not reduced hereunder, a further premium equal to 25% (twenty five per cent) of the realisable fee, and upon notice given to this effect by IJDTPL no later than two years prior to the IJDTPL Termination Date contemplated by the IJDTPL Concession Agreement, NHAI shall waive the reduction in IJDTPL Concession Period hereunder forthwith.

Notwithstanding anything to the contrary contained in the IJDTPL Concession Agreement, if the average daily traffic of IJDTPL PCUs in any accounting year shall exceed the designed capacity of the IJDTPL Project Highway and shall continue to exceed the designed capacity for three accounting years following thereafter, an indirect political event shall be deemed to have occurred and NHAI may in its discretion terminate the IJDTPL Concession Agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of the IJDTPL Concession Agreement; provided that before issuing the termination notice, NHAI shall inform IJDTPL of its intention to issue such termination notice and grant a period of 180 (one hundred and eighty) days for making a representation, and may, after the expiry of such period, whether or not it has received such representation, in its sole discretion issue the termination notice.

If IJDTPL has, prior to issue of a termination notice under the IJDTPL Concession Agreement, completed the construction works necessary for augmenting the capacity of the IJDTPL Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the indirect political event specified in the IJDTPL Concession Agreement shall be deemed to have been cured.

Termination of the IJDTPL Concession Agreement

Termination by the NHAI

In the event of IJDTPL Default (as defined below), unless the default has occurred solely as a result of an NHAI Default (as defined herein) or due to an event of force majeure, if IJDTPL fails to cure the breach or default within the cure period prescribed in the IJDTPL Concession Agreement or where there is no cure period, within a cure period of 60 days, NHAI shall be entitled to terminate the IJDTPL Concession agreement by giving a written notice informing IJDTPL of its intention to issue a termination notice and grant 15 days' time to IJDTPL to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether

or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. "**IJDTPL Default**", *inter alia,* includes defaults where:

i. the performance security has been encashed and appropriated in accordance with IJDTPL Concession Agreement and IJDTPL has failed to replenish or provide fresh performance security within the prescribed cure period of 30 days;

ii. subsequent to the replenishment of furnishing of fresh performance security in accordance with the IJDTPL Concession Agreement, IJDTPL fails to cure, within the prescribed cure period of 90 days, the IJDTPL Default for which whole or part of the performance security was appropriated;

iii. IJDTPL fails to achieve the latest outstanding project milestones as prescribed in the IJDTPL Concession Agreement and also fails to cure such default within 90 days;

iv. IJDTPL abandons or manifests intention to abandon the construction or operation of the IJDTPL Project Highway without the prior written consent of the NHAI;

v. the project completion date does not occur within the period specified in the IJDTPL Concession Agreement;

vi. the punch list items have not been completed within the period prescribed in the IJDTPL Concession Agreement;

vii. IJDTPL is in breach of the maintenance requirements or the safety requirements, as the case may be;

viii. IJDTPL has failed to make any payment to the NHAI within the period specified in the IJDTPL Concession Agreement;

ix. an escrow default has occurred and IJDTPL fails to cure the default within a cure period of 15 days;

x. upon occurrence of a financial default, the lenders' representative has by notice required the NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and IJDTPL fails to cure the default within the prescribed cure period;

xi. a breach of any of the Project Agreements by IJDTPL has caused a material adverse effect;

xii. IJDTPL creates any encumbrance in breach of the IJDTPL Concession Agreement;

xiii. IJDTPL repudiates the IJDTPL Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the IJDTPL Concession Agreement;

xiv. a change in ownership has occurred in breach of the provisions of the IJDTPL Concession Agreement;

xv. there is transfer, pursuant to law either of (a) the rights and/or obligations of IJDTPL under any of the project agreements or of (b) all or part of the assets or undertaking of IJDTPL, and such transfer causes a material adverse effect;

xvi. an execution levied on any assets of IJDTPL has caused a material adverse effect;

xvii. IJDTPL is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for IJDTPL or for the whole or material part of its assets that has a material bearing on the IJDTPL Project;

xviii. IJDTPL has been or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause in the reasonable opinion of the NHAI, a material adverse effect;

xix. a resolution for the winding up of IJDTPL is passed, or any petition for the winding up of IJDTPL is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or IJDTPL is ordered to be wound up by the court except for the purposes of amalgamation or reconstruction, provided that, as part of such

amalgamation or reconstruction, the entire property, assets and undertaking of IJDTPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of IJDTPL under the IJDTPL Concession Agreement and the project agreements, and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the IJDTPL Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the IJDTPL Concession Agreement and the project agreements and has a credit worthiness at least as good as that of IJDTPL as at the IJDTPL Appointed Date; and

c. each of the project agreements remains in full force and effect;

xx. any representation or warranty of IJDTPL herein contained which is, as of date hereof, found to be materially false or IJDTPL is at any time hereafter found to be in breach thereof;

xxi. IJDTPL submits to the NHAI any statement, notice or other document in written or electronic for, which has a material effect on the NHAI's rights, obligations or interests and which is false in material particulars;

xxii. IJDTPL has failed to fulfil any obligation, for which failure termination has been specified in IJDTPL Concession Agreement; or

xxiii. IJDTPL commits a default in complying with any other provision of the IJDTPL Concession Agreement if such a default causes a material adverse effect on the NHAI.

Termination by IJDTPL

In the case of NHAI Default (as defined below) unless the default is an IJDTPL Default or is due to an even tof force majeure, if NHAI fails to cure the default within a cure period of 90 days or such longer period as provided in the IJDTPL Concession Agreement, IJDTPL shall be entitled to terminate the IJDTPL Concession agreement by giving a written notice informing the NHAI of its intention to issue a termination notice and grant 15 days' time to the NHAI to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, IJDTPL in its sole discretion can issue the termination notice. "**NHAI Default**", *inter alia,* includes defaults where:

i. NHAI commits a material default in complying with any of the provisions of the IJDTPL Concession Agreement and such default has a material adverse effect on IJDTPL;

ii. NHAI has failed to make any payment to IJDTPL within the period specified in IJDTPL Concession Agreement;

iii. NHAI repudiates the IJDTPL Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the IJDTPL Concession Agreement; or

iv. the state commits a material default in complying with the provisions of the state support agreement if such default has a material adverse effect on IJDTPL and the breach continues for a period of 90 days from the date of notice given in this behalf by IJDTPL to NHAI.

Termination Payment

Upon termination of the IJDTPL Concession Agreement by the NHAI on account of occurrence of IJDTPL Default, the NHAI shall pay an amount equal to 90% of the debt due less insurance, if any, provided, however, that if any of the insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due. No termination payment shall be due or payable on account of an IJDTPL Default occurring prior to the commercial operation date.

Upon termination of the IJDTPL Concession Agreement by IJDTPL on account of occurrence of NHAI Default, NHAI shall pay to IJDTPL, by way of termination payments, an amount equal to (i) debt due and (ii) 150% of the adjusted equity.

3. Concession Agreement between ISDTPL and NHAI dated April 30, 2008

ISDTPL has entered into a concession agreement for six-laning of km 263/000 to km 502/000, Surat to Dahisar section of NH-8 in the State of Gujarat and Maharashtra on build, operate and transfer (BOT) basis (the "**ISDTPL Concession Agreement**") for a period of 12 years, from February 20, 2009 ("**ISDTPL Appointed Date**") or such date on which the ISDTPL Concession Agreement is terminated by a termination notice ("**ISDTPL Termination Date**", and the period between the ISDTPL Appointed Date and the ISDTPL Termination Date, the "**ISDTPL Concession Period**").

Certain Definitions

"**ISDTPL Project**" means the construction, operation and maintenance of the ISDTPL Project Highway in accordance with the provisions of the ISDTPL Concession Agreement, and includes all works, services and equipment relating to or in respect of the scope of the ISDTPL Project;

"**ISDTPL Project Assets**" shall mean all physical and other assets relating to and forming part of the site including (a) rights over the site in the form of licence, right of way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices; (c) project facilities situated on the site; (d) all rights of the Concessionaire under the project agreements; (e) financial assets, such as receivables, security deposits etc.; (f) insurance proceeds; and (g) applicable permits and authorisations relating to or in respect of the ISDTPL Project Highway, but does not include additional facilities;

"**ISDTPL Project Highway**" means the site comprising the existing four lane road comprising NH-8 from km 263/00 to km 502/00 (approx. km 239.00) and all ISDTPL Project Assets, and its subsequent development and augmentation in accordance with the ISDTPL Concession Agreement; and

"**ISDTPL PCUs**" shall mean passenger car units under the ISDTPL Concession Agreement based on actual traffic volume.

Subject to and in accordance with the provisions of the ISDTPL Concession Agreement, the applicable laws and the applicable permits, the NHAI has granted to ISDTPL the concession set forth including the exclusive right, licence and authority during the subsistence of the ISDTPL Concession Agreement to construct, operate and maintain the ISDTPL Project for a period of 12 years commencing from the ISDTPL Appointed Date, and the ISDTPL hereby accepts the concession and agrees to implement the ISDTPL Project subject to and in accordance with the terms and conditions set forth herein.

Subject to and in accordance with the provisions of the ISDTPL Concession Agreement, the concession hereby granted shall oblige or entitle (as the case may be) the ISDTPL to:

i. right of way, access and licence to the site for the purpose of and to the extent conferred by the provisions of the ISDTPL Concession Agreement;

ii. construct the ISDTPL Project Highway;

iii. manage, operate and maintain the ISDTPL Project Highway and regulate the use thereof by third parties;

iv. demand, collect and appropriate fee from vehicles and persons liable for payment of fee for using the ISDTPL Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

v. perform and fulfil all of the ISDTPL's obligations under and in accordance with the ISDTPL Concession Agreement;

vi. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the ISDTPL under the ISDTPL Concession Agreement; and

vii. not assign, transfer or sublet or create any lien or encumbrance on the ISDTPL Concession Agreement, or the concession hereby granted or on the whole or any part of the ISDTPL Project Highway nor transfer, lease or part possession, save and except as expressly permitted by the ISDTPL Concession Agreement or the substitution agreement.

Fees

ISDTPL shall have the sole and exclusive right to demand, collect and appropriate fee from the users in accordance with the ISDTPL Concession Agreement and fee notification set forth in the ISDTPL Concession Agreement. In accordance with the terms of the ISDTPL Concession Agreement, exempted vehicles are not liable to payment of fee. The fees collected by ISDTPL shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the ISDTPL Concession Agreement.

Concession Fee

In consideration for the grant of concession, ISDTPL shall pay to the NHAI by way of a concession fee a sum of Re. 1 per annum.

Additional Concession Fee or Premium

Without prejudice to the provisions relating to concession fee as provided in the ISDTPL Concession Agreement, ISDTPL is required to pay NHAI for the first year of the ISDTPL Concession Period, a premium in the form of an additional concession fee equal to 38% of the total realisable fee during that year; and for each subsequent year of the ISDTPL Concession Period, the premium shall be determined by increasing the proportion of premium to the total realisable fee in the respective year by an additional 1% as compared to the immediately preceding year. The premium payable under the ISDTPL Concession Agreement shall be deemed to be part of the concession fee.

Escrow Account

ISDTPL shall, prior to the ISDTPL Appointed Date, open and establish the escrow account with the escrow bank in accordance with the ISDTPL Concession Agreement read with the escrow agreement. All funds constituting the financing package for meeting the ISDTPL Project cost shall be deposited in such escrow account. In addition, all fees and any other revenues from or in respect of the ISDTPL Project Highway, including the proceeds of insurance claims; and all payments by the NHAI, after deduction of any outstanding concession fee shall be deposited into the escrow account.

Disbursements from Escrow Account

ISDTPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement, to the escrow bank, notwithstanding the provisions of the ISDTPL Concession Agreement, instructing, inter alia, that deposits in the escrow account shall be appropriated in the following order every month, or at shorter intervals as necessary, and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

i. all taxes due and payable by ISDTPL;

ii. all payments relating to construction of the ISDTPL Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iii. operation and maintenance expenses, subject to the ceiling, if any, set forth in the financing agreements;

iv. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the ISDTPL Concession Agreement, and certified by NHAI as due and payable to it;

v. concession fee due and payable to NHAI;

vi. monthly proportionate provision of debt service due in an accounting year;

vii. premium due and payable to NHAI;

viii. all payments and damages certified by NHAI as due and payable to it by the ISDTPL, including repayment of revenue shortfall loan;

ix. debt service in respect of subordinated debt;

x. any reserve requirements set forth in the financing agreements; and

xi. balance, if any, in accordance with the instructions of the ISDTPL.

Notwithstanding anything to the contrary contained in the ISDTPL Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following manner:

i. all taxes due and payable by ISDTPL;

ii. 90% of debt due excluding subordinated debt;

iii. outstanding concession fee;

iv. all payments and damages certified by NHAI as due and payable to it by the ISDTPL, including premium and repayment of revenue shortfall loan;

v. retention and payments relating to the liability for defects and deficiencies set forth in the ISDTPL Concession Agreement;

vi. outstanding debt service including the balance of debt due;

vii. outstanding subordinated debt;

viii. incurred or accrued operation and maintenance expenses;

ix. any other payments required to be made under the ISDTPL Concession Agreement; and

x. the balance, if any, in accordance with the instructions of ISDTPL, provided that no appropriations shall be made under this sub-clause (x) until a vesting certificate has been issued by the NHAI under the provisions of the ISDTPL Concession Agreement.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the ISDTPL Concession Agreement, require the provision of additional works and services which are not included in the scope of the ISDTPL Project as contemplated by the ISDTPL Concession Agreement. Any such change of scope shall be made in accordance with the provisions of the ISDTPL Concession Agreement and the costs thereof shall be expended by ISDTPL and reimbursed to it by the NHAI in accordance with the ISDTPL Concession Agreement.

If ISDTPL determines at any time that a change of scope is necessary for providing safer and improved services to the users, it shall by notice in writing require NHAI to consider such change of scope. NHAI shall, within 15 days of receipt of such notice, either accept such change of scope with modifications, if any, and initiate proceedings therefor in accordance with the ISDTPL Concession Agreement or inform ISDTPL in writing of its reasons for not accepting such change of scope.

Effects of Variation in Traffic Growth

Subject to the provisions of the ISDTPL Concession Agreement, in the event actual traffic shall have fallen short of the target traffic, then for every 1% (one per cent) shortfall as compared to the target traffic, the ISDTPL Concession Period shall, subject to payment of concession fee in accordance with the ISDTPL Concession Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in ISDTPL Concession Period shall not in any case exceed 20% (twenty per cent) of the ISDTPL Concession Period

Subject to the provisions of the ISDTPL Concession Agreement, in the event actual traffic shall have exceeded the target traffic, then for every 1% (one per cent) excess as compared to the target traffic, the ISDTPL Concession Period shall be reduced by 0.75% (zero point seven five per cent) thereof; provided that such reduction in ISDTPL Concession Period shall not in any case exceed 10% (ten per cent) thereof.

Provided further that in lieu of a reduction in ISDTPL Concession Period under the ISDTPL Concession Agreement, ISDTPL may elect to pay, in addition to the concession fee that would be due and payable if the ISDTPL Concession Period were not reduced hereunder, a further premium equal to 25% (twenty five per cent) of the realisable fee, and upon notice given to this effect by ISDTPL no later than two years prior to the ISDTPL Termination Date contemplated by the ISDTPL Concession Agreement, NHAI shall waive the reduction in ISDTPL Concession Period hereunder forthwith.

Notwithstanding anything to the contrary contained in the ISDTPL Concession Agreement, if the average daily traffic of ISDTPL PCUs in any accounting year shall exceed the designed capacity of the ISDTPL Project Highway and shall continue to exceed the designed capacity for three accounting years following thereafter, an indirect political event shall be deemed to have occurred and NHAI may in its discretion terminate the ISDTPL Concession Agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of the ISDTPL Concession Agreement; provided that before issuing the termination notice, NHAI shall inform ISDTPL of its intention to issue such termination notice and grant a period of 180 (one hundred and eighty) days for making a representation, and may, after the expiry of such period, whether or not it has received such representation, in its sole discretion issue the termination notice.

If ISDTPL has, prior to issue of a termination notice under the ISDTPL Concession Agreement, completed the construction works necessary for augmenting the capacity of the ISDTPL Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the indirect political event specified in the ISDTPL Concession Agreement shall be deemed to have been cured.

Termination of the ISDTPL Concession Agreement.

Termination by either party

Either Party may in its discretion terminate the ISDTPL Concession Agreement, if a force majeure event subsists for a period of 180 days or more within a continuous period of 365 days. Such party giving the termination notice will not be liable in any manner, save as provided by the ISDTPL Concession Agreement. Provided that before issuing the termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days to make representations. After the expiry of such 15 days, whether or not in receipt of any representation, a termination notice may be issued.

Termination by the NHAI

In the event of any breach or default by ISDTPL under the ISDTPL Concession Agreement, including any ISDTPL Default (as defined below) and if ISDTPL has failed to cure such breach or default within the cure period set forth in the ISDTPL Concession Agreement, or where no cure period is specified, then within a period of 60 days, then the NHAI shall be entitled to terminate the ISDTPL Concession Agreement by a communication in writing to ISDTPL provided that before issuing the termination notice, ISDTPL shall be deemed to be in default of the ISDTPL Concession Agreement (a "**ISDTPL Default**"), unless the default has occurred solely as a result of any breach of the ISDTPL Concession Agreement by the NHAI or due to force majeure.

The following events, *inter alia*, shall constitute an event of default by ISDTPL (an "**ISDTPL Default**"):

i. the performance security has been encashed and appropriated in accordance with the provisions of the ISDTPL Concession Agreement and ISDTPL fails to replenish or provide fresh performance security within a cure period of 30 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with provisions of the ISDTPL Concession Agreement, ISDTPL fails to cure, within a cure period of 90 days, the ISDTPL Default for which whole or part of the performance security was appropriated;

iii. ISDTPL fails to achieve the latest outstanding ISDTPL Project milestones due in accordance with the provisions of the ISDTPL Concession Agreement and continues to be in default for 90 days;

iv. ISDTPL abandons or manifests intention to abandon the construction or operation of the ISDTPL Project Highway without the prior written consent of the NHAI;

v. ISDTPL Project completion date does not occur within the period specified in the ISDTPL Concession Agreement;

vi. the punch list items have not been completed within the period specified in the ISDTPL Concession Agreement;

vii. ISDTPL is in breach of the maintenance requirements;

viii. ISDTPL has failed to make any payment to the NHAI within the period specified in the ISDTPL Concession Agreement;

ix. an escrow default has occurred and ISDTPL fails to cure default within a cure period of 15 days;

x. upon occurrence of a financial default, the lenders' representative has by notice required the NHAI to undertake suspension in accordance with the substitution agreement and the ISDTPL fails to cure the default within the cure period specified in the substitution agreement;

xi. a breach of any of the project agreements by the ISDTPL has caused a material adverse effect;

xii. ISDTPL creates any encumbrance in breach of the ISDTPL Concession Agreement;

xiii. ISDTPL repudiates the ISDTPL Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the ISDTPL Concession Agreement;

xiv. a change in ownership has occurred in breach of the provisions of the ISDTPL Concession Agreement;

xv. there is a transfer, pursuant to law either of (i) the rights and/or obligations of ISDTPL under any of the project agreements, or of (ii) all or part of the assets or undertaking of ISDTPL, and such transfer causes a material adverse effect;

xvi. an execution levied on any of the assets of ISDTPL has caused a material adverse effect;

xvii. ISDTPL is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for ISDTPL or for the whole or material part of its assets that has a material bearing on the ISDTPL Project;

xviii. ISDTPL has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of the NHAI, a material adverse effect;

xix. a resolution for winding up of ISDTPL is passed, or any petition for winding up of ISDTPL is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or ISDTPL is ordered to be wound up by the court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of ISDTPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of ISDTPL under the ISDTPL Concession Agreement and the project agreement.; and provided that:

- the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of obligations under the ISDTPL Concession Agreement and the project agreements;

- the amalgamated or reconstructed entity has the financial standing to perform its obligations under the ISDTPL Concession Agreement and the project agreements and has a credit worthiness at least as good as that of ISDTPL as at the ISDTPL Appointed Date; and

- each of the project agreements remains in full force and effect;

xx. any representation or warranty of ISDTPL herein contained which is, as of the date hereof, found to be materially false or ISDTPL is at any time hereafter found to be in breach thereof;

xxi. ISDTPL submits to the NHAI any statement which has a material effect on the NHAI's rights, obligations or interests and which is false in material particulars;

xxii. ISDTPL has failed to fulfil any obligation, for which failure termination has been specified in the ISDTPL Concession Agreement; or

xxiii. ISDTPL commits a default in complying with any other provision of the ISDTPL Concession Agreement if such a default causes a material adverse effect on the NHAI.

Termination by ISDTPL

ISDTPL is entitled to terminate the ISDTPL Concession Agreement subject to the substitution agreement, in the event of any default specified in the ISDTPL Concession Agreement and failure by the NHAI to cure such default within 90 days or such longer period provided in the ISDTPL Concession Agreement (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of ISDTPL Default or due to a force majeure event. Provided that before issuing a termination notice, ISDTPL shall inform the NHAI of its intention to issue such termination notice and grant 15 days to the NHAI to make representations, after which whether or not in receipt of any representation ISDTPL may issue a termination notice:

i. NHAI commits a material default in complying with any of the provisions of the ISDTPL Concession Agreement and such default has a material adverse effect on ISDTPL;

ii. NHAI has failed to make any payment to ISDTPL within the period specified in the ISDTPL Concession Agreement;

iii. the NHAI repudiates the ISDTPL Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the ISDTPL Concession Agreement; or

iv. the state commits a material default in complying with the provisions of the state support agreement if such default has a material adverse effect on ISDTPL and the breach continues for a period of 90 days from the date of notice given in this behalf by ISDTPL to the NHAI.

Termination Payments

Upon termination of the ISDTPL Concession Agreement by the NHAI on account of occurrence of ISDTPL Default, the NHAI shall pay to ISDTPL by way of termination payment, an amount equal to 90% of the debt due less insurance cover, provided that if any of the insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due. Further, no termination payment shall be due or payable on account of an ISDTPL Default occurring prior to the commercial operation date.

Upon termination of the ISDTPL Concession Agreement by ISDTPL on account of occurrence of an NHAI Default, ISDTPL shall be entitled to receive from NHAI by way of termination payment a sum equal to:

i. debt due; and

ii. 150% of the adjusted equity.

4. Concession Agreement between ITATPL and NHAI dated November 18, 2009

ITATPL has entered into a concession agreement for four-laning of km 100/000 to km 166/725, Talegaon to Amravati section of NH-6 in the state of Maharashtra on a design, build, finance, operate and transfer (DBFOT) basis (the "**ITATPL Concession Agreement**") for a period of 22 years, from September 3, 2010 ("**ITATPL Appointed Date**") or such date on which the ITATPL Concession Agreement expires pursuant to the provisions of the ITATPL Concession Agreement or is terminated by a termination notice ("**ITATPL Termination Date**", and the period between the ITATPL Appointed Date and the ITATPL Termination Date, the "**ITATPL Concession Period**").

Certain Definitions

"**ITATPL Project**" shall mean the construction, operation and maintenance of the ITATPL Project Highway in accordance with the provisions of the ITATPL Concession Agreement, and includes all works, services and equipment relating to or in respect of the scope of the ITATPL Project;

"**ITATPL Project Assets**" shall mean physical and other assets relating to and forming part of the site including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre-stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices, (iii) project facilities situated on the site, (iv) all the rights of ITATPL under the project agreements, (v) financial assets, such as security deposits, etc.; (vi) insurance proceeds and (vii) applicable permits and authorisations relating to or in respect of the ITATPL Project Highway, but does not include facilities which are not located on the site of the project but which are provided by ITATPL, at its own discretion, for the benefit of users of the ITATPL Project Highway;

"**ITATPL Project Highway**" shall mean the site comprising the existing road comprising NH-6 from km 100/000 to km 166/725 and all ITATPL Project Assets and its subsequent development and augmentation in accordance with the ITATPL Concession Agreement; and

"**ITATPL PCUs**" shall mean passenger car units under the ITATPL Concession Agreement based on actual traffic volume.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the ITATPL Concession Agreement, applicable law and applicable permits, NHAI has granted to ITATPL the concession including the exclusive right, licence and authority during the subsistence of the ITATPL Concession Agreement for a period of 22 years commencing from the ITATPL Appointed Date to construct, operate and maintain the ITATPL Project. ITATPL has accepted the concession and agreed to implement the ITATPL Project as set forth in the ITATPL Concession Agreement.

Further, ITATPL is obliged or entitled to, *inter alia*, the following in accordance with the provisions of ITATPL Concession Agreement:

i. right of way, access and licence to the site for the purpose of and to the extent conferred by the provisions of the ITATPL Concession Agreement;

ii. finance and construct the ITATPL Project Highway;

iii. to manage, operate and maintain the ITATPL Project Highway and regulate the use thereof by third parties;

iv. demand, collect and appropriate the fees from vehicles and persons liable to payment of fees for using the ITATPL Project Highway or any part thereof and refuse entry of any vehicle to the ITATPL Project Highway if the due fee is not paid;

v. perform and fulfil all of its obligations under and in accordance with the ITATPL Concession Agreement;

vi. bear and pay all expenses, costs and charges in connection with or incidental to the performance of its obligations under the ITATPL Concession Agreement; and

vii. not assign, sublet or create any lien or encumbrance on the ITATPL Concession Agreement or the concession granted by way of the ITATPL Concession Agreement on the whole or any part of the ITATPL Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the ITATPL Concession Agreement or the substitution agreement.

Fees

ITATPL shall have the sole and exclusive right to demand, collect and appropriate fees from the users of the ITATPL Project Highway pursuant to the ITATPL Concession Agreement and the National Highways Fee (Determination of Rates and Collection) Rules, 2008. In accordance with the terms of the ITATPL Concession Agreement, ITATPL shall not collect any fees in relation to exempted vehicles. The fees shall ordinarily be collected at the toll plazas in accordance with the ITATPL Concession Agreement. The fees collected by ITATPL shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the ITATPL Concession Agreement.

Grant

NHAI has provided to ITATPL cash support by way of an outright grant equal to the sum set forth in the bid submitted by the consortium bidders, namely, Rs. 2160.00 million, in accordance with the provisions of the ITATPL Concession Agreement (the "**ITATPL Grant**"). The ITATPL Grant was disbursed to ITATPL by way of equity support in accordance with the provisions of the ITATPL Concession Agreement. The ITATPL Grant was credited to the escrow account and was applied by ITATPL for meeting the total project cost.

Concession Fee

In consideration of the grant of concession, ITATPL shall pay NHAI by way of concession fee a sum of Re. 1 (Rupee one) per annum.

Escrow Account

ITATPL shall, prior to the ITATPL Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the ITATPL Project Highway costs shall be credited to such escrow account. All fees and any other revenues from or in respect of the ITATPL Project Highway, including the proceeds of any deposits, capital receipts or insurance claims collected by ITATPL from the users of the ITATPL Project Highway shall be deposited therein. In addition, all payments made by NHAI after deduction of any outstanding concession fee by the NHAI under the ITATPL Concession Agreement, be deposited by NHAI in the escrow account.

Disbursements from Escrow Account

ITATPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the ITATPL Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

i. all taxes due and payable by ITATPL for and in respect of ITATPL Project Highway;

ii. all payments relating to the construction of the ITATPL Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iii. operation and maintenance expenses, subject to the ceiling, if any, set forth in the financing agreements;

iv. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the ITATPL Concession Agreement and certified by the NHAI as due and payable to it;

v. concession fee due and payable to the NHAI from ITATPL;

vi. monthly proportionate provision of debt service payments due in an accounting year;

vii. all payments and damages due and payable by ITATPL to the NHAI pursuant to the ITATPL Concession Agreement, including repayment of revenue shortfall loans.

viii. monthly proportionate provision of debt service payments due in an accounting year in respect of subordinated debt;

ix. any reserve requirements set forth in the financing agreements; and

x. balance in accordance with the instructions of ITATPL.

Disbursements upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by ITATPL in relation to the ITATPL Project Highway;

ii. 90% of the debt due excluding the subordinate debt;

iii. concession fees due and payable to the NHAI;

iv. payments and damages due and payable by ITATPL to the NHAI pursuant to the ITATPL Concession Agreement;

v. retention and payments relating to the liability for defects and deficiencies pursuant to the ITATPL Concession Agreement;

vi. outstanding debt service including the balance of debt due;

vii. outstanding subordinate debt;

viii. incurred or accrued operation and management expenses;

ix. any other payments required to be made under the ITATPL Concession Agreement; and

x. the balance, if any, in accordance with the instructions of ITATPL.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to ITATPL by the NHAI in accordance with the provisions of the ITATPL Concession Agreement.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the ITATPL Concession Agreement, require the provision of additional works and services which are not included in the scope of the ITATPL Project as contemplated by the ITATPL Concession Agreement. Any such change of scope shall be made in accordance with the provisions of the ITATPL Concession Agreement and the costs thereof shall be expended by ITATPL and reimbursed to it by the NHAI in accordance with the ITATPL Concession Agreement.

If ITATPL determines at any time that a change of scope is necessary for providing safer and improved services to the users, it shall by notice in writing require NHAI to consider such change of scope. NHAI shall, within 15 days of receipt of such notice, either accept such change of scope with modifications, if any, and initiate proceedings therefor in accordance with the ITATPL Concession Agreement or inform ITATPL in writing of its reasons for not accepting such change of scope.

Effects of Variation in Traffic Growth

Subject to the provisions of the ITATPL Concession Agreement, in the event actual average traffic shall have fallen short of the target traffic, then for every 1% (one per cent) shortfall as compared to the target traffic, the ITATPL Concession Period shall, subject to payment of concession fee in accordance with the ITATPL Concession Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in ITATPL Concession Period shall not in any case exceed 20% (twenty per cent) of the ITATPL Concession Period.

Subject to the provisions of the ITATPL Concession Agreement, in the event actual average traffic shall have exceeded the target traffic, then for every 1% (one per cent) excess as compared to the target traffic, the ITATPL Concession Period shall be reduced by 0.75% (zero point seven five per cent) thereof; provided that such reduction in ITATPL Concession Period shall not in any case exceed 10% (ten per cent) thereof.

Provided further that in lieu of a reduction in ITATPL Concession Period under the ITATPL Concession Agreement, ITATPL may elect to pay, in addition to the concession fee that would be due and payable if the ITATPL Concession Period were not reduced hereunder, a further premium equal to 25% (twenty five per cent) of the realisable fee, and upon notice given to this effect by ITATPL no later than two years prior to the ITATPL Termination Date contemplated by the ITATPL Concession Agreement, NHAI shall waive the reduction in ITATPL Concession Period hereunder forthwith.

Notwithstanding anything to the contrary contained in the ITATPL Concession Agreement, if the average daily traffic of ITATPL PCUs in any accounting year shall exceed the designed capacity of the ITATPL Project Highway and shall continue to exceed the designed capacity for three accounting years following thereafter, an indirect political event shall be deemed to have occurred and NHAI may in its discretion terminate the ITATPL Concession Agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of the ITATPL Concession Agreement; provided that before issuing the termination notice, NHAI shall inform ITATPL of its intention to issue such termination notice and grant a period of 180 (one hundred and eighty) days for making a representation, and may, after the expiry of such period, whether or not it has received such representation, in its sole discretion issue the termination notice.

If ITATPL has, prior to issue of a termination notice under the ITATPL Concession Agreement, completed the construction works necessary for augmenting the capacity of the ITATPL Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the indirect political event specified in the ITATPL Concession Agreement shall be deemed to have been cured.

Termination of the ITATPL Concession Agreement

Termination by the NHAI

In the event of ITATPL Default (as defined below), if ITATPL fails to cure the breach or default within the cure period prescribed or where no cure period is specified, within a cure period of 60 days, NHAI shall be entitled to terminate the ITATPL Concession agreement, unless the default has occurred solely as a result of any breach of the ITATPL Concession Agreement by the NHAI or due to an event of force majeure, by giving a written notice informing ITATPL of its intention to issue a termination notice and grant 15 days' time to ITATPL to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. "**ITATPL Default**", *inter alia*, includes defaults where:

i. the performance security has been encashed and appropriated in accordance with ITATPL Concession Agreement and ITATPL has failed to replenish or provide fresh performance security within the prescribed cure period of 30 days;

ii. subsequent to the replenishment of furnishing of fresh performance security in accordance with the ITATPL Concession Agreement, ITATPL fails to cure, within a period of 90 days, the ITATPL Default for which whole or part of the performance security was appropriated;

iii. ITATPL fails to achieve the latest outstanding project milestones as prescribed in the ITATPL Concession Agreement and also fails to cure such default within 90 days;

iv. ITATPL abandons or manifests intention to abandon the construction or operation of the ITATPL Project Highway without the prior written consent of the NHAI;

v. the project completion date does not occur within the period specified in the ITATPL Concession Agreement;

vi. the punch list items have not been completed within the period prescribed in the ITATPL Concession Agreement;

vii. ITATPL is in breach of the maintenance requirements or the safety requirements, as the case may be;

viii. ITATPL has failed to make any payment to the NHAI within the period specified in the ITATPL Concession Agreement;

ix. an escrow default has occurred and ITATPL fails to cure the default within a cure period of 15 days;

x. upon occurrence of a financial default, the lenders' representative has by notice required the NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and ITATPL fails to cure the default within the prescribed cure period;

xi. a breach of any of the Project Agreements by ITATPL has caused a material adverse effect;

xii. ITATPL creates any encumbrance in breach of the ITATPL Concession Agreement;

xiii. ITATPL repudiates the ITATPL Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the ITATPL Concession Agreement;

xiv. a change in ownership has occurred in breach of the provisions of the ITATPL Concession Agreement;

xv. There is transfer, pursuant to law either of (a) the rights and/or obligations of ITATPL under any of the project agreements or of (b) all or part of the assets or undertaking of ITATPL, and such transfer causes a material adverse effect;

xvi. an execution levied on any assets of ITATPL has caused a material adverse effect;

xvii. ITATPL is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for ITATPL or for the whole or material part of its assets that has a material bearing on the ITATPL Project;

xviii. ITATPL has been or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause in the reasonable opinion of the NHAI, a material adverse effect;

xix. a resolution for the winding up of ITATPL is passed, or any petition for the winding up of ITATPL is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or ITATPL is ordered to be wound up by the court except for the purposes of amalgamation or reconstruction, provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of ITATPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of ITATPL under the ITATPL Concession Agreement and the project agreements, and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the ITATPL Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the ITATPL Concession Agreement and the project agreements and has a credit worthiness at least

as good as that of ITATPL as at the ITATPL Appointed Date; and

c. each of the project agreements remains in full force and effect;

xx. any representation or warranty of ITATPL herein contained which is, as of date hereof, found to be materially false or ITATPL is at any time hereafter found to be in breach thereof;

xxi. ITATPL submits to the NHAI any statement, notice or other document in written or electronic for, which has a material effect on the NHAI's rights, obligations or interests and which is false in material particulars;

xxii. ITATPL has failed to fulfil any obligation, for which failure termination has been specified in the ITATPL Concession Agreement; or

xxiii. ITATPL commits a default in complying with any other provision of the ITATPL Concession Agreement if such a default causes a material adverse effect on the NHAI.

Termination by ITATPL

In the case of NHAI Default (as defined below), if NHAI fails to cure the default within a cure period of 90 days or such longer period as provided in the ITATPL Concession Agreement, ITATPL shall subject to the provisions of the substitution agreement be entitled to terminate the ITATPL Concession agreement by giving a written notice informing the NHAI of its intention to issue a termination notice and grant 15 days' time to the NHAI to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, ITATPL in its sole discretion can issue the termination notice. "**NHAI Default**" unless the default has occurred as a result of any breach of the ITATPL Concession Agreement by ITATPL or due to an event of force majeure, *inter alia,* includes defaults where:

i. NHAI commits a material default in complying with any of the provisions of the ITATPL Concession Agreement and such default has a material adverse effect on ITATPL;

ii. NHAI has failed to make any payment to ITATPL within the period specified in ITATPL Concession Agreement;

iii. NHAI repudiates the ITATPL Concession Agreement or otherwise take any action that amounts to or manifests an irrevocable intention not to be bound by the ITATPL Concession Agreement; or

iv. the state commits a material default in complying with the provisions of the state support agreement if such default has a material adverse effect on ITATPL and the breach continues for a period of 90 days from the date of notice given in this behalf by ITATPL to NHAI.

Termination Payment

Upon termination of the ITATPL Concession Agreement by the NHAI on account of occurrence of ITATPL Default, the NHAI shall pay an amount equal to 90% of the debt due less insurance cover, if any, provided, however, that if all or any of the insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due. No termination payment shall be due or payable on account of an ITATPL Default occurring prior to the commercial operation date.

Upon termination of the ITATPL Concession Agreement by ITATPL on account of occurrence of NHAI Default, NHAI shall pay to ITATPL, by way of termination payments, an amount equal to (i) debt due and (ii) 150% of the adjusted equity.

5. Concession Agreement between ITCTPL and NHAI dated August 16, 2010

ITCTPL has entered into a concession agreement for six-laning of km 75/000 to km 189/000, Tumkur and Chitradurga section of NH-4 in the state of Karnataka on a design, build, finance, operate and transfer (DBFOT) basis (the "**ITCTPL Concession Agreement**") for a period of 26 years, from June 4, 2011 ("**ITCTPL Appointed Date**") or such date on which the ITCTPL Concession Agreement expires pursuant to the provisions of the ITCTPL Concession Agreement or is terminated by a termination notice ("**ITCTPL Termination Date**", and the

period between the ITCTPL Appointed Date and the ITCTPL Termination Date, the "**ITCTPL Concession Period**").

Certain Definitions

"**ITCTPL Project**" shall mean the construction, operation and maintenance of the ITCTPL Project Highway in accordance with the provisions of ITCTPL Concession Agreement, and includes all works, services and equipment relating to or in respect of the scope of the ITCTPL Project;

"**ITCTPL Project Assets**" shall mean all physical and other assets relating to and forming part of the site including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre-stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices, (iii) project facilities situated on the site, (iv) all the rights of ITCTPL under the project agreements, (v) financial assets, such as security deposits, etc.; (vi) insurance proceeds and (vii) applicable permits and authorisations relating to or in respect of the ITCTPL Project Highway, but does not include facilities which are not located on the site of the project but which are provided by ITCTPL, at its own discretion, for the benefit of users of the ITCTPL Project Highway;

"**ITCTPL Project Highway**" shall mean the site comprising the existing road comprising NH-4 from km 75/000 to km 189/000 and all ITCTPL Project Assets, and its subsequent development and augmentation in accordance with the ITCTPL Concession Agreement; and

"**ITCTPL PCUs**" shall mean passenger car units under the ITCTPL Concession Agreement based on actual traffic volume.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the ITCTPL Concession Agreement, applicable law and applicable permits, NHAI has granted to ITCTPL the concession including the exclusive right, licence and authority for a period of 26 years commencing from the ITCTPL Appointed Date to construct, operate and maintain ITCTPL Project. ITCTPL has accepted the concession and agreed to implement the ITCPL Project in accordance with the ITCTPL Concession Agreement.

Further, ITCTPL is obliged or entitled to, *inter alia,* the following in accordance with the provisions of ITCTPL Concession Agreement:

i. right of way, access and licence to the site for the purpose of and to the extent conferred by the provisions of the ITCTPL Concession Agreement;

ii. finance and construct the ITCTPL Project Highway;

iii. to manage, operate and maintain the ITCTPL Project Highway and regulate the use thereof by third parties;

iv. demand, collect and appropriate the fees from vehicles and persons liable to payment of fees for using the ITCTPL Project Highway or any part thereof and refuse entry of any vehicle to the ITCTPL Project Highway if the due fee is not paid;

v. perform and fulfil all of its obligations under and in accordance with the ITCTPL Concession Agreement;

vi. bear and pay all expenses, costs and charges in connection with or incidental to the performance of its obligations under the ITCTPL Concession Agreement; and

vii. not assign, sublet or create any lien or encumbrance on the ITCTPL Concession Agreement or the concession granted by way of the ITCTPL Concession Agreement on the whole or any part of the ITCTPL Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the ITCTPL Concession Agreement or the substitution agreement.

Fees

ITCTPL shall have the sole and exclusive right to demand, collect and appropriate fees from the users of the ITCTPL Project Highway pursuant to the ITCTPL Concession Agreement and the National Highways Fee (Determination of Rates and Collection) Rules, 2008. In accordance with the terms of the ITCTPL Concession Agreement, ITCTPL shall not collect any fees in relation to exempted vehicles. The fees shall ordinarily be collected at the toll plazas in accordance with the ITCTPL Concession Agreement. The fees collected by ITCTPL shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the ITCTPL Concession Agreement.

Concession Fee

In consideration of the grant of concession, ITCTPL shall pay NHAI by way of concession fee a sum of Re. 1 (Rupee one) per annum and premium as specified in the ITCTPL Concession Agreement.

Additional Concession Fee

Without prejudice to the provisions relating to concession fee as provided in the ITCTPL Concession Agreement ITCTPL was required to pay the NHAI, on the ITCTPL Appointed Date, a premium in the form of an additional concession fee equal to Rs. 1404.00 million as due to the NHAI during that year, due and payable for the period remaining in that year, and for each subsequent year of the ITCTPL Concession Period, the premium shall be determined by increasing the amount of premium in the respective year by an additional 5% as compared to the immediately preceding year. The premium payable under the ITCTPL Concession Agreement shall be deemed to be part of the concession fee. Subsequently, ITCTPL has entered into a supplementary agreement to the ITCTPL Concession Agreement, with the NHAI dated June 6, 2014, in relation to the deferment of premium payable by ITCTPL to NHAI. For a description of the premium deferment, please see the section "*-Supplementary Agreements between ITCTPL and NHAI*" below.

Escrow Account

ITCTPL shall, prior to the financial close, open and establish the escrow account with the escrow bank and all funds constituting the financing package. All fees and any other revenues from or in respect of ITCTPL Project Highway, including the proceeds of any rentals, deposits, capital receipts or insurance claims collected by ITCTPL from the users of the ITCTPL Project Highway shall be exclusively deposited therein. In addition, all payments made by NHAI after the deduction of any outstanding concession fee under the ITCTPL Concession Agreement, be deposited by NHAI in the escrow account.

Disbursements from Escrow Account

ITCTPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the ITCTPL Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

i. all taxes due and payable by ITCTPL;

ii. all payments relating to the construction of the ITCTPL Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iii. operation and maintenance expenses, subject to the ceiling, if any, set forth in the financing agreements;

iv. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the ITCTPL Concession Agreement and certified by the NHAI as due and payable to it;

v. concession fee due and payable to the NHAI from ITCTPL;

vi. monthly proportionate provision of debt service payments due in an accounting year;

vii. Any payments and damages due and payable by ITCTPL to the NHAI pursuant to the ITCTPL Concession Agreement, including, *inter alia*, repayment of revenue shortfall loans.

viii. monthly proportionate provision of debt service payments due in an accounting year in respect of subordinated debt;

ix. any reserve requirements set forth in the financing agreements; and

x. balance in accordance with the instructions of ITCTPL.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the ITCTPL Concession Agreement, in case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

i. all taxes due and payable by ITCTPL;

ii. 90% of the debt due excluding the subordinate debt;

iii. concession fees due and payable to the NHAI;

iv. all payments and damages certified by the NHAI as due and payable by ITCTPL to the NHAI pursuant to the ITCTPL Concession Agreement including premium and repayment of revenue shortfall loan;

v. retention and payments relating to the liability for defects and deficiencies pursuant to the ITCTPL Concession Agreement;

vi. outstanding debt service including the balance of debt due;

vii. outstanding subordinate debt;

viii. incurred or accrued operation and maintenance expenses;

ix. any other payments required to be made under the ITCTPL Concession Agreement; and

x. the balance, if any, in accordance with the instructions of ITCTPL. Provided that, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to ITCTPL by the NHAI in accordance with the provisions of the ITCTPL Concession Agreement.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the ITCTPL Concession Agreement, require the provision of additional works and services which are not included in the scope of the ITCTPL Project as contemplated by the ITCTPL Concession Agreement. Any such change of scope shall be made in accordance with the provisions of the ITCTPL Concession Agreement and the costs thereof shall be expended by ITCTPL and reimbursed to it by the NHAI in accordance with the ITCTPL Concession Agreement.

If ITCTPL determines at any time that a change of scope is necessary for providing safer and improved services to the users, it shall by notice in writing require NHAI to consider such change of scope. NHAI shall, within 15 days of receipt of such notice, either accept such change of scope with modifications, if any, and initiate proceedings therefor in accordance with the ITCTPL Concession Agreement or inform ITCTPL in writing of its reasons for not accepting such change of scope.

Any works or services which are provided in accordance with the provisions of the ITCTPL Concession Agreement shall form part of the ITCTPL Project Highway and the provisions of the ITCTPL Concession Agreement shall apply to such works or services.

Effects of Variation in Traffic Growth

Subject to the provisions of the ITCTPL Concession Agreement, in the event actual average traffic shall have fallen short of the target traffic, then for every 1% (one per cent) shortfall as compared to the target traffic, the ITCTPL Concession Period shall, subject to payment of concession fee in accordance with the ITCTPL Concession Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in ITCTPL Concession Period shall not in any case exceed 20% (twenty per cent) of the ITCTPL Concession Period.

Subject to the provisions of the ITCTPL Concession Agreement, in the event actual average traffic shall have exceeded the target traffic, then for every 1% (one per cent) excess as compared to the target traffic, the ITCTPL Concession Period shall be reduced by 0.75% (zero point seven five per cent) thereof; provided that such reduction in ITCTPL Concession Period shall not in any case exceed 10% (ten per cent) thereof.

Provided further that in lieu of a reduction in ITCTPL Concession Period under the ITCTPL Concession Agreement, ITCTPL may elect to pay, in addition to the concession fee that would be due and payable if the ITCTPL Concession Period were not reduced hereunder, a further premium equal to 25% (twenty five per cent) of the realisable fee, and upon notice given to this effect by ITCTPL no later than two years prior to the ITCTPL Termination Date contemplated by the ITCTPL Concession Agreement, NHAI shall waive the reduction in ITCTPL Concession Period hereunder and recover the concession fee and the premium for the period waived hereunder.

Notwithstanding anything to the contrary contained in the ITCTPL Concession Agreement, if the average daily traffic of ITCTPL PCUs in any accounting year shall exceed the designed capacity of the ITCTPL Project Highway, NHAI at its option may cause preparation of a detailed project report ("**DPR**"). The said DPR, *inter alia* will assess the cost as may have to be incurred for augmenting the capacity of the ITCTPL Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian roads congress publication or any substitute thereof and extension of ITCTPL Concession Period, if any, that may be required to yield ITCTPL a post-tax return on equity ("**Equity IRR**") of 16% (sixteen per cent) per annum, such assessment being made at an assumed debt to equity ratio of 70:30. Such extension of the ITCTPL Concession Period shall be however limited to five years. For avoidance of doubt it is stated that there shall be no reduction in the ITCTPL Concession Period as originally accepted. NHAI may thereafter, at their sole option, issue a notice to ITCTPL, (to be responded within a period of three months from the date of such notice), to undertake within six months of such notice, augmentation so determined by NHAI. For this purpose, all realizable fees that shall accrue from three months from the date of issuance of the aforesaid notice by NHAI, requiring ITCTPL to procure capacity augmentation under the ITCTPL Concession Agreement, shall be included in the assessment of revenue generated against the capacity augmentation and the Equity IRR calculations as aforesaid shall be so based on such revenues. On refusal non-acceptance by ITCTPL to undertake such augmentation. either absolutely or on such extension of ITCTPL Concession period as assessed under the DPR, or on the failure of ITCTPL to undertake such augmentation on the due date so intimated by NHAI, an indirect political event shall be deemed to have occurred and NHAI may in its discretion terminate the ITCTPL Concession Agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of the ITCTPL Concession Agreement; without NHAI being liable to issue any further notice under the ITCTPL Concession Agreement.

If ITCTPL has, prior to the issue of a termination notice under the ITCTPL Concession Agreement, completed the construction works necessary for augmenting the capacity of the ITCTPL Project Highway such that its capacity shall have increased sufficiently for carrying the then current traffic in accordance with the corresponding provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the indirect political event specified in the ITCTPL Concession Agreement shall be deemed to have been cured.

Termination of the ITCTPL Concession Agreement

Termination by the NHAI

In the event of ITCTPL Default (as defined below), if ITCTPL fails to cure the breach or default within the cure period prescribed or where no cure period is specified, within a cure period of 60 days, NHAI shall be entitled to terminate the ITCTPL Concession agreement by giving a written notice informing ITCTPL of its intention to issue a termination notice and grant 15 days' time to ITCTPL to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such

representation, NHAI in its sole discretion can issue the termination notice. Unless the default has occurred solely as a result of any breach of the ITCTPL Concession Agreement by the NHAI or due to an event of force majeure, "**ITCTPL Default**" *inter alia,* includes defaults where:

i. the performance security has been encashed and appropriated in accordance with ITCTPL Concession Agreement and ITCTPL has failed to replenish or provide fresh performance security within the prescribed cure period of 30 days;

ii. subsequent to the replenishment of furnishing of fresh performance security in accordance with the ITCTPL Concession Agreement, ITCTPL fails to cure, within a cure period of 90 days, the ITCTPL Default for which whole or part of the performance security was appropriated;

iii. ITCTPL fails to achieve the latest outstanding project milestones as prescribed in the ITCTPL Concession Agreement and also fails to cure such default within 120 days;

iv. ITCTPL abandons or manifests intention to abandon the construction or operation of the ITCTPL Project Highway without the prior written consent of the NHAI;

v. the project completion date does not occur within the period specified in the ITCTPL Concession Agreement;

vi. the punch list items have not been completed within the period prescribed in the ITCTPL Concession Agreement;

vii. ITCTPL is in breach of the maintenance requirements or the safety requirements, as the case may be;

viii. ITCTPL has failed to make any payment to the NHAI within the period specified in the ITCTPL Concession Agreement;

ix. an escrow default has occurred and ITCTPL fails to cure the default within a cure period of 15 days;

x. upon occurrence of a financial default, the lenders' representative has by notice required the NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and ITCTPL fails to cure the default within the prescribed cure period;

xi. a breach of any of the project agreements by ITCTPL has caused a material adverse effect;

xii. ITCTPL creates any encumbrance in breach of the ITCTPL Concession Agreement;

xiii. ITCTPL repudiates the ITCTPL Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the ITCTPL Concession Agreement;

xiv. a change in ownership has occurred in breach of the provisions of the ITCTPL Concession Agreement;

xv. there is transfer, pursuant to law either of (a) the rights and/or obligations of ITCTPL under any of the project agreements or of (b) all or part of the assets or undertaking of ITCTPL, and such transfer causes a material adverse effect;

xvi. an execution levied on any assets of ITCTPL has caused a material adverse effect;

xvii. ITCTPL is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for ITCTPL or for the whole or material part of its assets that has a material bearing on the ITCTPL Project;

xviii. ITCTPL has been or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause in the reasonable opinion of the NHAI, a material adverse effect;

xix. a resolution for the winding up of ITCTPL is passed, or any petition for the winding up of ITCTPL is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or ITCTPL is ordered to be wound up by

the court except for the purposes of amalgamation or reconstruction, provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of ITCTPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of ITCTPL under the ITCTPL Concession Agreement and the project agreements, and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the ITCTPL Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the ITCTPL Concession Agreement and the project agreements and has a credit worthiness at least as good as that of ITCTPL as at the ITCTPL Appointed Date; and

c. each of the project agreements remains in full force and effect;

xx. any representation or warranty of ITCTPL herein contained which is, as of date hereof, found to be materially false or ITCTPL is at any time hereafter found to be in breach thereof;

xxi. ITCTPL submits to the NHAI any statement, notice or other document in written or electronic for, which has a material effect on the NHAI's rights, obligations or interests and which is false in material particulars;

xxii. ITCTPL has failed to fulfil any obligation, for which failure termination has been specified in the ITCTPL Concession Agreement; or

xxiii. ITCTPL commits a default in complying with any other provision of the ITCTPL Concession Agreement if such a default causes a material adverse effect on the NHAI.

Termination by ITCTPL

In the case of NHAI Default (as defined below), if NHAI fails to cure the default within a cure period of 90 days or such longer period as may be provided in the ITCTPL Concession Agreement, ITCTPL shall be entitled to terminate the ITCTPL Concession agreement by giving a written notice informing the NHAI of its intention to issue a termination notice and grant 15 days' time to the NHAI to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, ITCTPL in its sole discretion can issue the termination notice. Unless the default has occurred as a result of any breach of the ITCTPL Concession Agreement by ITCTPL or due to an event of force majeure, "**NHAI Default**", *inter alia,* includes defaults where:

i. NHAI commits a material default in complying with any of the provisions of the ITCTPL Concession Agreement and such default has a material adverse effect on ITCTPL;

ii. NHAI has failed to make any payment to ITCTPL within the period specified in ITCTPL Concession Agreement;

iii. NHAI repudiates the ITCTPL Concession Agreement or otherwise take any action that amounts to or manifests an irrevocable intention not to be bound by ITCTPL Concession Agreement; or

iv. the state commits a material default in complying with the provisions of the state support agreement if such default has a material adverse effect on ITCTPL and the breach continues for a period of 90 days from the date of notice given in this behalf by ITCTPL to the NHAI.

Termination Payment

Upon termination of the ITCTPL Concession Agreement by the NHAI on account of occurrence of ITCTPL Default, the NHAI shall pay an amount equal to 90% of the debt due less insurance cover, if any, provided, however, that if all or any of the insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due. No termination payment shall be due or payable on account of an ITCTPL Default prior to the project completion date.

Upon termination of the ITCTPL Concession Agreement by ITCTPL on account of occurrence of NHAI Default, NHAI shall pay to ITCTPL, by way of termination payments, an amount equal to (i) debt due and (ii) 150% of the adjusted equity.

Supplementary Agreements between ITCTPL and NHAI

ITCTPL has entered into a supplementary agreement to the ITCTPL Concession Agreement, with the NHAI dated June 6, 2014, in relation to the deferment of premium payable by ITCTPL to NHAI. The deferment of such premium payment is limited to ITCTPL's actual revenue shortfall after meeting the debt obligation and operation expenditure. Under the terms of supplementary agreement, ITCTPL is not permitted to provide any return on equity to its shareholders, including by making any dividend payments, and must share its toll-collection data with the NHAI on a real-time basis.

ITCTPL has also entered into a supplementary agreement to the ITCTPL Concession Agreement dated January 20, 2015, in relation to the collection of additional toll with respect to the Tumkur bypass, an additional 13 Km stretch that was not included in the ITCTPL Concession Agreement. Under the terms of supplementary agreement, ITCTPL is required to collect toll for an additional stretch on behalf of the NHAI and the same shall be paid to the NHAI by ITCTPL after deducting 3% thereof as collection charges.

6. Concession Agreement between MITPL and NHAI dated February 16, 2006

MITPL has entered into a concession agreement for (i) design, construction, development, finance, operation and maintenance of km 207/050 (Salem) to km 248/625 (start of proposed flyover on Namakkal Bypass) and (ii) improvement , operation and maintenance of Km 199.2 (start of Salem Bypass on NH-7) to km 207.050 (Salem) on NH-7 in the State of Tamil Nadu under North-South Corridor (NHDP Phase II) on build, operate and transfer (BOT) basis (the "**MITPL Concession Agreement**") for a period of 20 years, from August 15, 2006 ("**MITPL Appointed Date**") or such date on which the MITPL Concession Agreement is terminated by a termination notice ("**MITPL Termination Date**", and the period between the MITPL Appointed Date and the MITPL Termination Date, the "**MITPL Concession Period**").

Certain Definitions

"**MITPL Project**" shall mean the development, design, financing, procurement, engineering and construction, operation and maintenance of the MITPL Project Highway in accordance with the provisions of the MITPL Concession Agreement and includes all works relating to or in respect of the MITPL Project Highway as described in the MITPL Concession Agreement;

"**MITPL Project Assets**" shall mean all physical and other assets relating to and forming part of the MITPL Project during MITPL Concession Period from the commercial operations date till MITPL Termination Date including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the MITPL Project during MITPL Concession Period from commercial operations date till MITPL Termination Date, telephone and other communication systems and equipment for the Project, rest areas, administration and maintenance depots, relief centers, service facilities etc. (iii) project facilities situated on the site (iv) the rights of the MITPL under the project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorisations relating to or in respect of the MITPL Project during MITPL Concession Period from the commercial operation date till MITPL Termination Date, but does not include additional facilities; and

"**MITPL Project Highway**" shall mean the NH-7 stretch from km 207.050 to km 248.625 and includes (i) widening the existing 2 lane portion from Km 207.050 (Salem) - km 248.625 (start of proposed flyover on Namakkal Bypass), covering 41.55 kms, on NH-7 in the State of Tamil Nadu, to 4 lanes and (ii) improvement, operation and maintenance of km 199.200 (Start of Salem Bypass) – 207.050 (Salem) on NH-7 in the State of Tamil Nadu, to 4 lanes and shall include the MITPL Project Assets and the project facilities to be designed, engineered; built and improved on site and to be operated and maintained during the MITPL Concession Period in accordance with the provisions of the MITPL Concession Agreement of; and (iii) at any point in time during the MITPL Concession Period, whenever MITPL Additional Highway (as defined herein below) is handed over to MITPL, MITPL Project Highway shall also include improvement, operations and maintenance of MITPL

Additional Highway in accordance with the provisions of the MITPL Concession Agreement. Upon MITPL Additional Highway being handed over to MITPL, MITPL Project Highway shall mean all of the three stretches.

"**MITPL Additional Highway**" shall mean Km 180.000 (Omallur) to Km 192.2 (Start of Salem bypass) on NH-7, which NHAI may, handover to MITPL for operations and maintenance.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the MITPL Concession Agreement, NHAI grants to MITPL and MITPL accepts the concession for a period of 20 years commencing from the MITPL Appointed Date, including the exclusive right, licence and authority during the subsistence of the MITPL Concession Agreement to implement the MITPL Project and the concession in respect of the MITPL Project Highway.

Subject to and in accordance with the terms and conditions set forth in the MITPL Concession Agreement, MITPL is entitled to enjoy and has undertaken the following in accordance with the provisions of MITPL Concession Agreement, applicable laws and applicable permits:

i. to develop, design, engineer, finance, procure, construct, operate and maintain the MITPL Project Highway during the MITPL Concession Period;

ii. upon completion of the MITPL Project Highway and during the operations period to manage, operate and maintain the MITPL Project Highway and regulate the use thereof by third parties;

iii. levy, demand, collect and appropriate the fees from vehicles and persons liable to payment of fees for using the MITPL Project Highway or any part thereof and refuse entry of any vehicle to the MITPL Project Highway if the due fee is not paid;

iv. perform and fulfil all of its obligations under the MITPL Concession Agreement;

v. bear and pay all expenses, costs and charges incurred in the fulfilment of all the MITPL's obligations under the MITPL Concession Agreement;

vi. not assign or create any lien or encumbrance on the concession hereby granted on the whole or any part of the MITPL Project Highway or transfer, lease or part possession therewith save and except as expressly permitted by the MITPL Concession Agreement or the substitution agreement.

Fees

MITPL shall be entitled during the operations period to levy, demand and collect the fees from the users of the MITPL Project Highway at one toll plaza pursuant to and in accordance with the fee notification. In accordance with the terms of the MITPL Concession Agreement, MITPL shall not collect any fees in relation to exempted vehicles. The fees collected by MITPL shall be deposited in the escrow account in accordance with the relevant provisions of the MITPL Concession Agreement.

Negative Grant

MITPL is required to provide to NHAI cash payment ("**MITPL Negative Grant**") equal to the sum set forth in the bid of the consortium bidders in response to the tender notice and accepted by NHAI namely, Rs. 460 million at net present value at the rate of 10% in accordance with the provisions of the MITPL Concession Agreement. While a part of the MITPL Negative Grant has been paid, a part of the MITPL Negative Grant is payable in financial year 2017 and 2018.

The MITPL Negative Grant shall be paid in advance within 90 days of the commencement of the year for which it is due and payable.

Concession Fee

In consideration of the grant of concession under the MITPL Concession Agreement, the concession fee payable by MITPL to the NHAI shall be Re. 1 per year during the term of the MITPL Concession Agreement. The

concession fee shall be paid in advance within 90 days of the commencement of the year, for which it is due and payable.

Further, consequent to MITPL being handed over the MITPL Additional Highway along with the revised fees notification, MITPL is required to pay 80.43% of the additional proportional revenue per year for that year to NHAI for the entire remaining operations period. The additional proportional revenue per year is required to be computed as the MITPL Additional Highway length multiplied by the total toll collection of MITPL for that accounting year divided by the MITPL Project Highway length (including MITPL Additional Highway length). Such payments to NHAI are required to be made on a quarterly basis and within 15 days of ending of that quarter.

Escrow Account

MITPL shall within 60 days from the date of the MITPL Concession Agreement open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the MITPL Project cost shall be credited to such escrow account. During operations period all fees collected by MITPL from the users of the MITPL Project Highway shall be exclusively deposited therein. In addition, all fees collected by NHAI in exercise of its rights pursuant to the MITPL Concession Agreement during the MITPL Concession Period and all disbursements or payments by NHAI pursuant hereto shall also, subject to· the rights of deductions and appropriations therefrom of NHAI under MITPL Concession Agreement, be deposited by NHAI in the escrow account.

Disbursements from Escrow Account

MITPL shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the MITPL Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to provisions of the MITPL Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by MITPL

ii. all expenses in connection with and relevant to the construction of MITPL Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

iii. operation and maintenance expenses including fees collection expenses incurred by MITPL directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

iv. the whole of the expense on completion of punch list items incurred by NHAI;

v. the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI;

vi. all concession fees due to NHAI from MITPL under the MITPL Concession agreement;

vii. monthly proportionate provision of debt service payments due in an accounting year and payment of debt service payments in the month when due;

viii. one-half of such remuneration, cost and expenses of the independent consultant in case MITPL does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 days of receiving a statement .of expenditure from NHAI;

ix. reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise MITPL's responsibility, on account of failure on part of MITPL to keep such insurance(s) effective and in force;

x. any payments and damages due and payable by MITPL to NHAI pursuant to MITPL Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in the scope of work, penalty for non-completion of Punch List items, penalty for operation and maintenance expenses incurred by NHAI; and

xi. balance in accordance with the instructions of MITPL.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the MITPL Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

i. all taxes due and payable by MITPL;

ii. all concession fees due and payable to the NHAI under the MITPL Concession Agreement;

iii. all accrued debt service payment;

iv. any payments and damages due and payable by MITPL to the NHAI pursuant to the MITPL Concession Agreement (including termination claims, recovery due to reduction in the scope of work and repayment of revenue shortfall loan);

v. all accrued operation and maintenance expenses;

vi. any other payments required to be made under the MITPL Concession Agreement; and balance, if any, on the instructions of MITPL.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the MITPL Concession Agreement, require the provision of such addition / deletion to the works and services on or about the MITPL Project Highway, during the construction period, which are beyond the scope of the MITPL Project as contemplated by the MITPL Concession Agreement, provided such changes do not require any increase/ reduction in expenditure exceeding 10% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the MITPL Concession Agreement.

Termination of the MITPL Concession Agreement.

Termination by either party

Either Party may in its sole discretion terminate the MITPL Concession Agreement by giving 30 days termination notice in writing to the other party, if a force majeure event subsists for a period of 180 days or more within a continuous period of 365 days. Such party giving the termination notice will not be liable in any manner, save as provided by the MITPL Concession Agreement.

Termination by the NHAI

In the event of any breach or default by MITPL under the MITPL Concession Agreement, including any MITPL Default (as defined below) and if MITPL has failed to cure such breach or default within the period provided for the same in the MITPL Concession Agreement, then the NHAI shall be entitled to terminate the MITPL Concession Agreement by a communication in writing to MITPL provided that before issuing the termination notice, NHAI shall by a notice in writing inform MITPL of its intention to issue the termination notice and grant 15 days to MITPL to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice.

The following events, shall constitute an event of default by MITPL (an "**MITPL Default**") unless such MITPL Default has occurred as a result of NHAI Default or a force majeure event:

i. MITPL fails to achieve financial close in accordance with the provisions of the MITPL Concession Agreement;

ii. MITPL fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the MITPL Concession Agreement and also fails to cure such default within 180 days from the date of its occurrence;

iii. MITPL is in material breach of MITPL Concession Agreement;

iv. MITPL commits default in complying with any of the terms and conditions of the MITPL Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from the NHAI which (i) requires MITPL to remedy the breach or breaches referred to in such notice within one month (or such longer period as may be agreed by the NHAI in its absolute discretion) or (ii) permits MITPL to put forward within 15 days of such notice, a reasonable programme for remedying the breach, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

v. MITPL creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the MITPL Concession Agreement;

vi. the shareholding of the consortium bidders and their associates falls below the minimum prescribed requirement under the MITPL Concession Agreement and MITPL does not *suo moto* cure such default within 90 days of its occurrence;

vii. MITPL transfers, pursuant to law, either (i) the rights and/or obligations of MITPL under the project agreements, or (ii) all or material parts of the assets or undertaking of MITPL except where such transfer in the reasonable opinion of the NHAI does not affect the ability of MITPL to perform, and MITPL has the financial and technical capability to perform its material obligations under the project agreements;

viii. a resolution is passed by the shareholders of MITPL for the voluntary winding up of MITPL;

ix. MITPL is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for MITPL or for any of its property that has a material bearing on the MITPL Project;

x. any petition for winding up of MITPL is admitted by a court of competent jurisdiction or MITPL is ordered to be wound up by a court of competent except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of MITPL are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of MITPL under the MITPL Concession Agreement and the project agreements, and provided that: (i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the MITPL Concession Agreement and the project agreements; (ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the MITPL Concession Agreement and the project agreements and has a credit worthiness at least as good as that of MITPL as at the financial close; and (iii) each of the project agreements remains in full force and effect;

xi. MITPL is in material breach of any of the project agreements;

xii. An event of default of MITPL under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

xiii. MITPL abandons the operations of the MITPL Project Highway for more than 15 consecutive days without the prior consent of the NHAI, provided MITPL shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by the NHAI;

xiv. MITPL repudiates the MITPL Concession Agreement or otherwise evidences an intention not to be bound by the MITPL Concession Agreement;

xv. MITPL suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the MITPL Project and allows it to be continued for a period of 15 days;

xvi. MITPL has delayed any payment that has fallen due under the MITPL Concession Agreement if such delay exceeds 90 days; or

xvii. MITPL is in breach of its obligation to repay the revenue shortfall loans in accordance the MITPL Concession Agreement.

Termination by MITPL

MITPL is entitled to terminate the MITPL Concession Agreement upon a 90 days written notice to the NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of MITPL Default or due to a force majeure event:

i. NHAI is in breach of the MITPL Concession Agreement and such breach has a material adverse effect on MITPL and the NHAI fails to cure such breach or take effective steps for curing such breach within 90 days of receipt of notice in this behalf from MITPL;

ii. NHAI repudiates the MITPL Concession Agreement or evidences an irrevocable intention not to be bound by the MITPL Concession Agreement;

iii. The Government or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by MITPL and have failed to cure such circumstances within 90 days of receipt of notice by the NHAI in this behalf from MITPL; or

iv. The NHAI has delayed any payment that has fallen due under the MITPL Concession Agreement if such delay exceeds 90 days.

Termination Payments

Upon termination of the MITPL Concession Agreement by the NHAI on account of occurrence of MITPL Default, the NHAI shall pay to MITPL an amount equal to 90% of the debt due less insurance claims, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of debt due.

Upon termination of the MITPL Concession Agreement by MITPL on account of occurrence of an NHAI Default, MITPL shall be entitled to receive from NHAI by way of termination payment a sum equal to:

i. the total debt due, plus

ii. 120% the total subordinated debt, plus

150% of the equity (subscribed in cash and actually spent on the MITPL Project but excluding the amount of equity support as specified in the MITPL Concession Agreement) if such termination occurs at any time during three years commencing from the MITPL Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% per annum.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the business of the Trust Group. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive, and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. For information regarding regulatory approvals obtained by the Trust, see the section "Government and Other Approvals" on page 449.

Set forth below are certain significant legislations, regulations and policies that generally govern the infrastructure sector in which the Trust Group operates.

Regulatory Framework for the Road Sector

The primary central legislations governing the road sector are the National Highways Act, 1956 (the "**NH Act**") and the National Highways Authority of India Act, 1988 (the "**NHAI Act**").

NH Act

In accordance with the NH Act, the GoI is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The GoI may, by notification, declare its intention to acquire any land when it is satisfied that, for a public purpose, such land is required for the building, maintenance, management or operation of a national highway, or part thereof. The NH Act prescribes the procedure for such land acquisition. Such procedure includes *inter alia* declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in the land has been affected.

The GoI is responsible for the development and maintenance of national highways. However, it may direct that such functions may also be exercised by the government of the state in which the highway is located or by any officer or authority subordinate to the GoI or to the state government. Further, the GoI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI and will also have the powers to regulate and control the traffic, for proper management of the highway, in accordance with the provisions of the Motor Vehicles Act, 1988.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the "**NH Fee Rules**"), regulates the collection of fee for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The NH Fee Rules supersede the National Highways (Temporary Bridges) Rules, 1964, the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997, the National Highways (Fees for the use of National Highways Section and Permanent Bridges – Public Funded Project) Rules, 1997 and the National Highways (Rate of Fees) Rules, 1997 other than in respect of things done or omitted to be done under such rules prior to supersession. The NH Fee Rules do not apply to agreements and contracts executed or bids invited prior to the publication of such rules i.e. prior to December 5, 2008.

The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway for different categories of vehicles.

NHAI Act

NHAI

The National Highways Authority of India ("**NHAI**") was constituted pursuant to the NHAI Act and became operational in 1995. The NHAI Act details the functions of NHAI, which primarily are the development, maintenance and management of national highways and any other highways vested in, or entrusted to it, by the GoI, and matters connected therewith or incidental thereto. In accordance with the NHAI Act, the GoI carries out development and maintenance of the national highway system through NHAI. Subject to the provisions of the NHAI Act, NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI has the power to acquire any land, and such acquired land will be deemed to be land needed for a public purpose. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the GoI. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the GoI. The National Highways Authority of India (Amendment) Act, 2013, received the assent of the President on September 10, 2013. Such amendment has increased the institutional capacity of NHAI.

As per the NHAI Works Manual, 2006, NHAI's mandate is the time and cost bound implementation of the National Highways Development Project ("**NHDP**") through a host of funding options, which include fund assistance from external multilateral agencies like the World Bank and the Asian Development Bank. NHDP Phase – I also strives to provide road connectivity to major ports. NHAI's role encompasses involving the private sector in provision, maintenance and operation of the national highways.

Financing of the NHDP

The GoI, under the Central Road Fund Act, 2000 created a dedicated fund for NHDP. Certain sources for financing of NHDP are through securitization of cess as well as involving the private sector and encouraging Public Private Partnership. The NHDP is also being financed through long-term external loans from the World Bank, the Asian Development Bank and the Japan Bank for International Cooperation as well as through tolling of roads.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, the NHAI has formulated model concession agreements where a private entity being the concessionaire is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

The bidding for the projects takes place in two stages as per the process provided below:

1. in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and

2. in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In accordance with the model concession agreement for projects above Rs. 100 crores, the concessionaire meets the upfront cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. As per the 'Guidelines for Investment in Road Sector' issued by the Ministry of Shipping, Road Transport and Highways ("**MoRTH**") in 2009, in order to increase the viability of the projects, a capital grant of up to 40% of project cost could be provided by the NHAI or the GoI. The quantum of grant is determined on a case to case basis and typically constitutes the bid parameter in BOT projects which are generally not viable based on toll revenue alone. For certain projects with high traffic volumes, bidders also offer a negative grant (i.e. premium) to NHAI. The concessionaire at the end of the concession period transfers the road back to the Government (free of charge and clear of all encumbrances), the concessionaire's investment in the road is recovered directly through user fees by way of tolls. As per the model concession agreement for annuity based projects, in annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI or the GOI) and the expenditure on annual maintenance. The concessionaire recovers the entire investment through pre-determined annuity payments by to be made by NHAI or the GOI. Furthermore, MoRTH approved certain amendments to the model concession agreement, *inter alia*, in relation to deferment of premium payments.

Exit Policy

The Cabinet Committee on Economic Affairs ("**CCEA**") in May 2015 approved a comprehensive exit policy framework with the objective to mobilize funds in the market. This policy framework now permits divestment of 100 percent equity by concessionaires/developers after two years of completion of construction to facilitate unlocking of funds for new projects. . The equity divested is required to be invested by promoters in their new projects. NHAI has vide its circulars dated June 9, 2015, September 9, 2015 and November 19, 2015, permitted 100% equity divestment after 2 (two) years of construction completion for all BOT projects irrespective of the year of the award and clarified that there would be no restrictions on the subsequent divestment by the investors.

Premium Deferment

The CCEA in October 2013 approved a policy for the rationalization of premium quoted by concessionaires in respect of national highways projects. Subsequently, the MoRTH approved the policy in April 2014. This policy introduces a revised tolling policy for 'stressed' highway projects, which are identified based on certain parameters such as if the project has not been able to achieve financial close within the stipulated period and the NHAI has been unable to fulfill the conditions precedent under the relevant concession agreement, and provides for the deferment of premium payments to the NHAI by the concessionaires of such stressed projects. The policy is expected to revitalize stressed highway projects.

One Time Fund Infusion

CCEA in October 2015 gave its approval to NHAI for a one-time infusion of funds with the purpose of reviving and physically completing stalled projects in the advanced stages of completion. As per the policy, the amount of funds required in each case shall be approved by NHAI on a case to case basis.

Compensation and Extension

CCEA in November 2015 has approved and authorised NHAI to consider extension of the concession period for current projects in the BOT (Toll/Annuity) mode, except for projects where tolling is permitted from the appointed date, which are languishing during the construction period due to causes not attributable to the concessionaire. Further, CCEA further approved and authorised NHAI to pay annuities to the concessionaire corresponding to the actual period of delay not attributable to the concessionaire upon successful completion of the project.

Prevention of Overloading

NHAI vide its policy circular in May 2014, prescribed amendments to the fee rules. Under the circular, the driver or owner of a mechanical vehicle which is loaded in excess of permissible load specified for its category, (i) shall not be permitted to use the national highway or crossing the toll plaza until the excess load has been removed, and (ii) is liable to pay a fee to the toll collection agency equal to ten times of the fee applicable to such category of mechanical vehicle. However, in case no weighbridge has been installed at the toll plaza, no fee for overloading shall be levied. Further, the amended rules are applicable to all concession agreements irrespective of their date of execution.

Subsequently, by way of its policy circular in December 2015, the NHAI amended the fee rules and its earlier May 2014 policy circular, prescribing strict implementation of its earlier directions in relation to the removal of excess load (including a detailed procedure with respect to the manner in which the overloaded vehicle must be dealt with), besides charging a penalty.

Arbitral Awards

CCEA in August 2016 approved various measures to revive the construction section. Under the proposal put forward by NITI Aayog and approved by CCEA, government agencies would pay 75% of the arbitral award amount to an escrow account against margin free bank guarantee, in those cases where the award is challenged. The aforesaid escrow account may be used to repay bank loans or meet commitments in ongoing projects.

Use of Micro-Surfacing

MoRTH vide its circular in September 2016, permitted the use of micro-surfacing as preventive maintenance/renewal treatment, and directed the implementing agencies to ensure that at least 25-30% of the total eligible length for periodical renewal, preferably in a continuous stretch is covered by micro-surfacing or other similar type of treatment in the future.

Toll Suspension due to Demonetisation

NHAI had vide notifications dated November 9, 2016, November 11, 2016, November 14, 2016, November 17, 2016 and November 24, 2016, suspended the collection of user fee at toll plazas on national highways due to demonetisation of Rs. 500 and Rs. 1,000 currency denominations. The period of such suspension was from November 9, 2016, to December 2, 2016. Further, pursuant to its office orders dated November 2016, and December 2016, and its circular dated November 21, 2016, NHAI specified the compensation mechanism for losses incurred by toll operators on account of suspension of toll collection from November 9, 2016, to December 2/3, 2016, stating that it is to be addressed as per the provisions of the respective concession agreements, and provided for the procedure for reimbursement of cost, specifying guidelines in relation to interest payment on debt and O&M expenses.

Indian Tolls Act, 1851

In accordance with the Indian Tolls Act, 1851 (the "Tolls Act"), the state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Tolls Act, are deemed to be 'public revenue' and the collection of tolls can be placed under any person the state governments' deem fit. Such persons are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors when required in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

Provisions under the Constitution of India and other legislations in relation to collection of toll

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests state governments with the power to levy tolls. Further, in accordance with the Tolls Act, state governments have been vested with the power to levy tolls at such rates as they deem fit.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the "Control of NH Act") provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon.

In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration or any officer authorised by such administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Other Laws and Regulations

In addition to the aforementioned legislations which are applicable to the Trust, other material legislations that are applicable to the operations of the Trust include:

Indian Trusts Act, 1882

The Indian Trusts Act, 1882 ("**Trusts Act**") governs all private trusts in India.

The Trusts Act sets out the purpose for which private trusts can be established, the manner in which they may be created, executed and extinguished. The person creating a trust under the Trusts Act is the author of such trust, the person to whom the author grants the power and authority to regulate the trust is the trustee and the persons for whose benefit such trust has been created are the beneficiaries of such trust. The Trust Act sets out the rights, duties, liabilities and powers of the trustees and the beneficiaries vis-a-vis the trust. The Trust has been settled in accordance with the provisions of the Trusts Act.

Other Laws

The laws above are specific to the regulations specifically applicable to an operating business. The generic regulations that are applicable to the Trust Group, include environmental laws, labour laws and other applicable laws.

Environment Regulation

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Pollution Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Pollution Act**") and the Environment Protection Act, 1986 ("**Environment Act**"). The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Pollution Control Board include, *inter alia,* coordination of activities of the State Pollution Control Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for, *inter alia*, the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer, or bring into use any new or altered outlet for discharge of sewage, or begin to make any new discharge of sewage without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area as notified by the State Government. The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution. With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or managed or controlled by the Government without the prior approval of the GoI. The Ministry of Environment and Forests ("**MoEF**") mandates that Environment Impact Assessment ("EIA") must be conducted for specified projects. In the process, the MoEF receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**") under the provisions of the Environment Act, prescribes that new construction of specified projects require prior environmental clearance from the MoEF. The environmental clearance must be obtained from the MoEF according to the procedure

specified in the EIA Notification. No construction work or preparation of land by the project management except for securing the land, relating to the setting up of a specified project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft 'EIA Report' and the 'Environment Management Plan.' The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final EIA Report.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the "**Public Liability Act**"), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015

In September 2015, MoRTH has launched Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015 which will require road developers to earmark 1% of a project's total cost for planting of trees and shrubs across the national highways. Under this policy, the maintenance of such plantations will be outsourced through a bidding process to plantation agencies. MoRTH/NHAI will appoint the authorized agency for empanelment of such plantation agencies.

Laws Relating to Employment

Certain other laws and regulations that may be applicable to the Trust and the Project SPVs include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act 1948;
- Industrial Disputes Act, 1947;
- Employees Compensation Act, 1923; and
- Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017.

InvIT Regulations

The InvIT Regulations lay out the framework for infrastructure investment trusts and the registration and regulation thereof. No person shall act as an infrastructure investment trust unless it has obtained a certificate of registration from SEBI. The InvIT Regulations prescribe, *inter alia*, the eligibility criteria and the rights and responsibilities of the parties to an infrastructure investment trust, namely its sponsor, investment manager, trustee and project manager; and the rights and responsibilities of the valuer and auditor of an infrastructure investment trust. While an infrastructure investment trust may undertake an issue of its units by way of an initial offer or a private placement, it is mandatory for the units of all infrastructure investment trusts to be listed on a recognized stock exchange having nationwide trading terminals. By way of its circular dated May 11, 2016, SEBI notified the guidelines for the public issue of units of an infrastructure investment trust.

Parties to an infrastructure investment trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the sponsor, investment manager and trustee of an infrastructure investment trust are separate entities, (b) the sponsor of an infrastructure investment trust has a net worth of not less than Rs. 1,000 million and has a sound track record in the development of infrastructure or fund management in the infrastructure sector, (c) the investment manager of an infrastructure investment trust has a net worth of not less than Rs. 100 million and has not less than five years' experience in fund management or advisory services or development in the infrastructure sector, (d) the trustee of an infrastructure investment trust is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an associate of the Sponsor or Investment Manager, and (e) each of the sponsor, investment manager, project manager and trustee of an infrastructure investment trust are "fit and proper persons" as defined under Schedule II of the Intermediaries Regulations on an ongoing basis.

For the purpose of determining as to whether an entity is a "fit and proper person", SEBI may take account of any consideration as it deems fit, including but not limited to the (a) integrity, reputation and character; (b) absence of convictions and restraint orders; (c) competence including financial solvency and networth; and (d) absence of categorization as a wilful defaulter of the intermediary, the principal officer, the directors, promoters or key management persons of such entity.

Further, the InvIT Regulations currently restrict a person forming part of the 'public' from holding more than 25% of the units of an infrastructure investment trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, the sponsor, investment manager, the project manager, or their respective related parties and associates, shall not form part of the 'public'.

On October 20, 2016, SEBI issued a circular in relation to the disclosure of financial information on offer documents/placement memorandums for infrastructure investment trusts, and on November 29, 2016, a circular detailing the continuous disclosures and compliances by infrastructure investment trusts. Subsequently, on November 30, 2016, SEBI notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2016, which contained, inter alia, amendments to certain definitions, the utilization of the proceeds of an issue, the infrastructure investment trust's sponsor's post-issue unitholding, the minimum offer to the public, thresholds for unitholders' approvals and disclosure requirements, and certain clarifications in relation to the investment conditions applicable to infrastructure investment trusts.

Foreign Investment Regulations

Foreign investment in Indian securities is governed by the provisions of the FEMA, read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government. Foreign investment is permitted (except in the prohibited sectors) either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the FEMA Regulations and the current consolidated FDI Policy, effective from June 7, 2016, an infrastructure investment trust registered and regulated by SEBI under the InvIT Regulations, being an 'investment vehicle', is permitted to receive foreign investment from a person resident outside India (other than an individual who is citizen of or any other entity which is registered / incorporated in Pakistan or Bangladesh), including an FPI or an NRI subject to the terms and conditions specified in the FEMA Regulations.

Downstream investment by an infrastructure investment trust shall be regarded as foreign investment if neither the sponsor nor the investment manager of such an infrastructure investment trust is Indian 'owned and controlled' as defined in FEMA Regulations. Where an infrastructure investment trust's sponsor or investment manager is organized in a form other than a company or an LLP, SEBI shall determine whether such sponsor or investment manager is foreign owned and controlled.

Downstream investment by an 'investment vehicle' that is reckoned as foreign investment shall have to conform to the sectoral caps and conditions/restrictions, if any, as applicable to the company in which the downstream investment is made as per the FDI Policy. Downstream investment in an LLP by an 'investment vehicle' that is reckoned as foreign investment has to conform to the provisions of Schedule 9 of the FEMA Regulations as well as the extant FDI Policy for foreign investment in LLPs. Foreign investment of up to 100% through the automatic route is permitted in the infrastructure sector in India. An infrastructure investment trust that receives foreign

investment shall be required to make such report and in such format to RBI or to SEBI as may be prescribed by them from time to time.

The payment for the units of an infrastructure investment trust acquired by a person resident or registered/ incorporated outside India shall be made by an inward remittance through the normal banking channel including by debit to an NRE or an FCNR account. Further, any person who is a non-resident and holds units of an infrastructure investment trust in accordance with the FEMA Regulations may pledge such units to secure credit facilities being extended to the non-resident investor.

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Final Offer Document as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Offer Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

UNIT HOLDING STRUCTURE

The details of the total outstanding Units of the Trust as at the date of this Final Offer Document are as set forth below:

	Particulars	Aggregate Value at Issue Price (Rs. in Millions)
A	**UNITS OUTSTANDING PRIOR TO THE ISSUE (PRE-FORMATION TRANSACTIONS)**	
	Nil	Nil
B	**UNITS OUTSTANDING PRIOR TO THE TOTAL ISSUE (UPON-FORMATION TRANSACTIONS)**[1]	
	115,290,664 Units	11,759.65
C	**PRESENT ISSUE IN TERMS OF THIS FINAL OFFER DOCUMENT**	
	Fresh Issue of 421,568,627 Units[2]	43,000.00
	Offer for Sale of 28,210,664 Units[3]	2,877.49
D	**RETENTION OF OVERSUBSCRIPTION**	
	43,640,709 Units[4]	4,451.35
E	**UNITS OUTSTANDING AFTER THE TOTAL ISSUE**[5]	
	580,500,000 Units	59,211.00

(1) *The Units issued to the Selling Unitholders pursuant to the Formation Transactions were created post Bid/Issue Closing Date.*

(2) *The Fresh Issue has been authorized by a resolution of the board of directors of the Investment Manager dated August 29, 2016.*

(3) *For details of the authorizations received for the Offer for Sale, see "The Issue" on page 70. With respect to the Units offered by the Selling Unitholders in the Offer for Sale, each of the Selling Unitholders, severally and not jointly, hereby confirms that such Selling Unitholder has held equity shares in the Project SPVs against which such Units are to be received, for a period of at least one year immediately preceding the date of the Draft Offer Document.*

(4) *In accordance with the InvIT Regulations, the Investment Manager, in consultation with the GCBRLMs and the BRLM, has retained Oversubscription, amounting to 9.70% of the Issue size.*

(5) *The Total Issue constitutes at least 25% of the total outstanding Units on a post-Issue basis in accordance with Regulation 14(1A) of the InvIT Regulations.*

Notes:

1) The Issue is being made through the Book Building Process, wherein not more than 75% of the Issue was available for allocation to Institutional Bidders on a proportionate basis, out of which the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, allocated up to 60% of the Institutional Bidder Category to Anchor Investors and Strategic Investors on a discretionary basis in accordance with the InvIT Regulations. Further, not less than 25% of the Issue was available for allocation on a proportionate basis to Other Bidders, subject to valid Bids received at or above the Issue Price. In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

2) The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

3) In accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over another Unitholder and there shall not be multiple classes of Units. There shall be only one denomination of Units. Notwithstanding the above, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate Units shall carry only inferior voting or any other rights compared to the other Units. However, no subordinate Units are proposed to be issued to the Sponsor and its Associates prior to the completion of the Issue.

4) ***Unit Holding Structure***

The table below provides details of the Unit holding structure of the Trust:

Sr. No.	Name of Unitholder	Pre-Issue Unit Holding[1] (Pre-Formation Transaction)		Pre-Issue Unit Holding (Upon-Formation Transaction)[2]		Units Purchased/(Sold) in the Offer for Sale		Units To Be Allotted in the Fresh Issue		Post-Issue Unit Holding	
		No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units[3]	No. of Units	As a % of the total outstanding Units[3]	No. of Units	As a % of the total outstanding Units[3]
1.	IRB Infrastructure Developers Limited	*Nil*	-	99,799,271	86.56	12,719,271	2.19	*Nil*	-	87,080,000	15.00
2.	IRB Infrastructure Private Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
3.	Modern Road Makers Private Limited	*Nil*	-	4,614,216	4.00	4,614,216	0.79	*Nil*	-	-	-
4.	IDBI Trusteeship Services Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
5.	Aryan Toll Road Private Limited	*Nil*	-	2,719,294	2.36	2,719,294	0.47	*Nil*	-	-	-
6.	ATR Infrastructure Private Limited	*Nil*	-	3,107,765	2.70	3,107,765	0.54	*Nil*	-	-	-
7.	Ideal Road Builders Private Limited	*Nil*	-	5,050,118	4.38	5,050,118	0.87	*Nil*	-	-	-
8.	Public[#]	*Nil*	-	*Nil*	-	-	-	465,209,336	80.14	493,420,000	85.00
TOTAL		***Nil***	**-**	**115,290,664**	**100.00**	**28,210,664**	**4.86**	**465,209,336**	**80.14**	**580,500,000**	**100.00**

[1] As on the date of the Offer Document
[2] The Units issued to the Selling Unitholders pursuant to the Formation Transactions were created post Bid/Issue Closing Date
[3] On a post-Issue basis (i.e. after the Total Issue)

5) ***Limitation to the Liability of the Unitholders***

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust.

6) ***Details of Sponsor's Lock-in***

a) In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units, subject to the following:

i) the Sponsor would be responsible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units.

b) As on the date of the date of this Final Offer Document, the Sponsor holds 87,080,000 Units, which constitute 15.00% of the total outstanding Units on a post-Issue basis (i.e. after the Total Issue).

c) Details of the Units to be locked-in for a period of three years (or such other period as may be prescribed under the InvIT Regulations) are as follows:

Sr. No.	Name of Unitholder	Number of Units	As a % of the total outstanding Units on a post-Issue basis*
1.	IRB Infrastructure Developers Limited	87,080,000	15.00
	Total	**87,080,000**	**15.00**

**After the Total Issue*

d) Further, other than the Units transferred pursuant to the Offer for Sale, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

7) ***Other Lock-in Requirements***

The Units held by any persons other than the Sponsor, which are not being offered and transferred pursuant to the Offer for Sale, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with the InvIT Regulations.

8) The GCBRLMs and the BRLM do not hold any Units as on the date of this Final Offer Document.

9) The Investment Manager, on behalf of the Trust, shall ensure that transactions in the Units by the Sponsor and its Associates, during the period between the date of filing the Offer Document with the SEBI and the Stock Exchanges and the Bid/Issue Closing Date, shall be reported to the Stock Exchanges within 24 hours of such transactions.

10) ***Prohibition on Offer of Incentives***

No person connected with the Issue, including any person connected with the distribution of the Issue, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of the Units.

LEVERAGE

The following tables present (a) the capital structure of the Trust (including any borrowing or deferred payments) on a combined basis, as of December 31, 2016, as adjusted taking into account the Formation Transactions and the utilization of the Net Proceeds, as described in the section "*Use of Proceeds*", on page 81, and (b) the capital structure of the Project SPVs (including any borrowing or deferred payment) on a standalone basis, as of December 31, 2016.

The information presented below should be read in conjunction with the sections "*Use of Proceeds*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 81, 289 and 348, respectively.

A. Combined Capital Structure of the Trust (including any Borrowings or Deferred Payments)

(Rs. in Millions Except Ratios)

Particulars	As of December 31, 2016	
	Pre-Issue	Post-Issue[1]
Shareholders' Funds:		
Equity Share Capital	11,145.64	11,145.64
Subordinate Debt	6,985.00	6,985.00
Other Equity	22.27	22.27
Total Shareholders' Funds	**18,152.91**	**18,152.91**
Borrowings		
Borrowings from related parties	9,321.68[2]	44,448.69
Long term borrowings	31,394.73	-
Current maturities of long term borrowings	3,732.28	-
Deferred payments	1,889.41	1,889.41
Total Debt	**46,338.10**	**46,338.10**
Total Capitalisation	**64,491.01**	**64,491.01**
Long Term Debt to Equity Ratio	**1.73:1**	-
Debt Equity Ratio	**2.55:1**	**2.55:1**

[1]Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds

[2] Borrowings from related parties (including retention money) as per IND AS is Rs. 9,321.68 million whereas carrying value is Rs. 9,403.68 million

B. Standalone Capital Structure of the Project SPVs (including any Borrowings or Deferred Payments)

1. IDAAIPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue[1] (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	1,981.20	1,981.20
Other Equity	504.43	504.43
Total Shareholders' Funds	**2,485.63**	**2,485.63**
Borrowings		
Long term borrowings	1,871.04	-
Borrowings from related parties	3,697.51[2]	6,529.35
Current maturities of long term borrowings	960.80	-
Deferred payments	-	-
Total Debt	**6,529.35**	**6,529.35**
Total Capitalisation	**9,014.98**	**9,014.98**

[1] Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds

(2) Borrowings from related parties as per IND AS is Rs. 3,697.51 million whereas carrying value is Rs. 3,712.06 million

2. IJDTPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue(1) (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	1,317.50	1,317.50
Subordinate Debt	3,952.50	3,952.50
Other Equity	(291.97)	(291.97)
Total Shareholders' Funds	**4,978.03**	**4,978.03**
Borrowings		
Borrowings from related parties	510.77	9,949.89
Long term borrowings	9,294.73	-
Current maturities of long term borrowings	144.39	-
Deferred payments	-	-
Total Debt	**9,949.89**	**9,949.89**
Total Capitalisation	**14,927.92**	**14,927.92**

(1) Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds

3. ISDTPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue(1) (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	5,108.42	5,108.42
Other Equity	839.44	839.44
Total Shareholders' Funds	**5,947.86**	**5,947.86**
Borrowings		
Borrowings from related parties	2,932.55(2)	10,353.24
Long term borrowings	4,952.96	-
Current maturities of long term borrowings	2,467.73	-
Deferred payments	-	-
Total Debt	**10,353.24**	**10,353.24**
Total Capitalisation	**16,301.10**	**16,301.10**

(1) Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds
(2) Borrowings from related parties (including retention money) as per IND AS is Rs. 2,932.55 million whereas carrying value is Rs. 3,000.00 million

4. ITATPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue(1) (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	492.50	492.50
Subordinate Debt	1,477.50	1477.50
Other Equity	(389.97)	(389.97)
Total Shareholders' Funds	**1,580.03**	**1,580.03**
Borrowings		

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue[1] (Rs. in Millions)
Borrowings from related parties	1,082.05	4,847.05
Long term borrowings	3,635.00	-
Current maturities of long term borrowings	130.00	-
Deferred payments	-	-
Total Debt	**4,847.05**	**4,847.05**
Total Capitalisation	**6,427.08**	**6,427.08**

[1] *Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds*

5. ITCTPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue[1] (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	1,555.00	1,555.00
Subordinate Debt	1,555.00	1,555.00
Other Equity	(244.47)	(244.47)
Total Shareholders' Funds	**2,865.53**	**2,865.53**
Borrowings		
Borrowings from related parties	1,098.80	10,707.34
Long term borrowings	9,596.03	-
Current maturities of long term borrowings	12.51	-
Deferred payments	1,889.41	1,889.41
Total Debt	**12,596.75**	**12,596.75**
Total Capitalisation	**15,462.28**	**15,462.28**

[1] *Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds*

6. MITPL

Particulars	As of December 31, 2016	
	Pre-Issue (Rs. in Millions)	Post-Issue[1] (Rs. in Millions)
Shareholders' Funds:		
Equity Share Capital	691.02	691.02
Other Equity	(395.18)	(395.18)
Total Shareholders' Funds	**295.84**	**295.84**
Borrowings		
Borrowings from related parties	-	2,061.81
Long term borrowings	2,044.96	-
Current maturities of long term borrowings	16.85	-
Deferred payments	-	-
Total Debt	**2,061.81**	**2,061.81**
Total Capitalisation	**2,357.65**	**2,357.65**

[1] *Based on the estimated utilization of the Net Proceeds and the Oversubscription Proceeds*

Borrowing Policy

Investment Manager may from time to time, consider availing additional borrowings/debt, in accordance with the investment strategy of the Trust, subject to the InvIT Regulations. In accordance with Regulation 20(2) of the InvIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents exceed 25% of the value of the Trust Assets, for any further borrowing:

a) credit rating shall be obtained from a credit rating agency registered with SEBI; and

b) an approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the InvIT Regulations, namely where the votes cast in favour of a resolution shall be more than the votes cast against such resolution, or such other percentage as may be prescribed under the InvIT Regulations.

However, in accordance with Regulation 20(1) of the InvIT Regulations, the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents shall never exceed 49% of the value of the Trust Assets.

If either of the conditions in relation to the aggregate consolidated borrowings of the Trust, as specified hereinabove, are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager shall inform the same to the Trustee at the earliest and ensure that such condition is satisfied within six months of the breach, in accordance with the InvIT Regulations.

Details of Credit Ratings

The Trust has been assigned a rating of "CARE AAA(Is); Stable" by CARE Ratings, subject to the Trust Group's debt exposure not exceeding Rs. 10 billion post the Issue, the rationale for which is available on its website (www.careratings.co.in). The aforesaid rating is valid until February 21, 2018. Please note that the rating assigned by CARE Ratings is an opinion on the general creditworthiness of the Trust. CARE Ratings has not rated the Units of the Trust. Please refer to **Annex D** for the aforesaid rating letter and its rationale.

Further, the Trust's external senior debt has been assigned a long-term rating of "IND AAA; Outlook Stable" by India Ratings, assuming that the Trust's consolidated external debt (including debt availed by InvIT and the Project SPVs from banks and institutions but excluding debt infused by InvIT into the Project SPVs) as on March 31, 2017, would be up to Rs. 10 billion, the rationale for which is available on its website (www.indiaratings.co.in). Please note that the rating assigned by India Ratings is a reflection of the combined credit quality of the underlying assets. India Ratings has not rated the Units of the Trust. Please refer to **Annex D** for the aforesaid rating letter and its rationale.

Please also see "*Risk Factors –We have obtained a credit rating for the senior debt of the Trust from India Ratings and Research, assuming the Trust's consolidated "external debt" (including debt availed by InvIT and the Project SPVs from banks and institutions but excluding debt infused by InvIT into the Project SPVs) as on March 31, 2017 would be up to Rs. 10 billion. We have also obtained a credit rating of CARE AAA from CARE Ratings, assuming that the debt exposure of the Trust Group does not exceed Rs. 10 billion after the Listing. Any downgrade of our credit rating may restrict our access to capital and materially and adversely affect our business, financial condition and results of operations.*" on page 41.

Lock-up on the Trust and the Investment Manager (Contractual)

The Trust (acting through the Trustee) and the Investment Manager shall not, without the prior written consent of the GCBRLMs and the BRLM, during the period commencing from the date of the Draft Offer Document and ending 365 calendar days after listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, encumber, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of directly or indirectly any Units or any securities convertible into or exercisable or exchangeable for Units, other than pursuant to the Share Purchase Agreements or the Issue (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any other securities convertible into or exercisable as or exchangeable for Units, or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise. However, the aforesaid restrictions shall

not apply to (i) an issue of Units made as consideration with respect to an acquisition made by the Trust pursuant to the Deed of Right of First Offer/Right of First Refusal or the Future Assets Agreement; and (ii) any buy-back of Units made by the Trust.

Lock-in Restrictions

Lock-in on the Sponsor and the Selling Unitholders (Regulatory)

In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units, subject to the following:

i) the Sponsor would be responsible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units.

Further, other than the Units transferred pursuant to the Offer for Sale, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

Moreover, other than the Units transferred pursuant to the Offer for Sale, the Selling Unitholders shall hold their Units, if any, for a period of not less than one year from the date of listing of the Units.

Lock-in on the Sponsor and other Selling Unitholders (Contractual)

The Selling Unitholders shall not, without the prior written consent of the GCBRLMs and the BRLM, during the period commencing from the date of filing of the Draft Offer Document and ending 365 calendar days from date of listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any encumbrances in relation to any Units or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Units other than pursuant to the Issue; ii) except as disclosed in the Draft Offer Document, enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any securities convertible into or exercisable as or exchangeable for Units; (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or securities, in cash or otherwise. However, the aforesaid restrictions shall not apply to any bank financing or refinancing proposed to be undertaken by any of the Project SPVs and any pledge of the equity shares held by the Selling Unitholders in the Project SPV in relation to such bank financing or refinancing taken by the Project SPVs, provided that the overall bank debt of such Project SPV shall not be increased and that the Selling Unitholders ensure the release of such pledge for the transfer of such equity shares to the Trust pursuant to the relevant Share Purchase Agreement.

Lock-up on the Sponsor and other Selling Unitholders (Contractual)

The Sponsor and the other Selling Unitholders shall not, without the prior written consent of the GCRBLMs and the BRLM, during the periods (i) commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the date of filing the Draft Offer Document (which period shall be extendable by the mutual consent of the GCRBLMs and the BRLM, and the Selling Unitholders) and (ii) commencing from the date of listing of the Units and ending 180 calendar days thereafter, directly or indirectly undertake any offering of debt, equity, infrastructure investment trust units, real estate investment trust units (other than the Units), business trust units or any hybrid securities, in India or overseas, other than pursuant to the Issue, provided, however, that the foregoing restrictions shall not apply to any debt financing availed from banks and/or financial institutions and any offer of debt securities on a private placement basis. None of the Trust, the Investment Manager, the Sponsor, the Selling Unitholders or any of their respective Associates (excluding the Trustee and its Associates) shall set up any infrastructure investment trust, business trust or real estate investment trust in India or in any other jurisdiction subsequent to the filing of the Draft Offer Document by the Trust and until a period of 365 calendar days from the date of listing of the Units.

RELATED PARTY TRANSACTIONS

In accordance with the InvIT Regulations, 'related parties' shall mean 'related parties' as defined under the Companies Act or under applicable accounting standards, and shall also include (i) the Sponsor; (ii) the Investment Manager; (iii) the Project Manager; (iv) the Trustee; (v) any promoter, director or partner of the Sponsor, the Investment Manager, the Trustee or the Project Manager. Further, any transaction between the Trust and one or more infrastructure investment trusts having a common investment manager or sponsor, or a transaction where the Investment Manager or the Sponsor is an Associate of the investment manager or sponsor of the other infrastructure investment trust(s), shall be deemed to be related party transactions for such parties.

A. Procedure for Dealing with Related Party Transactions

General Requirements

In accordance with relevant provisions of the InvIT Regulations, all related party transactions shall be on an arms-length basis, in compliance with applicable accounting standards and any other guidelines issued by the SEBI from time to time. Such related party transactions shall be in the best interest of the Unitholders, and must be consistent with the strategy and investment objectives of the Trust.

Approval of the Unitholders

In the case of related party transactions proposed to be entered into after the Issue, an approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the InvIT Regulations (where the votes cast in favour of a resolution shall be more than the votes cast against such resolution), prior to entering into any such subsequent transaction if:

a) the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets, whether directly or through a holding company or through an SPV, or investments into securities exceeds 5% of the value of the Trust Assets; or

b) the value of the funds borrowed from related parties, in a financial year, exceeds five per cent. of the total consolidated borrowings of the Trust, the holding company and the SPVs.

It is clarified that voting by any person who is a related party with respect to any transaction, as well as the voting by the Associates of such person, shall not be considered on the specific issue.

Role of the Investment Manager

The Investment Manager is responsible for formulating and maintaining all such internal processes and relevant controls with respect to related party transactions, so as to ensure compliance with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with any additional guidelines issued by the SEBI in the future.

Disclosure and Reporting

The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, including the status of compliance with the requirements specified under the InvIT Regulations in relation to related party transactions, within 30 days of the end of each quarter.

All related party transactions of the Trust shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreement to be entered into with the Stock Exchanges in relation to the listing of the Units. The Investment Manager shall adequately disclose the details of any fees or commissions received or to be received by such related parties to the Stock Exchanges.

Further, in accordance with the InvIT Regulations, the Investment Manager shall submit an annual report to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the financial year, which shall contain, *inter alia*, details of all related party transactions, including acquisitions

or disposal of any projects, directly or through SPVs during the year, the value of which exceeded 5% of value of the Trust Assets.

B. Details of Related Party Transactions Undertaken Prior to the filing of this Final Offer Document

The Trust has entered into the following related party transactions prior to the filing of the Offer Document:

Sr. No.	Name of the Related Party	Nature of Relationship with the Trust	Nature of Transaction
1.	IRB Infrastructure Developers Limited	Sponsor	The Trust was settled with an initial settlement amount of Rs. 10,000 by the Sponsor.
2.	IRB Infrastructure Private Limited	Investment Manager	The Trustee (acting on behalf of the Trust) has entered into the Investment Management Agreement dated March 3, 2016, with the Investment Manager for managing and administering the Trust, in accordance with the InvIT Regulations. Further, going forth, the Investment Manager will be paid fees by the Trustee (on behalf of the Trust) with respect to the services provided by the Investment Manager, in accordance with the Investment Management Agreement. For details, see "*Background and Structure of the Trust*" and "*The Investment Manager*" on page 116 and page 272, respectively.
3.	Modern Road Makers Private Limited	Project Manager	The Trustee (acting on behalf of the Trust) has entered into the Project Implementation Agreements with the Project Manager, with respect to each of the Project SPVs, which set out the obligations of the Project Manager with respect to the execution of each of the projects, in accordance with the InvIT Regulations. Further, going forth, the Project Manager will be paid fees by the respective Project SPVs, with respect to the operation and maintenance services provided, in accordance with the Project Implementation Agreements. For details, see "*Background and Structure of the Trust*" and "*The Project Manager*" and on page 116 and page 281, respectively.
4.	Ideal Road Builders Private Limited	Associate of the Sponsor (wholly-owned subsidiary of the Sponsor)	Each of the Project SPVs, along with the Investment Manager and the Project Manager, have currently entered into a leave and license agreement dated May 30, 2015, to use and occupy, on a leave and license basis, the commercial premises owned by Ideal Road Builders Private Limited, as their registered office, for a period of 60 months commencing with effect from June 1, 2015.
5.	IRB Infrastructure Developers Limited	Sponsor	Pursuant to separate trademark and tradename license, the Sponsor has granted to the Trust, each of the Project SPVs, the Investment Manager and the Project Manager, the non-transferable and non-assignable right to use the "IRB" trademark as part of their respective corporate names, if applicable, as well as the "IRB" logo in connection with their respective businesses, on a non-exclusive basis
6.	IRB Infrastructure Developers Limited	Sponsor	In consideration of the Trust agreeing to purchase the Sponsor's shares in the Project SPVs pursuant to the Formation Transactions, the Sponsor, the Investment Manager and the Trustee (on behalf of the Trust) have entered into the (i) Deed of Right of First Offer and Right of First Refusal, and (ii) Future Assets Agreement, which enables the Trust to have the right to access the existing and future assets which are

Sr. No.	Name of the Related Party	Nature of Relationship with the Trust	Nature of Transaction
			developed or acquired by the Sponsor's existing or future subsidiaries after the Issue.
7.	Modern Road Makers Private Limited	Project Manager	In connection with its obligations with respect to the operation and maintenance services proposed to be provided under the Project Implementation Agreements for the Project SPVs, the Project Manager has deposited an amount of Rs. 370.00 million, in aggregate, with three of the Project SPVs, namely IJDTPL, ITATPL and ITCTPL, as a performance deposit. The performance deposit shall be held and maintained by the aforesaid Project SPVs for a period of twelve months from the receipt thereof. Such amount may, subject to compliance with the provisions of the InvIT Regulations, be varied, by the mutual consent of the parties to the Project Implementation Agreements from time to time in accordance with the InvIT Regulations.
8.	IRB Infrastructure Developers Limited (and its nominee shareholders) and Modern Road Makers Private Limited	Sponsor and Project Manager	Pursuant to the Formation Transaction, the Trust has acquired 100% of the equity shares in each of IDAAIPL, IJDTPL, ISDTPL, ITATPL, ITCTPL and MITPL. As consideration for the acquisition of the equity shares of the Project SPVs, the Investment Manager (on behalf of the Trust) issued 115,290,664 Units, in aggregate, to the sellers of each Project SPV (comprising the Sponsor and its subsidiaries that owned the Project SPVs) on May 9, 2017, out of which 28,210,664 Units comprise the Offer for Sale in the Issue. The share purchase agreements for each Project SPV were executed on May 9, 2017. The purchase price for the equity shares of each Project SPV was mutually agreed between the Investment Manager (in consultation with the Trustee) and the respective Selling Unitholders on the date of the acquisition of such equity shares, which was after the Bid/Issue Closing Date. The total purchase price for each Project SPV was not higher than the value of each Project SPV as set forth in the Valuation Report, and as adjusted for the actual outstanding debt of each Project SPV as on the Acquisition Date. For details of the number of Units issued to each Selling Unitholder pursuant to the Share Purchase Agreements, see "*Background and Structure of the Trust - Issuance of Units Pursuant to the Formation Transactions*" on page 129. For details of the number of Units offered by the Selling Unitholders in the Offer for Sale, see "*Background and Structure of the Trust - Unit Holding Structure of the Trust*" on page 227, and "*The Issue*" on page 70.

For details of the related party transactions entered into by the Project SPVs during the preceding three fiscal years and the nine-month period ended December 31, 2016, as per the requirements under Ind-AS 24 '*Related Party Disclosures*' and the relevant guidance note issued by the ICAI and as reported in the Combined Financial Statements, please refer to the "*Financial Statements*" on page 289.

C. Details of Related Party Transactions Proposed to be Undertaken

Transactions in Connection with the Issue

Almost all of the Net Proceeds of the Issue are proposed to be utilized towards (a) the repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders; (b) the prepayment, in full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager; and (c) the prepayment, in full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager and certain members of the Sponsor group. While the Debt Documentation in relation to the aforesaid investments has been entered into as on the date of this Final Offer Document, the disbursement pursuant to such Debt Documentation will be after the receipt of the Net Proceeds.

Other Related Party Transactions

In order to conduct its business, the Trust may enter into transactions with related parties in the future, which will be carried out in compliance with the aforesaid procedure for dealing with related party transactions, applicable accounting standards and the provisions of the InvIT Regulations.

A summary of the proposed transaction is provided below:

Sr. No.	Name of the Related Party	Nature of Relationship with the Trust	Nature of Transaction
1.	IRB Infrastructure Developers Limited	Sponsor	In connection with the establishment and registration of the Trust, the Sponsor has incurred Rs. 1.10 million in expenses. The Trust shall reimburse the Sponsor the aforesaid set-up costs incurred in relation to the establishment and registration of the Trust from the Net Proceeds.

Further, as consideration for the services of each of the Trustee, the Investment Manager and the Project Manager, the Trust will be required to pay each of the Trustee, the Investment Manager and the Project Manager, such fees and expenses as agreed in their respective engagement letters. For additional details in relation to the fees and expenses charged or chargeable to the Trust by each of the Trustee, the Investment Manager and the Project Manager, see "*Background and Structure of the Trust – Fees and Expenses*" on page 136.

D. Potential Conflicts of Interest

We may be subject to potential conflicts of interest arising out of our relationship with our Sponsor and its respective Associates, including the Sponsor group, and we will enter into transactions with related parties in the future. Details in relation to our policies for dealing with related party transactions are provided herein above. Further, in accordance with the InvIT Regulations, not less than half the directors of the Investment Manager are independent, and are not directors or members of the governing board of another infrastructure investment trust.

We cannot assure you that our policies will succeed in eliminating the influence of any potential conflicts of interest. If they are not successful, decisions could be made that might fail to reflect fully the interests of all Unitholders. For additional details of the risks involved in transactions that involve potential conflicts of interest, see "*Risk Factors – We will enter into related-party transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties*" on page 41.

While the Sponsor operates various road infrastructure projects and accordingly, has interests in road infrastructure assets apart from those of the Project SPVs, none of these other road infrastructure assets compete or are likely to compete, directly or indirectly, with the activities of the Trust. The Sponsor confirms that it shall perform its duty in relation to the Trust independent of its related business.

Further, in order to enable the Trust to have the right to access the future and existing assets which are developed or acquired by the Sponsor Group Entity (as defined below) and acquire a controlling interest (i.e. more than 50% of the equity shares) in such future and existing assets, after the InvIT Listing (as defined below), the Sponsor has entered into the ROFO/ROFR Deed and the Future Assets Agreement with the Trust (acting through the Trustee and the Investment Manager) on May 9, 2017.

Future Assets Agreement

In order to enable the Trust to have the right to access assets in the future, which are developed or acquired by the Sponsor Group Entity, after the Listing, the Sponsor and the Trust (acting through the Trustee and the Investment Manager and hereinafter referred to as the "**Investor**") have entered into the Future Assets Agreement.

Certain relevant definitions in the Future Assets Agreement:

"**Acquisition Date**" means the date on which a Sponsor Group Entity (i) executes a valid and binding concession agreement for a toll road project in India with any Authority or (ii) completes the acquisition of equity shares in a Recently Operational Asset and becomes the holder of such equity shares.

"**Authority**" means the NHAI and any other relevant concession authority granting the concession to the relevant Recently Operational Asset.

"**Commercial Operation Date**" means the date on which the right to demand and collect toll at the maximum permissible rates applicable at that time from users of the underlying road asset or receive annuity from any Authority commences in accordance with the terms of the relevant concession agreement. In the case of projects involving upgrading from two lanes to four lanes, from four lanes to six lanes and from two lanes to six lanes, the Commercial Operation Date shall be the date specified as such in the relevant concession agreement.

"**Existing Sponsor SPVs**" means any of the companies specified in Schedule I of the Future Assets Agreement in which the Sponsor owns equity shares as of the date of the Future Assets Agreement.

"**Force Majeure Event**" shall have the meaning given to such term in the relevant concession agreement, for the relevant Recently Operational Asset, and where such term is not defined in the relevant concession agreement, it shall mean the occurrence of any event, which prevents the relevant Recently Operational Asset claiming force majeure from performing its obligations and enforcing its rights under the relevant concession agreement and which act or event is (i) beyond the reasonable control and not arising out of the fault of the relevant Recently Operational Asset, (ii) the relevant Recently Operational Asset has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care, including through expenditure of reasonable sums of money and (iii) has a material adverse effect on the relevant Recently Operational Asset, including but not limited to collecting toll at the applicable rates in accordance with the relevant concession agreement.

"**Independent Directors**" shall mean the independent directors on the board of directors of the Investment Manager, as such term is defined in the Companies Act, 2013.

"**InvIT Listing**" means the listing and admission to trading of the units of the InvIT on the BSE and the NSE.

"**InvIT Listing Date**" means the date of the InvIT Listing;

"**Material Defect**" in relation to a Recently Operational Asset, means material disputes, litigation or arbitration proceedings, pending approvals, each of which, in the opinion of the Investment Manager is reasonably likely to result in a material adverse impact on the business and results of operations of such entity or asset.

"**Mature Asset**" means any entity, excluding the Project SPVs, (i) which is a Qualifying SPV on the date of the proposed acquisition or disposal by the Sponsor Group Entity; (ii) in which the Sponsor Group Entity already holds equity shares as at the Closing Date or proposes to acquire equity shares after the Closing Date; and (iii) where the Investor is not restricted, pursuant to any Minimum Shareholding Requirement, from acquiring more than 50% of the equity shares or interest and control of such entity.

"**Minimum Shareholding Requirement**" means a requirement, if any, under any Law, regulation, contract or agreement, including the concession agreement with any Authority, applicable policy, rules or regulations issued by any Authority, agreement with other shareholders or lenders of the Recently Operational Asset who are not related, directly or indirectly, to the Sponsor, which stipulates that a Sponsor Group Entity shall hold a certain minimum percentage of the equity shares of a Recently Operational Asset at the relevant time.

"**Related Party**" shall have the meaning given to such term under Section 2(76) of the Companies Act, 2013 and under the relevant accounting standards and the InvIT Regulations;

Scope and Applicability

The Future Assets Agreement is applicable only with respect to (a) each of the Existing Sponsor SPVs and (b) any entity set up or acquired by the Sponsor after Closing:

(i) which is or will be engaged solely and exclusively in the business of operating and managing toll roads and highways located in India;

(ii) which is or will be the concessionaire of a toll road which is or will be developed or operated by a Sponsor Group Entity or in which a Sponsor Group Entity currently holds equity shares enabling it to exercise Control or has acquired equity shares after the InvIT Listing Date that enable it to exercise control; and

(iii) where the underlying toll road asset has completed less than 12 months from its Commercial Operation Date or is not a Stabilized Revenue Asset as on the Acquisition Date,

(each, a "**Recently Operational Asset**").

The Future Assets Agreement is not applicable to the (i) Project SPVs and (ii) Mature Assets, and the acquisition of equity shares in a Mature Asset is subject to the provisions of the ROFO/ROFR Deed.

Threshold SPV

Upon an entity held by the Sponsor becoming a Recently Operational Asset or the acquisition of equity shares by the Sponsor Group Entity in a Recently Operational Asset, the Sponsor is required to notify the Investor in writing of such execution of the concession agreement or acquisition, as the case may be, within five days of the Acquisition Date. Such notice is also required to specify the Commercial Operation Date, if applicable, of such Recently Operational Asset and the location of the toll road asset of which the Recently Operational Asset is the concessionaire. Upon completion of 366 days from the Commercial Operation Date of a Recently Operational Asset, such Recently Operational Asset will automatically, without any further action, become a "**Threshold SPV**", provided that any period for which a Material Defect or a Force Majeure Event in respect of such Recently Operational Asset subsists shall not be considered for the computation of the 366-day period.

Upon a Recently Operational Asset becoming a Threshold SPV, the Sponsor is required to notify the Investor in writing of such event within five days thereof and such notice is also required to specify that each of the following conditions has been satisfied:

(i) the Sponsor Group Entity owns more than 50.0% of equity shares or interest and control in such Threshold SPV;

(ii) the Sponsor Group Entity is not restricted, pursuant to any Minimum Shareholding Requirement, from transferring more than 50.0% of the equity shares or interest and control of such Threshold SPV to the Investor; and

(iii) the road asset of which the Recently Operational Asset is the concessionaire is free from any Material Defects.

provided that if any of these conditions have not been satisfied on the date of the Recently Operational Asset becoming a Threshold SPV, then the Sponsor is required to notify the Investor upon the satisfaction of all conditions (such date of notice, the "**Threshold SPV Notice Date**").

Sale of equity shares in a Threshold SPV

Invitation by the Sponsor to the Investor to make an offer

At any time within a period of 36 months from the Threshold SPV Notice Date, which 36-month period shall be automatically extended upon written notice from either the Sponsor or the Investor to take into account adverse, uncertain or illiquid market conditions, and which may be further extended by 12 months only upon mutual agreement in writing, (such period, including any extensions thereof, the "**Threshold SPV Share Sale Offer Period**"), the Sponsor is required to make an irrevocable invitation to offer to the Investor for the acquisition of

all (but not less than all) of the equity shares held by a Sponsor Group Entity in the relevant Threshold SPV, by a notice to the Investor in writing giving details of the number of Threshold SPV equity shares proposed to be sold by the Sponsor Group Entity and the percentage such number of equity shares constitutes of the total issued equity share capital of the relevant Threshold SPV (the "**Threshold SPV Offer Shares**"). The rationale of the Threshold SPV Share Sale Offer Period was to ensure that residual construction risks and the traffic ramp-up risk associated with a Recently Operational Asset are addressed prior to any acquisition of such Recently Operational Asset by the Trust.

The obligation of the Sponsor to make an invitation to offer to the Investor as described above is subject to the right of the Sponsor to hold such minimum equity shareholding required to be maintained by the Sponsor pursuant to any Minimum Shareholding Requirement.

In the event the Sponsor does not make an invitation to offer to the Investor at any time during the Threshold SPV Share Sale Offer Period, then upon the expiry of such Threshold SPV Share Sale Offer Period, without any further action by any person, the terms of the Future Assets Agreement shall automatically be triggered whereby the Sponsor will be required to make an invitation to offer to the Investor within five days of the expiry of the Threshold SPV Share Sale Offer Period (the date of invitation to offer by the Sponsor, the "**Post-Threshold SPV Share Sale Offer Period Invitation Date**").

Offer by the Investor subject to valuation

In the event the Investor wishes to make an offer for all (and not less than all) of the Threshold SPV Offer Shares, subject to the agreement on valuation of the Threshold SPV Offer Shares, it shall notify the Sponsor Group Entity of such offer within 120 days of the date of the written notice from the Sponsor (such period, the "**Threshold SPV Offer Period**" and such offer from the Investor, the "**Threshold SPV Offer**").

The process to determine fair market value of the Threshold SPV Offer Shares shall be based on the average of the valuations provided by any two independent valuers (who shall be either independent merchant bankers registered with the SEBI or independent chartered accountants in practice with experience of at least ten years), one of whom shall be appointed by the Sponsor Group Entity and one of whom shall be appointed by the Investor at their respective cost within seven days of the Threshold SPV Offer.

Valuation by the two independent valuers

In the event the valuations provided by the independent valuers is beyond a +/- 5.0% range of the average of the two valuations provided by the independent valuers, then the Investor and the Sponsor Group Entity shall discuss in good faith in order to reach an agreement on the valuation for the Threshold SPV Offer Shares and such agreed price shall be the fair market value of the Threshold SPV Offer Shares. Upon such determination of the fair market value, the Investor may by written notice, within five days of such determination, notify the Sponsor Group Entity of its offer to acquire all (and not less than all) of the Threshold SPV Offer Shares.

In the event the valuations provided by the independent valuers is within a +/- 5.0% range of the average of the two valuations, then the Investor may, by a written notice within five days from the date of issue of the valuation reports by the independent valuers notify the Sponsor Group Entity of its offer to acquire all (and not less than all) of the Threshold SPV Offer Shares at a price which will be calculated as the average of the two valuations, which will then represent the "**Fair Market Value**".

In the event any of the independent valuers has provided a range of valuation, then the average of such range of valuation shall be considered as their valuation in order to make the determination of Fair Market Value as described above. The notice by the Investor to acquire the Threshold SPV Offer Shares pursuant to the determination of the Fair Market Value is referred to as the "**Threshold SPV Offer Notice**".

Offer by the Investor after valuation

In the event the Investor has issued a Threshold SPV Offer Notice, then the Sponsor Group Entity is required to consummate the sale of such Threshold SPV Offer Shares at the Fair Market Value within 60 days (or such other period as may be mutually agreed by the Investor and the Sponsor Group Entity) from the date of the Threshold SPV Offer Notice by the Investor.

Notwithstanding the valuation by the independent valuers or the Fair Market Value as determined in accordance with the valuation process described above, the Sponsor Group Entity is not required to make any payment to the Investor in connection with any sale of the Threshold SPV Offer Shares due to such valuation and if the Sponsor

Group Entity is required to make any such payments to the Investor, then, subject to applicable law, the amounts required to be paid shall be waived by the Investor and shall be deemed to be nil.

Absence of offer by the Investor

In the event the Investor (a) does not make an offer to acquire the Threshold SPV Offer Shares or (b) notifies the Sponsor of its intent not to purchase the Threshold SPV Offer Shares within the Threshold SPV Offer Period or (c) fails to reach an agreement with the Sponsor Group Entity on the valuation of the Threshold SPV Offer Shares, then the Independent Directors of the Investment Manager shall unanimously determine whether the relevant Threshold SPV is in competition with or conflicts with any of the road assets owned by the Investor as on the date of such determination. The Independent Directors of the Investment Manager shall make such determination after taking into account relevant factors including (but not limited to):

(i) the definition of "competing road" under the relevant concession agreement for the Threshold SPV;

(ii) the proximity of the road asset owned by the Threshold SPV to any existing toll road asset owned by the Investor on the date of such determination; and

(iii) material adverse impact on the revenue of any of the road assets owned by the Investor as on the date of such determination.

If so requested by the Sponsor in writing, the Independent Directors of the Investment Manager will also seek and consider advice from an independent industry expert in order to make such determination, provided however, that the advice from the independent industry expert shall not be binding on the Independent Directors in making their unanimous determination.

Threshold SPV is not a competing asset

If all the Independent Directors of the Investment Manager unanimously determine, after making all reasonable enquiries and to the best of their knowledge and belief, that the relevant Threshold SPV is not in competition with and does not conflict with any of the road assets owned by the Investor as on the date of such determination, then the Sponsor Group Entity may retain its equity shareholding in such Threshold SPV. However, in the event that the Sponsor Group Entity desires to sell all or any portion of the equity shares held by it in such Threshold SPV to a third person at a future date, such sale shall be subject to and in accordance with the procedures set out in the ROFO/ROFR Deed.

Threshold SPV is a competing asset

If the Independent Directors of the Investment Manager are not able to unanimously determine, after making all reasonable enquiries and to the best of their knowledge and belief, that the relevant Threshold SPV is not in competition with and does not conflict with any of the road assets owned by the Investor as on the date of such determination, then the Sponsor shall make an offer to sell all (but not less than all) of the Threshold SPV Offer Shares, subject to the Sponsor's right to own up to the Minimum Shareholding Requirement, to any person, which is not a Related Corporation of the Sponsor Group Entity, at a price per Threshold SPV Offer Share and on terms specified by the Sponsor Group Entity (the "**Competing Threshold SPV Share Sale Price and Terms**") after the Sponsor Group Entity has delivered a notice to the Investor of its intent to sell the Threshold SPV Offer Shares to such person (the "**Competing Threshold SPV Share Sale Notice**") at the Competing Threshold SPV Share Sale Price and Terms within 120 days from the date of such determination of the Independent Directors of the Investment Manager and offering to sell all (but not less than all) the Threshold SPV Offer Shares to the Investor on such terms.

If the Investor does not respond to the offer to acquire or notifies the Sponsor Group Entity of its intent not to acquire the Threshold SPV Offer Shares at the Competing Threshold SPV Share Sale Price and Terms within 35 days of the Competing Threshold SPV Share Sale Notice (the "**Competing Threshold SPV Share Sale Non-Acceptance Date**"), then the Sponsor Group Entity shall consummate the sale of all (but not less than all) of such Threshold SPV Offer Shares to such other person, which is not a Related Corporation of the Sponsor Group Entity, at a price equal to or higher than, and in terms no more favourable than, the Competing Threshold SPV Share Sale Price and Terms within 90 days of the Competing Threshold SPV Share Sale Non-Acceptance Date.

If the Investor notifies the Sponsor Group Entity of its intent to accept the Competing Threshold SPV Share Sale Price and Terms and acquire all (but not less than all) of the Threshold SPV Offer Shares in accordance with the Competing Threshold SPV Share Sale Price and Terms within 35 days from receipt by the Investor of the

Competing Threshold SPV Share Sale Notice from the Sponsor Group Entity (the "**Competing Threshold SPV Share Sale Acceptance Notice**"), the sale of such Threshold SPV Offer Shares to the Investor shall be completed in accordance with the Competing Threshold SPV Share Sale Price and Terms within 90 days of the Competing Threshold SPV Share Sale Acceptance Notice.

Investor's right to make an offer at any time during the Threshold SPV Share Sale Offer Period

At any time during the Threshold SPV Share Sale Offer Period, the Investor shall have the right (but not the obligation) to express an interest in acquiring the equity shares of any Threshold SPV by a notice to the Sponsor in writing (the "**Threshold SPV (Investor) Offer Notice**") mentioning the number of Threshold SPV equity shares proposed to be acquired by the Investor (such equity shares, the "**Threshold SPV (Investor) Offer Shares**"), subject to the agreement on valuation of the Threshold SPV (Investor) Offer Shares. Within 30 days of the Threshold SPV (Investor) Offer Notice, the Sponsor Group Entity shall have the right (but not the obligation) to accept such expression of interest and by a notice in writing to the Investor agree to sell the Threshold SPV (Investor) Offer Shares to the Investor, subject to the agreement on valuation of the Threshold SPV (Investor) Offer Shares. Upon receipt of such written notice by the Investor from the Sponsor Group Entity, the procedure as applicable to the sale of the Threshold SPV (Investor) Offer Shares as described under the sections titled "*Valuation by the two independent valuers*", "*Offer by the Investor after valuation*" and "*Absence of offer by the Investor*" on pages 244, 244 and 245, respectively, shall become applicable.

In the event that (a) the Sponsor does not agree to sell the Threshold SPV (Investor) Offer Shares or (b) the Sponsor notifies the Investor of its intent not to sell the Threshold SPV (Investor) Offer Shares, then the obligation of the Sponsor to make an invitation to offer to the Investor during the Threshold SPV Share Sale Offer Period or at any time on or prior to the Post-Threshold SPV Share Sale Offer Period Invitation Date, as the case may be, will continue to remain applicable.

Investor's failure to perform contractual obligations

In the event the Investor notifies the Sponsor Group Entity of its intention to purchase all (but not less than all) of the Threshold SPV Offer Shares pursuant to (a) a Threshold SPV Offer Notice or (b) a Competing Threshold SPV Share Sale Acceptance Notice, but the Investor fails to complete its purchase of the Threshold SPV Offer Shares within the time period agreed between the Sponsor Group Entity and the Investor solely due to the Investor's failure (but not the Sponsor Group Entity's default or failure) to perform its contractual obligations in respect of such purchase, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) of the Threshold SPV Offer Shares to any other person, without any restriction as to price or terms at any time.

Notwithstanding anything contained in the Future Assets Agreement:

(a) the Sponsor Group Entity shall be entitled to acquire and retain its equity shareholding in a Threshold SPV in the event the Investor is unable, unwilling or incapable of acquiring equity shares in such Threshold SPV due to applicable laws or due to restrictions imposed pursuant to any contract or agreement;

(b) the provisions of the Future Assets Agreement shall not apply to any Threshold SPV Offer Shares, where the Sponsor Group Entity, after due and reasonable efforts, fails to obtain the requisite consent from the relevant third party shareholders who are not related, directly or indirectly, to the Sponsor or under any agreement with the lenders of the Threshold SPV, for the sale of such Threshold SPV Offer Shares to the Trust or its subsidiaries, if so required, under applicable law, binding contract or binding agreement; provided however that the provisions of the Future Assets Agreement shall continue to apply in the event the Sponsor Group Entity proposes to sell such Threshold SPV Offer Shares at a subsequent date during the Threshold SPV Share Sale Offer Period or at any time on or prior to the Post-Threshold SPV Share Sale Offer Period Invitation Date, as the case may be; and

(c) the provisions of the Future Assets Agreement shall not apply in the event any Authority or the lenders of the Threshold SPV substitute or replace the Threshold SPV as the concessionaire of the relevant road project pursuant to and in accordance with the terms of the concession agreement or loan agreement, as the case may be.

Any offer to sell the Threshold SPV Offer Shares is subject to the applicable laws and the terms of the relevant concession agreements. All time periods may be altered by mutual agreement in writing between the Investor and the Sponsor.

Termination of the Future Assets Agreement

The Future Assets Agreement may be terminated as follows:

(i) if the InvIT Listing has not occurred on or prior to an agreed upon date or any other date as may be mutually agreed between the Sponsor and the Investor in writing;

(ii) by mutual consent of the Sponsor and the Investor in writing;

(iii) the Investment Manager and/or any entity Controlled or designated by the Sponsor ceases to be the Investment Manager of the InvIT; or

(iv) if the InvIT ceases to be listed on the BSE, the NSE or any other recognized stock exchanges.

ROFO/ROFR Deed

In order to enable the Trust to have the right to access the future and existing assets which are developed or acquired by the Sponsor Group Entity (as defined below), the Sponsor and the Trust (acting through the Trustee and the Investment Manager and hereinafter referred to as the "**Investor**") have entered into the Deed of Right of First Offer and Right of First Refusal ("**ROFO/ROFR Deed**").

Certain relevant definitions in the ROFO/ROFR Deed:

"**Authority**" means the NHAI and any other relevant concession authority granting the concession to the relevant Qualifying SPV or Mature Asset, as the case may be.

"**Commercial Operation Date**" means the date on which the right to demand and collect toll at the maximum permissible rates applicable at that time from users of the underlying road asset or receive annuity from any Authority commences in accordance with the terms of the relevant concession agreement. In the case of projects involving upgrading from two lanes to four lanes, from four lanes to six lanes and from two lanes to six lanes, the Commercial Operation Date shall be the date specified as such in the relevant concession agreement.

"**Control**" includes (i) an interest, whether direct or indirect, to the extent of more than 50 per cent. of voting rights or interest; or (ii) the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. The terms "**Controlled by**" and "**Controlling**" shall be construed accordingly.

"**Existing Sponsor SPVs**" means any of the entities mentioned in the ROFO/ROFR Deed in which the Sponsor owns equity shares as of the date of the ROFO/ROFR Deed.

"**Future Assets Agreement**" means the agreement dated May 9, 2017, entered into between the Sponsor and the Investor.

"**Independent Directors**" shall mean the independent directors on the board of directors of the Investment Manager, as such term is defined in the Companies Act, 2013.

"**InvIT Listing**" means the listing and admission to trading of the units of the InvIT on the BSE and the NSE

"**Material Defect**" in relation to a Qualifying SPV or Mature Asset, as the case may be, means material disputes, litigation or arbitration proceedings, pending approvals, each of which, in the opinion of the Investment Manager, is reasonably likely to result in a material adverse impact on the business and results of operations of such entity or asset.

"**Mature Asset**" means any entity, excluding the Project SPVs, (i) which is a Qualifying SPV as on the date of the proposed acquisition or disposal by the Sponsor Group Entity; (ii) in which the Sponsor Group Entity already holds equity shares as at the Closing Date or proposes to acquire equity shares after the Closing Date; and (iii) where the Investor is not restricted, pursuant to any Minimum Shareholding Requirement, from acquiring more than 50% of the equity shares or interest and control of such entity.

"**Minimum Shareholding Requirement**" means a requirement, if any, under any Law, regulation, contract or agreement, including the concession agreement with any Authority, applicable policy, rules or regulations issued by any Authority, agreement with other shareholders or lenders of the Qualifying SPV or Mature Asset, as the case may be, who are not related, directly or indirectly, to the Sponsor, which stipulates that a Sponsor Group Entity shall hold a certain minimum percentage of the equity shares of such Qualifying SPV or Mature Asset, as the case may be, at the relevant time.

"**Pipeline ROFO/ROFR**" means a right of first offer and right of first refusal with regard to any sale of the equity shares of a Qualifying SPV or proposed acquisition of the equity shares of any Mature Asset or granted pursuant to and in accordance with the terms of the ROFO/ROFR Deed.

"**Qualifying SPV**" means an entity, excluding any Project SPV,

(a) which is engaged solely and exclusively in the business of operating and managing toll roads located in

India;

(b) which has completed at least 12 months from its Commercial Operation Date or which is a Stabilized Revenue Asset;

(c) which, as of the proposed date of completion of any acquisition/sale, has not less than three years remaining until the expiry of the concession period under its concession agreement with the relevant Authority; and

(d) where the toll road asset for which such entity is the concessionaire is free from any Material Defects;

"**Related Party**" shall have the meaning given to such term under Section 2(76) of the Companies Act, 2013 and under the relevant accounting standards and the InvIT Regulations.

"**Sponsor Group Entity**" means the Sponsor or any of the Sponsor's existing or future subsidiaries. For the avoidance of doubt, "**Sponsor Group Entity**" shall exclude each of the Investment Manager and its subsidiaries, subsidiary entities, trusts and undertakings.

"**Stabilized Revenue Asset**" means an entity,

(a) which has provisions in its concession agreement for the payment of certain fixed amounts by the relevant Authority (the "**Fixed Payments**");

(b) where the quantum of Fixed Payments payable to such entity is not less than 90% of the total revenue to be collected by such entity in any financial period; and

(c) Fixed Payments have actually been made, unconditionally and without any encumbrance by the concessioning authorities and received by such entity for at least one financial period.

Pipeline ROFO/ROFR

In the event that any Sponsor Group Entity desires to sell all or any portion of the equity shares of any Qualifying SPV held by it to any Person other than a Related Party (any such Person, a "**Relevant Third Party**") (whether this desire to sell is triggered by such Relevant Third Party's indication of its interest to acquire such equity shares, or any other circumstances, including arising from any discontinuation or expiry or waiver of any contractual or regulatory obligations to maintain certain level of shareholding in the Qualifying SPV by the Sponsor Group Entity), the Sponsor shall make an irrevocable invitation to offer for the acquisition of the

Qualifying SPV Pipeline Offer Shares (as defined below) to the Investor in writing by mentioning the number of Qualifying SPV equity shares held by the Sponsor Group Entity, and the Sponsor Group Entity's right or obligation, if any, to own up to the Minimum Shareholding Requirement and any other terms and conditions in connection therewith (the "**Qualifying SPV Pipeline Offer Shares**"), together with all material information, including financial information, contingent liabilities and litigation information. In the event the Investor is interested in the acquisition of the Qualifying SPV Pipeline Offer Shares, the Investor shall communicate such interest in writing within the period of 90 days from the date of the Sponsor Group Entity providing all material information, including financial information, contingent liabilities and litigation, in relation to the proposed transaction to the Investor in legible and understandable form (the "**Qualifying SPV Pipeline ROFO Offer Period**"). Within the period of 30 days from the expiry of the Qualifying SPV Pipeline ROFO Offer Period, the Investor may offer to acquire all (and not less than all) of the Qualifying SPV Pipeline Offer Shares at a price per Qualifying SPV Pipeline Offer Share and on terms specified by the Investor (the "**Qualifying SPV Pipeline ROFO Offer Price and Terms**") by delivering an offer letter (the "**Qualifying SPV Pipeline ROFO Offer Letter**") to the Sponsor Group Entity.

Proposed Sale by the Sponsor Group Entity

Acceptance of the Qualifying SPV Pipeline ROFO Offer Price and Terms by the Sponsor Group Entity

The Sponsor Group Entity may accept the price and terms contained in the Pipeline ROFO Offer Price and Terms, by delivering a notice of acceptance to the Investor within the period of 30 days (the "**Pipeline ROFO (Sponsor) Acceptance Period**") from the date of receipt of the Qualifying SPV Pipeline ROFO Offer Letter by the Sponsor Group Entity (the "**Pipeline ROFO (Sponsor) Acceptance Notice**").

If the Pipeline ROFO (Sponsor) Acceptance Notice is received by the Investor during the Pipeline ROFO (Sponsor) Acceptance Period, the sale of the Qualifying SPV Pipeline Offer Shares shall be completed on the Qualifying SPV Pipeline ROFO Offer Price and Terms within 60 days from receipt of the Qualifying SPV Pipeline ROFO (Sponsor) Acceptance Notice by the Investor.

Non-Acceptance of the Qualifying SPV Pipeline ROFO Offer Price and Terms by the Sponsor Group Entity

In the event that no Pipeline ROFO (Sponsor) Acceptance Notice from the Sponsor Group Entity is received by the Investor during the Pipeline ROFO (Sponsor) Acceptance Period, the Sponsor Group Entity shall be deemed to have not accepted the offer under the Qualifying SPV Pipeline ROFO Offer Letter.

In the event that the Sponsor Group Entity does not accept the Qualifying SPV Pipeline ROFO Offer Price and Terms, the Sponsor Group Entity shall deliver to the Investor before the expiry of or on the expiry of the Pipeline ROFO (Sponsor) Acceptance Period a notice ("**Pipeline ROFR (Sponsor) Notice**") setting out the price per Qualifying SPV Pipeline Offer Share and terms at which it intends to sell the Qualifying SPV Pipeline Offer Shares to any other Person which shall be higher than the price per Qualifying SPV Pipeline Offer Share contained in the Qualifying SPV Pipeline ROFO Offer Price and Terms and on terms which are not more favorable than those contained in the Qualifying SPV Pipeline ROFO Offer Price and Terms ("**Pipeline ROFR (Sponsor) Offer Price and Terms**") and offering to sell the Qualifying SPV Pipeline Offer Shares to the Investor on such terms.

Acceptance of the Pipeline ROFR (Sponsor) Offer Price and Terms by the Investor

If the Investor notifies the Sponsor Group Entity of its intent to accept the Pipeline ROFR (Sponsor) Offer Price and Terms and purchase all (but not less than all) of the Qualifying SPV Pipeline Offer Shares in accordance with the Pipeline ROFR (Sponsor) Offer Price and Terms within 35 days after receipt by the Investor of the Pipeline ROFR (Sponsor) Notice from the Sponsor Group Entity ("**Pipeline ROFR Acceptance Notice**"), the sale of such Qualifying SPV Pipeline Offer Shares to the Investor shall be completed in accordance with the Pipeline ROFR (Sponsor) Offer Price and Terms within 60 days of the Pipeline ROFR Acceptance Notice.

Non-Acceptance of the Pipeline ROFR (Sponsor) Offer Price and Terms by the Investor

The Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) of the Qualifying SPV Pipeline Offer Shares to any other Person at the Pipeline ROFR (Sponsor) Offer Price and Terms or at a price higher and terms which are not more favorable than those contained in the Pipeline (Sponsor) Offer Price and Terms after the Sponsor Group Entity has delivered the Pipeline ROFR (Sponsor) Notice to the Investor and the Investor (a) declines to purchase or (b) does not notify the Sponsor Group Entity of its intent to purchase, all (but not less than all) of the Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Sponsor) Offer Price and Terms within 35 days after receipt by the Investor of the Pipeline ROFR (Sponsor) Notice from the Sponsor Group Entity, whichever is earlier ("**Pipeline ROFR Non-Acceptance Date**").

The Sponsor Group Entity shall consummate the sale of such Qualifying SPV Pipeline Offer Shares to any other Person in accordance with the Pipeline ROFR (Sponsor) Offer Price and Terms within 90 days of the Pipeline ROFR Non-Acceptance Date. In the event that the Sponsor Group Entity does not consummate the sale of such Qualifying SPV Pipeline Offer Shares within the stipulated periods, the Sponsor Group Entity shall be required to follow the procedure set out in the ROFO/ROFR Deed if it desires to sell the Qualifying SPV Pipeline Offer Shares held by it in such Qualifying SPV.

Absence of Offer by the Investor

In the event that the Investor (a) does not offer to purchase the Qualifying SPV Pipeline Offer Shares or (b) notifies the Sponsor Group Entity of its intent not to purchase the Qualifying SPV Pipeline Offer Shares ("**Pipeline ROFO Non-Acceptance Notice**") within the Pipeline ROFO Offer Period, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) of the Qualifying SPV Pipeline Offer Shares to any Person at a price per Qualifying SPV Pipeline Offer Share and on terms specified by the Sponsor Group Entity ("**Proposed Pipeline (Sponsor) Price and Terms**") after the Sponsor Group Entity has delivered a notice to the Investor of its intent to sell the Qualifying SPV Pipeline Offer Shares to such Person ("**Proposed Pipeline (Sponsor) Notice**") at the Proposed Pipeline (Sponsor) Price and Terms within 35 days after the expiry of the Pipeline ROFO Offer Period or the Pipeline ROFO Non-Acceptance Notice, as the case may be, and the Investor does not notify the Sponsor Group Entity of its intent to purchase all of the Qualifying SPV Pipeline Offer Shares at the Proposed Pipeline (Sponsor) Price

and Terms within 35 days after receipt by the Investor of the Proposed Pipeline (Sponsor) Notice from the Sponsor Group Entity. If the Investor accepts the offer to purchase the Qualifying SPV Pipeline Offer Shares, the Sponsor Group Entity shall consummate such sale at the Proposed Pipeline (Sponsor) Price and Terms within 90 calendar days.

The Sponsor Group Entity shall consummate the sale of all (but not less than all) of such Qualifying SPV Pipeline Offer Shares at the Proposed Pipeline (Sponsor) Price and Terms within 140 days from the earlier of (a) the date of the receipt by the Sponsor Group Entity of a notice from the Investor declining to purchase all the Qualifying SPV Pipeline Offer Shares at the Proposed Pipeline (Sponsor) Price and Terms or (b) the expiry of 35 days from the delivery by the Sponsor Group Entity of the Proposed Pipeline (Sponsor) Notice. In the event that the Sponsor Group Entity does not consummate the sale of such Qualifying SPV Pipeline Offer Shares within the stipulated periods, the Sponsor Group Entity shall be required to follow the procedure set out in the ROFO/ROFR Deed if it desires to sell the Qualifying SPV Pipeline Offer Shares held by it in such Qualifying SPV at a later date.

Investor's failure to perform contractual obligations

In the event that the Sponsor Group Entity accepts the Qualifying SPV Pipeline ROFO Offer Price and Terms from the Investor or the Investor accepts the Pipeline ROFR (Sponsor) Offer Price and Terms, as the case may be, but the Investor fails to complete its purchase of the Qualifying SPV Pipeline Offer Shares within the time period agreed between the Sponsor Group Entity and the Investor solely due to the Investor's failure (but not the Sponsor Group Entity's default or failure) to perform its contractual obligations in respect of such purchase, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) of the Qualifying SPV Pipeline Offer Shares to any other Person, without any restriction as to price or terms at any time.

Proposed Acquisition by Sponsor Group Entity

Determination of Competing Asset

In the event any Sponsor Group Entity proposes to acquire from a Relevant Third Party, (a) equity shares constituting more than 50.0% of the total issued equity shares or interest and control of a Mature Asset or (b) such number of equity shares, the acquisition of which will increase such Sponsor Group Entity's equity shareholding or interest in the Mature Asset to more than 50.0% of the total issued equity shares of such Mature Asset, or acquiring control of such Mature Asset, then the Independent Directors of the Investment Manager shall unanimously determine whether the relevant Mature Asset is in competition with or conflicts with any of the road assets owned by the Investor as on the date of such determination, after taking into account relevant factors including (but not limited to):

(a) the definition of "competing road" under the relevant concession agreement for the Mature Asset;

(b) the proximity of the road asset owned by the Mature Asset to any existing toll road asset owned by the Investor on the date of such determination; and

(c) material adverse impact on the revenue of any toll road assets owned by the Investor as on the date of such determination.

If so requested by the Sponsor in writing, the Independent Directors of the Investment Manager will also seek and consider inputs from an independent industry expert in order to make a determination of whether a Mature Asset is a competing asset, provided however, that the inputs from the independent industry expert shall not be binding on the Independent Directors in their unanimous determination of whether a Mature Asset is a competing asset.

Mature Asset is not a competing asset

If all the Independent Directors of the Investment Manager unanimously determine, after making all reasonable enquiries and to the best of their knowledge and belief, that the relevant Mature Asset is not in competition with and does not conflict with any of the road assets owned by the Investor as on the date of such determination, then the Sponsor Group Entity may make an offer to the Relevant Third Party for the acquisition of the Qualifying SPV Pipeline Offer Shares and if the Sponsor Group Entity makes such an offer, the acquisition of such Qualifying SPV Pipeline Offer Shares shall be in accordance with the procedures set out in the ROFO/ROFR Deed.

Mature Asset is a competing asset

If the Independent Directors of the Investment Manager are not able to unanimously determine, after making all reasonable enquiries and to the best of their knowledge and belief, that the relevant Mature Asset is not in competition with the and does not conflict with the road assets owned by the Investor as on the date of such determination, then the Sponsor Group Entity shall not acquire such equity shares in the Mature Asset.

Non-Acceptance of the Qualifying SPV Pipeline ROFO Offer Price and Terms by Relevant Third Party

In the event the Investor makes an offer by delivering a Qualifying SPV Pipeline ROFO Offer Letter pursuant to the terms of the ROFO/ROFR Deed to any Relevant Third Party and the Relevant Third Party does not accept the Qualifying SPV Pipeline ROFO Offer Price and Terms proposed by the Investor within the period of 35 days (or such other period as may be mutually agreed by the Investor and the Sponsor Group Entity) from the date of its receipt of the Qualifying SPV Pipeline ROFO Offer Letter ("**Pipeline ROFO (Third Party) Acceptance Period**"), then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to acquire all (but not less than all) of the Qualifying SPV Pipeline Offer Shares at a price per Qualifying SPV Pipeline Offer Share which is not less than and on terms which are not more favorable than those contained in the Qualifying SPV Pipeline ROFO Offer Price and Terms ("**Pipeline ROFR (Third Party) Offer Price and Terms**") after the Sponsor Group Entity has delivered a notice to the Investor of its intent to purchase all (but not less than all) the Qualifying SPV Pipeline Offer Shares from that Relevant Third Party ("**Pipeline ROFR (Third Party) Notice**") at the Pipeline ROFR (Third Party) Offer Price and Terms within 35 days after the expiration of the Pipeline ROFO (Third Party) Acceptance Period and the Investor (a) declines to purchase or (b) fails to notify the Sponsor Group Entity of its intent to acquire all of the Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Third Party) Offer Price and Terms within 35 days after receipt by the Investor of the Pipeline ROFR (Third Party) Notice from the Sponsor Group Entity.

If the Sponsor Group Entity wishes to proceed with the acquisition, it shall consummate the acquisition of all (but not less than all) of such Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Third Party) Offer Price and Terms within 140 days from the earlier of (a) the date of the receipt by the Sponsor Group Entity of a notice from the Investor declining to purchase all the Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Third Party) Offer Price and Terms or (b) the expiry of 35 days from the delivery by the Sponsor Group Entity of the Pipeline ROFR (Third Party) Notice. In the event that the Sponsor Group Entity does not consummate the acquisition of such Qualifying SPV Pipeline Offer Shares within the stipulated periods, the Sponsor Group Entity shall be required to follow the procedure set out in the ROFO/ROFR Deed if it desires to acquire the Qualifying SPV Pipeline Offer Shares of such Mature Asset at a later date.

Absence of Offer by the Investor

In the event that the Investor (a) does not offer to purchase the Qualifying SPV Pipeline Offer Shares or (b) notifies the Sponsor Group Entity of its intent not to purchase the Qualifying SPV Pipeline Offer Shares (the "**Pipeline ROFO Non-Acceptance Notice**") within the Qualifying SPV Pipeline ROFO Offer Period, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) of the Qualifying SPV Pipeline Offer Shares to any Person at a price per Qualifying SPV Pipeline Offer Share and on terms specified by the Sponsor Group Entity (the "**Proposed Pipeline (Sponsor) Price and Terms**") after the Sponsor Group Entity has delivered a notice to the Investor of its intent to sell the Qualifying SPV Pipeline Offer Shares to such Person (the "**Proposed Pipeline (Sponsor) Notice**") at the Proposed Pipeline (Sponsor) Price and Terms within 35 days after the expiry of the Qualifying SPV Pipeline ROFO Offer Period or the Pipeline ROFO Non-Acceptance Notice, as the case may be, and making an offer to the Investor to acquire the Qualifying SPV Pipeline Offer Shares on such terms. The Investor shall be entitled to notify the Sponsor Group Entity of its intent to purchase all of the Qualifying SPV Pipeline Offer Shares at the Proposed Pipeline (Sponsor) Price and Terms within 35 days after receipt by the Investor of the Proposed Pipeline (Sponsor) Notice from the Sponsor Group Entity. If the Investor accepts the offer to purchase the Qualifying SPV Pipeline Offer Shares, the Sponsor Group Entity shall consummate such sale at the Proposed Pipeline (Sponsor) Price and Terms within 90 calendar days.

The Sponsor Group Entity shall consummate the sale of all (but not less than all) of such Qualifying SPV Pipeline Offer Shares to the Person referred to in the Proposed Pipeline (Sponsor) Notice at the Proposed Pipeline (Sponsor) Price and Terms within 90 days from the earlier of (a) the date of the receipt of the Pipeline ROFO Non-Acceptance Notice by the Sponsor Group Entity or (b) the expiry of 35 days from the delivery by the Sponsor Group Entity of the Proposed Pipeline (Sponsor) Notice. In the event that the Sponsor Group Entity does not

consummate the acquisition of such Qualifying SPV Pipeline Offer Shares within the stipulated periods, the Sponsor Group Entity shall be required to follow the procedure set out in the ROFO/ROFR Deed if it desires to acquire the Qualifying SPV Pipeline Offer Shares of such Mature Asset at a later date.

Acquisition by the Sponsor Group Entity

In the event the Sponsor Group Entity acquires the Qualifying SPV Pipeline Offer Shares of the Mature Asset in accordance with the terms of the ROFO/ROFR Deed, the Sponsor Group Entity shall be required to follow the procedure set out in the ROFO/ROFR Deed when it proposes to sell the Qualifying SPV Pipeline Offer Shares of such Mature Asset.

Acquisition by the Investor

In the event the Investor notifies the Sponsor Group Entity of its intention to purchase the Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Third Party) Offer Price and Terms or the Proposed Pipeline (Third Party) Offer Price and Terms pursuant to the provisions of the ROFO/ROFR Deed within 35 days after receipt by the Investor of the Pipeline ROFR (Third Party) Notice or the Proposed Pipeline (Third Party) Notice, as the case may be, (such notice by the Investor, the "**Last Look Acceptance Notice**"), then the Investor shall purchase such Qualifying SPV Pipeline Offer Shares at the Pipeline ROFR (Third Party) Offer Price and Terms or the Proposed Pipeline (Third Party) Offer Price and Terms, as the case may be.

Investor's failure to perform contractual obligations

In the event that the Relevant Third Party accepts the Qualifying SPV Pipeline ROFO Offer Price and Terms from the Investor, but the Investor fails to complete its purchase of the Qualifying SPV Pipeline Offer Shares within the time period agreed between such third party and the Investor solely due to the Investor's failure to perform its contractual obligations in respect of such acquisition, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to acquire all (but not less than all) of the Qualifying SPV Pipeline Offer Shares, without any restriction as to price or terms at any time.

Sponsor Group Entity's Obligation to sell equity shares of a Mature Asset

In the case of a Mature Asset which has been determined to be a non-competing asset by the Independent Directors of the Investment Manager pursuant to and in accordance with the terms of the ROFO/ROFR Deed, and in which such Mature Asset the Investor acquires the Qualifying SPV Pipeline Offer Shares (whether by delivering a Qualifying SPV Pipeline ROFO Offer Letter or by delivering the Last Look Acceptance Notice in accordance with the terms of the ROFO/ROFR Deed) where the acquisition of such equity shares or interest by the Sponsor Group Entity would have resulted in an increase in the Sponsor Group's equity shareholding in such Mature Asset to more than 50.0% of the total issued equity shares of the Mature Asset and the Sponsor Group Entity acquiring control over such Mature Asset, the Sponsor Group Entity shall sell all (but not less than all) of the equity shares held by it in such Mature Asset, subject to any Minimum Shareholding Requirement, to the Investor at a price and on terms to be mutually agreed between the Sponsor and the Investor at the relevant time.

Notwithstanding anything contained in the ROFO/ROFR Deed:

(i) the Sponsor Group Entity shall be entitled to retain the minimum equity shareholding required to be maintained by the Sponsor Group Entity under applicable Law, regulation, contract or agreement) of the total issued Qualifying SPV equity shares which are held by the Sponsor Group Entity as of the date of the ROFO/ROFR Deed and the equity shares of such Qualifying SPV shall not be subject to the Pipeline ROFO/ROFR;

(ii) the Pipeline ROFO/ROFR shall not apply to any disposal or acquisition of Qualifying SPV Pipeline Offer Shares, where the Sponsor, after due and reasonable efforts, fails to obtain the requisite consent from the relevant third party shareholders who are not related, directly or indirectly, to the Sponsor or under any agreement with the lenders of the Qualifying SPV or Mature Asset, as the case may be, for the sale or acquisition of such Qualifying SPV Pipeline Offer Shares by the Trust or its subsidiaries, if so required, under applicable law, binding contract or binding agreement;

(iii) the Pipeline ROFO/ROFR shall not apply in the event any Authority or the lenders of the Qualifying SPV substitute or replace the Qualifying SPV as the concessionaire of the relevant road project pursuant to and in accordance with the terms of the concession agreement or loan agreement, as the case may be; and

(iv) the sale of any equity shares of any Existing Sponsor SPV shall first be subject to the terms of the Future Assets Agreement and shall then become subject to the terms of the ROFO/ROFR Deed only pursuant to and in accordance with the terms of the Future Assets Agreement.

Any offer to sell or purchase the Qualifying SPV Pipeline Offer Shares is subject to the applicable laws and the terms of the relevant concession agreements.

Termination of the ROFO/ROFR Deed:

The ROFO/ROFR Deed may be terminated as follows:

(i) by mutual consent in writing of the parties to the ROFO/ROFR Deed;

(ii) the Investment Manager and/or any entity Controlled or designated by the Sponsor ceases to be the Investment Manager of the InvIT; and

(iii) if the Trust ceases to be listed on the BSE, the NSE or any other recognized stock exchanges.

VALUATION

In accordance with Regulation 21(7) of the InvIT Regulations, the Valuers have undertaken a valuation of the Project SPVs which are proposed to be acquired by the Trust pursuant to the Formation Transactions, and which will comprise the Trust Assets. Consequent to the aforesaid valuation, the Valuers have prepared a valuation report dated March 29, 2017 (the "**Valuation Report**"), which has been included as **Annex A** herewith.

A. Summary of the Valuation and Valuation Methodology

For details in relation to the summary of the valuation and valuation methodology, see the Valuation Report, included as **Annex A** herewith. The Valuation Report sets out the Valuers' opinion as to the fair enterprise value of the Project SPVs as on March 31, 2017.

B. Frequency of Valuation

In accordance with the InvIT Regulations, after the listing of the Units pursuant to the Issue, valuations will be carried out in the following manner:

a) a half-yearly valuation of the Trust Assets shall be conducted by the Valuers for the half-year ending September 30, for incorporating any key changes in the previous six months. The half-yearly valuation report shall be prepared within one month from the date of end of such half year; and

b) a full valuation of the Trust Assets (including physical inspection of each of the Trust's infrastructure projects) shall be conducted by the Valuers not less than once every financial year, and that such a full valuation shall be conducted at the end of each financial year, within two months from the end of such financial year.

The valuation reports received by the Investment Manager shall be submitted to Stock Exchanges within 15 days from the receipt of such valuation reports.

However, in case of any material development that may have an impact on the valuation of the Trust Assets, the Investment Manager shall require the Valuers to undertake a full valuation of the infrastructure project under consideration, within not more than two months from the date of such event, and disclose the same to the Trustee and the Stock Exchanges within 15 days of such valuation.

C. Declaration of NAV

The Investment Manager shall ensure that computation and declaration of NAV of the Trust is based on the valuation done by the Valuers, not later than 15 days from the date of valuation.

D. Technical Reports

The traffic reports, which are technical reports specific to the relevant sub-sector, will be relied upon for the purpose of the valuations of the Trust Assets, and the contents of such traffic reports will be factored into the valuation reports. Accordingly, the traffic reports shall be updated every six months and submitted to the Stock Exchanges within the time periods specified for the submission of valuation reports under the InvIT Regulations.

DISTRIBUTION POLICY

Distribution

Distributions shall be made by the Trust to the Unitholders, from time to time, in accordance with the Indenture of Trust and the InvIT Regulations. The Trustee shall make and shall ensure that the Investment Manager declares distributions not less than once every six months in each Financial Year. **However, Unitholders should note that there is no assurance or guarantee that distributions will be made in any amount or at all**. See the section "*Risk Factors – We may not be able to make distributions to Unitholders or the level of distributions may fall*" on page 21 for a description of factors that may adversely affect the ability of the Trust to make distributions to Unitholders.

The InvIT Regulations provide that not less than 90% of net distributable cash flows of each Project SPV are required to be distributed to the Trust in proportion of its holding in each of the Project SPVs subject to applicable provisions of the Companies Act. Further, not less than 90% of net distributable cash flows of the Trust shall be distributed to the Unitholders. Such distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration. The distributions to the Unitholders shall be made in the manner specified below.

The Trust's first distribution after the date of the listing of the Units will be for the period from the date of the listing of the Units to the date of 1st half year financials. The Trustee will make such distribution within 15 days of such date and no later. Subsequent distributions shall take place on semi-annual basis with the amount calculated as at March 31 and September 30 each year for the six-month period ending on each of the said dates. In the event distributions are not made within 15 days of declaration, the Investment Manager shall pay interest at the rate of 15% per annum until the distribution is made to the Unitholders. Such interest is not and will not be recoverable by the Investment Manager from the Trust in the form of fees or any other charges payable by the Trust to the Investment Manager.

Distributions shall be made *pro rata* to the total subscription amount of a Unitholder and in accordance with the provisions of the Indenture of Trust, the InvIT Regulations and this section. Distributions will be declared in Rupees and each Unitholder will receive its/her/his distribution in Rupees. The form, frequency and amount of future distributions on the Units will depend on the earnings, financial position and results of operations of the Trust, as well as contractual restrictions, provisions of applicable law. Please see the "*Statement of Tax Considerations / Benefits*" on page 109, for information on tax implications.

Since the establishment of the Trust, there have not been any distributions made on the Units. The Trust's distribution policy is to distribute as per the Trust's net distributable cash flows (the "**Net Distributable Cash Flows**"). The Trust's distribution policy is to distribute at least 90% of the Net Distributable Cash Flows of the Trust.

The Net Distributable Cash Flows of the Trust is substantially based on the cash flow to be generated from the underlying operations undertaken by the Project SPVs. The cash flow will be received by the Trust in the form of:

a) dividends and proceeds from capital reduction from the Project SPVs, subject to the provisions of the Companies Act; and

b) interest accrued on and principal repayment upon repayment of the debt availed by each of the Project SPVs from the Trust. For further information in relation to the proposed issue of debt, see "*Use of Proceeds*" on page 81.

Cash flows received by the Trust from the Project SPVs will be distributed to the Unitholders in the form of:

a) dividends;

b) interest;

c) buyback of Units; and

d) any other manner as may be permitted under applicable law.

Please see "*Risk Factors – We may not be able to make distributions to Unitholders or the level of distributions may fall*" on page 21 for a description of factors that may adversely affect the ability of the Trust to make distributions to Unitholders.

Distribution Policy of the Trust

In accordance with the InvIT Regulations, and the applicable guidelines, as may be issued by SEBI from time to time:

a) Each Project SPV, and any other SPV that may be acquired by the Trust, shall distribute at least 90% of its respective net distributable cash flows to the Trust, subject to the applicable provisions under Companies Act/LLP Act, or any Central Government Act, as applicable, not less than once every six months and such distributions shall be paid not later than 15 days from the date of their declaration; and

b) The Trust shall distribute at least 90% of the Net Distributable Cash Flows to the Unitholders not less than once every six months.

The indicative framework for calculation of net distributable cash flows at a (i) standalone Project SPV level; and (ii) standalone Trust level, is, as provided herein below:

A. Indicative Calculation of Net Distributable Cash Flows at a Standalone Project SPV Level

Sr. No.	Description
1.	**Profit after tax as per profit and loss account (standalone) (A)**
2.	**Add:** Depreciation and amortisation as per profit and loss account
3.	**Add/less:** Loss/gain on sale of infrastructure assets
4.	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: • related debts settled or due to be settled from sale proceeds • directly attributable transaction costs • proceeds reinvested or planned to be reinvested as per para 18 (7) (a) of the InvIT Regulations
5.	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently net of any profit/(loss) recognized in the P&L account
6.	**Add/less:** Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to: • any decrease / increase in carrying amount of an asset or of a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; • interest cost as per effective interest rate method; • deferred tax; • reserve for major maintenance to the extent payments are not due in the next period; and • any other items charged / credited to the P&L account which do not involve corresponding cash flows
7.	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures
8.	**Less:** Any premium / negative grant payments to NHAI
9.	**Total Adjustments (B)**
10.	**Net Distributable Cash Flows (C)=(A+B)**

A minimum of 90% of the net distributable cash flows arrived at in (C) above shall be distributed by each Project SPV and any other SPVs that may be acquired in the future, to the Trust, subject to the applicable provisions of Companies Act/LLP Act or any Central Government Act, net of applicable taxes, if any proportionate to the Trust's equity shareholding in such Project SPV.

B. Indicative Calculation of Net Distributable Cash Flows at the Standalone Trust Level

Sr. No.	Description
1.	Cash flows received from the project SPVs in the form of interest
2.	Cash flows received from the project SPVs in the form of dividend
3.	Any other income accruing at the Trust level and not captured above, including but not limited to interest / return on surplus cash invested by the Trust
4.	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust
5.	Proceeds from project SPVs for any capital reduction by way of buy back etc., subject to applicable law
6.	Proceeds from sale of assets of the project SPV not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently
7.	**Total cash inflow at the Trust level (A)**
8.	**Less:** Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager
9.	**Less:** Costs/retention associated with sale of assets of the project SPVs: • related debts settled or due to be settled from sale proceeds of project SPVs • transaction costs paid on sale of the assets of the project SPV • Capital gains taxes on sale of assets / share in project SPVs / other investments
10.	**Less:** Proceeds reinvested or planned to be reinvested as per para 18 (7) (a) of the InvIT Regulations
11.	**Less:** Repayment of external debt at the Trust level
12.	**Less:** Income tax (if applicable) at the Standalone Trust Level
13.	**Total cash outflows / retention at the Trust level (B)**
14.	**Net Distributable Cash Flows (C)=(A+B)**

A minimum of 90% of the Net Distributable Cash Flows arrived at in (C) above shall be distributed by the Trust to the Unitholders, subject to the applicable provisions of InvIT Regulations, net of applicable taxes, if any.

Distribution on Disposition

Disposition means any transaction or series of transactions whereby the Investment Manager in consultation with the Trustee, in accordance with the InvIT Regulations, sells or otherwise disposes for cash or other consideration the Trust's right, title and interest in and to any or all of the investments or from the sale of any Trust Asset or on account of closure of project or termination of project or winding up of a Project SPV ("**Disposition**").

The Trustee in consultation with the Investment Manager shall distribute the cash proceeds realized on any Disposition net of all fees, charges, taxes and costs relating to such Disposition, and net of all expenses *pro rata* to the total subscription amount of a Unitholder provided that such proceeds from Disposition are not used for investments in any project in which the Trust is permitted to invest, acquire or set up in accordance with InvIT Regulations or in any Project SPV, within a period of one year of such Disposition.

Any tax paid by the Trust on behalf of the Unitholder or tax deducted on investments made (including temporary investments) shall be considered to be towards amounts distributed as mentioned above.

Distribution on Dissolution

In the event of dissolution or winding up of the Trust, all of the Trust Assets or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:

a) First, towards the payment of the debts and liabilities of the Trust, including without limitation any fees, any amounts due to the Investment Manager, the Project Manager or a service provider and the expenses of liquidation;

b) Second, towards the setting up of any reserves which the Trustee or the authority in-charge of the dissolution of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Trust; and

c) Third, towards the Unitholders in accordance with the terms of the Indenture of Trust, the InvIT Regulations, the Trusts Act, the Offer Document and the Final Offer Document.

Limitation to the Liability of the Unitholders

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust.

Deduction of Taxes

In accordance with the Indenture of Trust, the Trustee may in consultation with the Investment Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable laws before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise.

The Trustee may in consultation with the Investment Manager, also deduct any stamp duties or government taxes, registration fees or charges payable by it or for which the Trustee may be liable in respect of any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise, or in connection with any documents executed in that regard.

Subject to applicable law, the Trustee or the Investment Manager, as the case may be, shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee or the Investment Manager in good faith to any duly empowered revenue authority for taxes or other charges in any way arising out of or relating to any transactions of whatsoever nature under these presents, notwithstanding that any such payment ought not to be or need not have been made or suffered.

In-specie Distribution

Subject to the provisions of applicable law, the Trustee, in consultation with the Investment Manager, may anytime during the life of the Trust make in-specie distributions of the Trust Assets on such terms and conditions as it may deem appropriate and in a manner that is in accordance with the Indenture of Trust, the InvIT Regulations, the Trusts Act and applicable law.

RIGHTS OF UNITHOLDERS

Rights of Unitholders

Subject to the provisions of the InvIT Regulations, the Indenture of Trust, and applicable rules, regulations and guidelines, the rights of the Unitholders include:

a) right to receive income or distributions with respect to the Units held;

b) right to attend the annual general meeting and other meetings of the Unitholders of the Trust;

c) right to vote upon any matters/resolutions proposed in relation to the Trust;

d) right to receive periodic information having a bearing on the operation or performance of the Trust in accordance with the InvIT Regulations; and

e) right to apply to the Trustee to take up certain issues at meetings for Unitholders approval.

In accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over any other Unitholder, and there shall not be multiple classes of Units. There shall be only one denomination of Units. Notwithstanding the above, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate Units shall carry only inferior voting or any other rights compared to the other Units. However, no subordinate Units are proposed to be issued to the Sponsor and its Associates prior to the completion of the Issue.

Limitation to the Liability of the Unitholders

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust.

Annual Meeting of Unitholders

An annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of financial year and the time between two meetings shall not exceed 15 months (the "**Annual Meeting**"). Any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the Annual Meeting including:

a) latest annual accounts and performance of the Trust;

b) approval of the auditor of the Trust and fees of such auditor, as may be required;

c) latest valuation report;

d) appointment of the valuer of the Trust, as may be required; and

e) any other issue.

In relation to the aforesaid matters, an approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the InvIT Regulations.

Approval of Unitholders

In accordance with the InvIT Regulations, with respect to any matter requiring approval of the Unitholders:

a) a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage (as specified in InvIT Regulations) of votes cast against;

b) the voting may also be done by postal ballot or electronic mode;

c) a notice of not less than 21 days shall be provided to the Unitholders; and

d) voting by any person who is a related party (as understood in accordance with the InvIT Regulations and applicable accounting standards) in such transaction as well as the voting by any Associates of such person(s), shall not be considered on the specific issue.

The Investment Manager shall be responsible for all the activities pertaining to conducting of a meeting of the Unitholders, subject to the Trustee's oversight. However, in accordance with Regulation 22(2) of the InvIT Regulations, the Trustee shall convene and handle all activities pertaining to conduct of the meetings in respect of issues pertaining to the Investment Manager, such as change, removal or change in control of the Investment Manager, and on such issues, voting by any person who is a related party (as defined under the InvIT Regulations) in such transaction as well as the voting by any Associates of such person(s), shall not be considered. Further, in respect of issues pertaining to the Trustee, including any change in the Trustee, the Trustee shall not be involved in any manner in the conduct of the meetings of the Unitholders.

Matters for Approval

An approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution, with respect to the resolutions of the Unitholders on the following matters:

a) to increase the period for compliance with investment conditions under Regulation 18(5) of the InvIT Regulations to one year, in the event that the investment conditions specified with respect to (i) investment of not less than 80% of the value of the Trust Assets (proportionate to the holding of the Trust) in completed and revenue generating infrastructure projects subject to certain conditions, and (ii) investment of not more than 20% of the value of the Trust Assets (proportionate to the holding of the Trust) in, *inter alia*, listed or unlisted debt of companies or body corporates, equity shares of companies listed on a recognized stock exchange in India which derive not less than 80% of their operating income from the infrastructure sector as per their audited accounts of the previous Financial Year, government securities and money market instruments, liquid mutual funds or cash equivalents are breached due to market movements of the price of the underlying assets or securities, and the Investment Manager is unable to ensure that the aforesaid conditions are satisfied within six months of such breach;

b) after the Issue, to enter into subsequent transactions with any related party if (a) the total value of all related party transactions in a Financial Year pertaining to acquisition or sale of assets, whether directly or through a holding company or through an SPV, or investments into securities exceeds the prescribed percentage (presently 5%) of the value of the Trust Assets, or (b) the value of the funds borrowed from the related party exceeds the prescribed percentage (presently 5%) of the total consolidated borrowings of the Trust, as may be prescribed under the InvIT Regulations;

c) for any further borrowing if the aggregate consolidated borrowings and deferred payments of the Trust net of cash and cash equivalents to exceed the prescribed percentage (presently 25%) of the value of the Trust Assets;

d) for the purchase of any infrastructure project, whether directly or through a holding company or an SPV, where the asset is proposed to be purchased at a value greater than the prescribed percentage (presently 110%) of the value of such asset, as assessed by the valuer;

e) for the sale of any infrastructure project, whether directly or through a holding company or an SPV, where the asset is proposed to be sold at a value lesser than the prescribed percentage (presently 90%) of the value of such asset, as assessed by the valuer;

f) any transaction, other than any borrowing, where the value of such transaction is equal to or greater than the prescribed percentage (presently 25%) of the value of the Trust Assets;

g) any issue of Units after the Issue, in whatever form, other than any issue of Units which may be considered by SEBI under Regulation 22(5) of the InvIT Regulations;

h) any issue, which in the ordinary course of business, in the opinion of the Sponsor, the Trustee or the Investment Manager, is material and requires approval of the Unitholders;

i) any issue for which SEBI or the Stock Exchanges require the approval of the Unitholders under Regulation 22(4) of the InvIT Regulations; and

j) any issue taken up at the Annual Meeting, which requires approval of the Unitholders other than as specified in Regulation 22(6) of the InvIT Regulations.

An approval from the Unitholders shall be required where the votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution, with respect to the resolutions of the Unitholders upon the following matters:

a) any change in the Investment Manager, including removal or change in control of the Investment Manager;

b) any material change in the investment strategy of the Trust or its management fees;

c) any proposal by the Sponsor or the Investment Manager to seek delisting of the Units;

d) any issue, not in the ordinary course of business, which in the opinion of the Sponsor, the Investment Manager or the Trustee, requires approval of the Unitholders. In case of any failure to obtain an approval in relation to such an issue, the Sponsor or the Investment Manager or the Trustee, as the case may be, shall provide an exit option to the Unitholder to the extent and in the manner specified by SEBI;

e) any issue for which SEBI or the Stock Exchanges require the approval of the Unitholders under Regulation 22(5) of the InvIT Regulations;

f) any issue taken up at the request of not less than the prescribed percentage (presently 25%) of the Unitholders by value (other than any party related to such a transaction and its Associates), including:

    i) removal of the Investment Manager, and the appointment of another investment manager with respect to the Trust;

    ii) removal of the Auditor, and appointment of another auditor with respect to the Trust;

    iii) removal of the Valuers, and appointment of another valuer with respect to the Trust;

    iv) delisting of the Units, if the Unitholders have sufficient reason to believe that such delisting would act in their interest;

    v) any issue which the Unitholders have sufficient reason to believe is detrimental to their interest;

    vi) upon the receipt of applications from not less than the prescribed percentage (currently 60%) of the Unitholders by value, a change in the Trustee if the Unitholders have sufficient reason to believe that the acts of the Trustee are detrimental to their interests.

    In relation to any issue taken up at the request of not less than the prescribed percentage (presently 25%) of the Unitholders by value, as described hereinabove, the Trustee will require the Investment Manager to place the issue for voting in the manner specified in the InvIT Regulations on receipt of such applications.

g) Any alteration of the terms of the Units, including the terms of the Issue, which may adversely affect the interest of the Unitholders.

Periodic Information and Disclosures

The Investment Manager shall submit an annual report to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the Financial Year (the "**Annual Report**"). Further, the Investment Manager shall submit a half-yearly report to the Stock Exchanges within 45 days from the end of every half year ending March 31, and September 30. The Annual Report and the half-yearly report shall mandatorily contain the disclosures prescribed under Regulation 23(3) in the InvIT Regulations.

The Investment Manager shall disclose to the Stock Exchanges any information having a bearing on the operation or performance of the Trust as well as price sensitive information, which includes but is not restricted to information in relation to:

a) acquisition or disposal of any projects, directly or through a holding company or an SPV, the value of which exceeds the prescribed percentage (currently 5%) of value of the Trust Assets;

b) additional borrowing, at the level of a holding company or an SPV or the Trust, exceeding the prescribed percentage (currently 15%) of the value of the Trust Assets;

c) additional issue of Units by the Trust;

d) details of any credit rating obtained by the Trust and any change in such rating;

e) any issue which requires the approval of the Unitholders;

f) any legal proceedings which may have a significant bearing on the functioning of the Trust or any holding company or SPV;

g) notices and results of the meetings of the Unitholders,

h) any instance of non-compliance with the InvIT Regulations, including any breach of any limits specified thereunder; and

i) any material issue that in the opinion of the Investment Manager or Trustee needs to be disclosed to the Unitholders.

The Investment Manager (on behalf of the Trust) shall submit such information to the Stock Exchanges and Unitholders on a periodical basis as may be required under applicable law, including the requirements prescribed under SEBI circular no. CIR/IMD/DF/127/2016 dated November 29, 2016, and the listing agreement to be entered into with the Stock Exchanges in relation to the listing of the Units. Further, the Investment Manager (on behalf of the Trust) shall disclose to the Stock Exchanges, the Unitholders and SEBI, all such information, in the manner as may be specified by SEBI. The Investment Manager (on behalf of the Trust) shall also provide disclosures or reports specific to the sector or sub-sector in which the Trust has invested or proposes to invest, in the manner as may be specified by SEBI.

Further, we undertake that the traffic reports prepared by the traffic consultant, which are technical reports specific to the relevant sub-sector, shall be updated every six months and submitted to the Stock Exchanges within the time periods specified for the submission of valuation reports under the InvIT Regulations.

For details of the responsibilities of the Investment Manager in relation to making periodic disclosures with respect to the valuation of the Trust Assets, traffic reports and the computation and declaration of NAV of the Trust, see "*Valuation*" on page 255.

AUDITORS

The Investment Manager, in consultation with the Trustee, has appointed Suresh Surana & Associates LLP, Chartered Accountants (Firm Registration No. 121750W/W100010) as the auditors of the Trust ("**Auditors**"), for a period of five years. The Auditors have audited the Combined Financial Statements, and their report in relation to such Combined Financial Statements dated March 29, 2017, has been included in this Final Offer Document.

Policy for Appointment of Auditor(s)

The Investment Manager shall appoint an auditor of the Trust for a period of not more than five consecutive years, provided that an auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to the approval of the Unitholders in an Annual Meeting. With respect to the appointment of the auditor of the Trust and the fees of such an auditor, an approval from the Unitholders shall be required at the Annual Meeting in accordance with Regulation 22 of the InvIT Regulations, where the votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the InvIT Regulations.

The Investment Manager shall ensure that the auditor carries out a limited review of the financial information of the Trust for the first half-year period of the financial year, and that a report in respect of such limited review is submitted to the Stock Exchanges within 45 days of the end of such half-year period ended September 30, or any other such period as may be prescribed by applicable law. Further, the Investment Manager shall ensure that the auditor carries out an audit of the accounts of the Trust not less than once in a year, and that a report in respect of such audit is submitted to the Stock Exchanges within 45 days of the end of each financial year ending March 31, or any other such period as may be prescribed by applicable law.

In accordance with the InvIT Regulations, the auditor of the Trust shall:

a) conduct an audit of the accounts of the Trust and draft the audit report based on the accounts examined, after taking into account the relevant accounting and auditing standards, as may be specified by SEBI in this regard;

b) to the best of its information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Trust, including profit or loss and cash flow for the period and such other matters as may be specified;

c) have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and

d) have a right to require such information and explanation pertaining to activities of the Trust, as it may consider necessary for the performance of its duties as auditor from the employees of Trust or the Sponsor, the Investment Manager, the Project Manager or the Trustee or the Project SPVs or any other person in possession of such information.

Auditing Standards

The Auditors shall conduct an audit of the accounts of the Trust and issue the audit report based on the accounts examined, after taking into account the relevant accounting and auditing standards, as may be specified by SEBI and/or the ICAI, from time to time, in this regard.

VALUERS

The Investment Manager, in consultation with the Trustee, has appointed Walker Chandiok & Co LLP as the valuers of the Trust ("**Valuers**"), for a period of one year post listing of the Units. In accordance with the InvIT Regulations, the Valuers have undertaken a full valuation of the Project SPVs which are proposed to be acquired by the Trust pursuant to the Formation Transactions, and which will comprise the Trust Assets, and their report in relation to such valuation dated March 29, 2017, has been included in this Final Offer Document.

The Valuers are not an Associate of the Sponsor, the Investment Manager or the Trustee, and have not less than five years of experience in the valuation of infrastructure assets.

TECHNICAL CONSULTANT

Traffic Consultant

The Investment Manager, in consultation with the Trustee, has appointed GMD Consultants, a firm of independent technical consultants as the Traffic Consultant ("**Traffic Consultant**"). The Traffic Consultant has prepared the Traffic Reports, which are technical reports specific to the relevant sub-sector, with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs, which have been included as Annex C hereto. Mr. Shailendra Mohan, who is the signatory of the aforesaid Traffic Reports on behalf of the Traffic Consultant, is (i) a fellow of the Institution of Engineers (India) (*Membership No. F-118411-5*); (ii) has minimum working experience of five years in relevant areas of valuation practice and in relation to relevant asset value and categories; and (iii) is a citizen of India. The Traffic Consultant is not an Associate of the Sponsor, the Investment Manager or the Trustee.

The Traffic Reports have been relied upon by the Valuers, and the contents of the Traffic Reports have been factored into the preparation of the Valuation Report, which has been included as Annex A hereto. After the listing of the Units pursuant to the Issue, the traffic reports prepared by the traffic consultant, shall be updated every six months and submitted to the Stock Exchanges within the time periods specified for the submission of valuation reports under the InvIT Regulations.

SECTION V – PARTIES TO THE TRUST

THE SPONSOR

The Sponsor of the Trust is IRB Infrastructure Developers Limited. The Sponsor has settled the Trust pursuant to the Indenture of Trust dated October 16, 2015, as amended on February 17, 2017, and appointed the Trustee in accordance with the provisions of the InvIT Regulations.

The details of the Sponsor are as follows:

A. Details of the Sponsor

a) **Name:** IRB Infrastructure Developers Limited;

b) **Registered Office:** 3rd Floor, IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

c) **Correspondence Address:** 3rd Floor, IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

d) **Telephone Number:** +91 22 6640 4220;

e) **Fax:** +91 22 6675 1024; and

f) **Website:** www.irb.co.in

g) **E-mail:** info@irb.co.in

B. Details of the Contact Person of the Sponsor

a) **Name:** Mr. Dhananjay K. Joshi;

b) **Telephone Number:** +91 22 6640 4220; and

c) **E-mail:** dhananjay.joshi@irb.co.in

C. Background and Past Experience of the Sponsor

The Sponsor is one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for public private partnerships in national highway projects report for 2016. The Sponsor has been listed on the Stock Exchanges since 2008. Excluding the toll-road assets that were transferred by the Sponsor to the Trust pursuant to the Formation Transactions, as of December 31, 2016, the Sponsor had 16 road projects, of which eight were "operational", five were "under construction" and three were "under development". The Sponsor had a large project portfolio of 8,183 Lane Kilometres of roads and highways in operation, under construction or under development, excluding the Initial Road Assets, as of December 31, 2016. Further, as of December 31, 2016, the Project SPVs owned, operated and maintained toll road assets comprising 3,645 Lane Kilometres of highways.

The BOT projects are implemented and held through special purpose vehicles. The Sponsor is involved in the design, development, construction, operation and maintenance of national and state highways and roads in the states of Maharashtra, Gujarat, Rajasthan, Punjab, Haryana, Karnataka, Uttar Pradesh and Tamil Nadu. The construction business complements the BOT infrastructure development business and involves engineering, procurement and construction work for construction projects on a contract basis, including in the roads and highways sector.

The Sponsor's key projects (excluding Project SPVs) include the Yashwantrao Chavan Mumbai–Pune Expressway and the Mumbai – Pune section of NH 4 project operated by Mhaiskar Infrastructure Private Limited ("**MIPL**") and the Ahmedabad Vadodara section of NH 8 and NE-1 project being operated by IRB Ahmedabad Vadodara Super Express Tollway Private Limited. Substantially all the engineering,

procurement and construction work undertaken by the Sponsor on BOT projects in the roads and highways sector is currently executed by a Sponsor's subsidiary, the Project Manager. The Project Manager and MIPL are the key subsidiaries of Sponsor (excluding Project SPVs) based on revenue generated in the financial year 2016.

The Sponsor has majority or entire shareholding in the various Project Entities held by the Sponsor group. All infrastructure assets of the Sponsor group are currently held in the various subsidiaries of the Sponsor. The Sponsor is listed on the Stock Exchanges with a market capitalization of Rs. 91,710.90 million as on May 11, 2017 (***Source:*** *www.bseindia.com*). As on March 31, 2016, the Sponsor has a consolidated net worth of Rs. 48,272.32 million. The Sponsor recorded a consolidated turnover of Rs. 52,541.48 million in FY2016 with a profit after tax (after minority interest) of Rs. 6,358.23 million. On a standalone basis, the Sponsor has a net worth of Rs. 23,341.01 million as on March 31, 2016.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Sponsor had a net worth of more than Rs. 1,000.00 million as on March 31, 2016. The Sponsor has experience of at least five years and where the Sponsor has been a developer, at least two projects of the Sponsor have been completed.

Further, neither the Sponsor, nor its promoters or directors:

a) is debarred from accessing the securities market by the SEBI;

b) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or

c) is in the list of the willful defaulters published by the RBI.

D. Brief Profiles of the Sponsor's Directors

a) **Mr. Virendra D. Mhaiskar**

Mr. Virendra D. Mhaiskar, aged 45 years, is the Chairman & Managing Director of the Sponsor. He holds a Diploma in Civil Engineering from Shriram Polytechnic, Navi Mumbai. Mr. Mhaiskar has over several years of experience in the construction and infrastructure industry. He joined the IRB Group in June 1990 and is responsible for leading and directing the IRB group's strategy in BOT and funded projects.

b) **Mrs. Deepali V. Mhaiskar**

Mrs. Deepali V. Mhaiskar, aged 43 years, is a Wholetime Director of the Sponsor. She joined the Sponsor in July 1998. She has a Bachelor's degree in Arts (Special) from Gujarat University and has several years of experience in administration and management.

c) **Mr. Sudhir R. Hoshing**

Sudhir Rao Hoshing, aged 52 years joined the Sponsor group as a joint managing director in 2015. He is a civil engineer and business administration graduate has experience in the field of highway and airport infrastructure. He has earlier worked as the chief executive officer of road business in Reliance Infrastructure Limited. He is also life time member of IRC (Indian Road Congress).

d) **Mr. Mukeshlal Gupta**

Mr. Mukeshlal Gupta, aged 61 years, is a Wholetime Director of the Sponsor. In 2008, he joined Modern Road Makers Private Limited (Project Manager) as Director – Technical. He holds a Bachelor's degree in Civil Engineering from Mumbai University. He has several years of experience in managing infrastructure projects

e) **Mr. Sunil Talati**

Mr. Sunil Talati, aged 65 years, is an Independent Director of the Sponsor. He holds a Bachelor's degree in law from Gujarat University and a Master's degree in commerce from H.L Commerce College, Ahmedabad. He is also a fellow member of the Institute of Chartered Accountants of India. He was the Vice President and President of the Institute of Chartered Accountants of India for the year 2006-07 and 2007-08 respectively. He has several years of experience in the field of Accounts, Audit and Tax Laws.

f) **Mr. Chandrasekhar S. Kaptan**

Mr. Chandrasekhar S. Kaptan, aged 64 years, is an Independent Director of the Sponsor. He holds a Bachelor's degree in law from Nagpur University. Mr. Kaptan practices before the Nagpur Bench of the Bombay High Court. Mr. Kaptan has several years of experience in constitutional and excise matters.

g) **Mr. Sandeep J. Shah**

Mr. Sandeep J. Shah, aged 57 years, is an Independent Director of the Sponsor. He is member of the Institute of Chartered Accountants of India. He has been a practicing chartered accountant for several years and has experience in the field of accounts, audit and tax laws.

h) **Mr. Sunil Tandon**

Mr. Sunil Tandon, aged 59 years, is an Independent Director of the Sponsor. He is a former officer of the Indian Administrative Services, and in the past, has held various positions in state and central governments. He has several years of experience in public administration

E. Details of the Holding or the Proposed Holding by Sponsor in the Trust

In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units, subject to the following:

(i) the Sponsor would be resposible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

(ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

(iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis (i.e. after the Total Issue), for a period of not less than three years from the date of listing of the Units.

Further, other than the Units transferred pursuant to the Offer for Sale, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis (i.e. after the Total Issue), held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law. Moreover, other than the Units transferred pursuant to the Offer for Sale, the Selling Unitholders shall hold their Units, if any, for a period of not less than one year from the date of listing of the Units.

For details in relation to the contractual lock-in applicable to the Sponsor and the other Selling Unitholders, see "*Leverage - Lock-in on the Sponsor and other Selling Unitholders (Contractual)*" on page 236.

F. Summary of the Consolidated Financial Statements of the Sponsor

For a summary of the financial statements of the Sponsor, as derived from the consolidated financial statements of the Sponsor, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial year ended March 31, 2014, 2015, 2016, see "*Summary Financial Information*" on page 57.

G. Details of the Project Entities that are being retained by the Sponsor

The following are the details of all the Project Entities that are being retained by the Sponsor:

Name of Concessionaire	Type of Concession	Length (in Lane Kms)	Location	Start of Concession Period under the Concession Agreement (Appointed Date)	End of Concession Period under the Concession Agreement	Period of concession since the Appointed Date	Sponsors' Shareholding as on date	Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	Provision of the Concession Agreement permitting divestment
Ideal Road Builders Private Limited	BOT	96	Maharashtra	January 1, 1999	May 13, 2017	18 years and 6 months	100%	December 31, 2003	There is no restriction on divestment
Mhaiskar Infrastructure Private Limited	BOT	1,014	Maharashtra	August 10, 2004	August 10, 2019	15 years	100%	September 7, 2006(2)	There is no restriction on divestment
IRB Kolhapur Integrated Road Development Company Private Limited (1)	BOT	100	Maharashtra	January 9, 2009	January 8, 2039	30 years	100%	September 28, 2011(3)	Clause 5.3 and Article 1: Definition of "Change in Ownership"
IRB Pathankot Amritsar Toll Road Private Limited	BOT	410	Punjab	December 31, 2010	December 30, 2030	20 years	100%	November 27, 2014(3)	Clause 5.3, Clause 7.1(k) and Clause 48.1: Definition of "Change in Ownership"
Thane Ghodbunder Toll Road Private Limited	BOT	60	Maharashtra	December 24, 2005	December 23, 2020	15 years	100%	June 23, 2007	There is no restriction on divestment
Aryan Toll Road Private Limited	BOT	104	Maharashtra	March 20, 2003	March 19, 2019	16 years	100%	December 27, 2004	Article 20: Clause 20.1(xi)
ATR Infrastructure Private Limited	BOT	119	Maharashtra	September 25, 2003	September 24, 2021	18 years	100%	December 20, 2005(4)	Article 20: Clause 20.1(xi)
IRB Ahmedabad Vadodara Super Express Tollway Private Limited	BOT	987	Gujarat	January 1, 2013	December 31, 2037	25 years	100%	December 6, 2015	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
IRB Westcoast Tollway Private Limited	BOT	758	Karnataka	March 3, 2014	March 2, 2042	28 years	100%	August 28, 2016	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"

Name of Concessionaire	Type of Concession	Length (in Lane Kms)	Location	Start of Concession Period under the Concession Agreement (Appointed Date)	End of Concession Period under the Concession Agreement	Period of concession since the Appointed Date	Sponsors' Shareholding as on date	Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	Provision of the Concession Agreement permitting divestment
Solapur Yedeshi Tollway Private Limited	BOT	395	Maharashtra	January 21, 2015	January 20, 2043	29 years	100%	July 18, 2017	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
Yedeshi Aurangabad Tollway Private Limited	BOT	756	Maharashtra	July 1, 2015	June 30, 2041	26 years	100%	December 26, 2017	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
Kaithal Tollway Private Limited	BOT	665	Haryana	July 15, 2015	July 14, 2042	27 years	100%	January 9, 2018	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
AE Tollway Private Limited	BOT	747	Uttar Pradesh	August 1, 2016	July 31, 2040	24 years	100%	January 27, 2019	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
Udaipur Tollway Private Limited	BOT	683	Rajasthan / Gujarat	In the process of achieving Financial Closure	In the process of achieving Financial Closure	21 years from Appointed Date	100%	In the process of achieving Financial Closure	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
CG Tollway Private Limited	BOT	749	Rajasthan	In the process of achieving Financial Closure	In the process of achieving Financial Closure	20 years from Appointed Date	100%	In the process of achieving Financial Closure	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"
Kishangarh Gulabpura Tollway Private Limited	BOT	540	Rajasthan	In the process of achieving Financial Closure	In the process of achieving Financial Closure	20 years from Appointed Date	100%	In the process of achieving Financial Closure	Clause 5.3, Clause 7.1(k) and Clause 48.1 : Definition of "Change in Ownership"

(1) The Government of Maharashtra has vide Notification No. MUP-2016/C. R. 2/UD-19 dated February 3, 2016 stopped the collection of toll. For additional details, see "Material Litigation and Regulatory Action" on page 420.

(2) Substantial completion certificate received

(3) Provisional completion certificate received

(4) Completion certificate issued on April 12, 2006, stating that the commercial operations date was December 20, 2005

THE INVESTMENT MANAGER

IRB Infrastructure Private Limited is the Investment Manager of the Trust, and has been designated as such pursuant to the Investment Management Agreement dated March 3, 2016. The Investment Manager is responsible for making investment decisions with respect to the underlying assets or projects of the Trust, including any further investment or divestment of its assets, in accordance with the InvIT Regulations and the Investment Management Agreement.

The details of the Invesment Manager are as follows:

A. Details of the Investment Manager

a) **Name:** IRB Infrastructure Private Limited;

b) **Registered Office:** IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

c) **Correspondence Address:** IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

d) **Telephone Number:** +91 22 6640 4299;

e) **Fax:** +91 22 6640 4274; and

f) **Website:** www.irbfl.co.in

g) **E-mail:** info@irbfl.co.in

B. Details of the Contact Person of the Investment Manager

a) **Name:** Mr. Madhav Kale / Mr. Urmil Shah;

b) **Telephone Number:** +91 22 6640 4299; and

c) **Email:** madhav.kale@irbfl.co.in / urmil.shah@irbfl.co.in

C. Background and Past Experience of the Investment Manager

The Investment Manager was incorporated as a public limited company on December 23, 1997. Pursuant to a fresh certficate of incorporation dated February 4, 2005, issued by the Registrar of Companies, Maharashtra at Mumbai, the Investment Manager was converted into a private limited company.

The Investment Manager has experience in operating a road BOT basis for a period of approximately 18 years and in developing, operating and maintaining toll plazas in the infrastructure sector. The Investment Manager was the concessionaire for a BOT project i.e. a bridge across the Patalganga river and a rail over bridge near Kharpada village in Maharashtra (the "**IM's Project**"). The IM's Project was undertaken pursuant to an agreement among the PWD, Maharashtra, the MoRTH and the Investment Manager in November 1997 for a concession period of 17 years and 9 months. For the IM's Project, the Investment Manager constructed a 1,400 meter high-level bridge across the Patalganga river, constructed approach roads to the bridge, widened the footpath relating to the bridge and constructed a six lane toll plaza. The appraised cost of the IM's Project was Rs. 320 million, which was funded through debt of Rs. 220 million and balance in the form of equity from the Sponsor. A completion certificate in relation to the IM's Project was issued in August 1999 and the the Investment Manager was permitted to collect toll thereafter. The concession period for the IM's Project expired on August 28, 2015, thereafter it was handed over to the GoI.

The net worth of the Investment Manager as on March 31, 2016 stood at Rs. 391.44 million. The Investment Manager has not less than two employees, who have at least five years of experience each, in the field of development in the infrastructure sector, and not less than one employee who has at least five years of experience in the relevant sub-sector in which the Trust proposes to invest, namely road infrastructure

projects in India. Further, not less than half the directors of the Investment Manager are independent, and are not directors or members of the governing board of another infrastructure investment trust. The Investment Manager proposes to conduct operations pertaining to the Trust from its registered office in Mumbai.

The Investment Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Trust, in accordance InvIT Regulations, the Investment Management Agreement and applicable law.

Further, neither the Investment Manager, nor its promoters or directors:

a) is debarred from accessing the securities market by the SEBI;

b) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or

c) is in the list of the willful defaulters published by the RBI.

D. Brief Profiles of the Investment Manager's Directors

a) **Mr. Rajinder Pal Singh**

Mr. Rajinder Pal Singh, aged 65 years, was appointed as an additional director (independent) and chairman of the board of the Investment Manager on February 14, 2017. He is a retired I.A.S. Officer and has experience in areas of finance, industry and infrastructure development. Previously, he was the chairman and managing director of Punjab & Sind Bank and the secretary to the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India. Further, he was the chairman of National Highways Authority of India for a period of three years starting from June 2012. Currently, he is also a director on the board of directors of Maruti Suzuki India Limited, Bharti Infratel Limited and Lodha Developers Private Limited.

b) **Mr. Vinod Kumar Menon**

Mr. Vinod Kumar Menon**,** aged 51 years is a whole time director of the Investment Manager. He holds a Bachelor of Technology degree in Civil Engineering. He has experience in the fields of infrastructure development and management. Previously, he was the president (business development) of the Sponsor. He currently serves as the vice-president of the National Highway Builder Federation.

c) **Mr. B. L. Gupta**

Mr. B. L. Gupta, aged 62 years, is an independent director of the Investment Manager. He holds a Bachelor's degree in commerce and a Master of Business Administration degree. He is a certificated associate of the Indian Institute of Bankers. He has experience in banking, corporate and project finance. Previously, he was the chief general manager of India Infrastructure Finance Company Limited.

d) **Mr. Sumit Banerjee**

Mr. Sumit Banerjee**,** aged 60 years, is an independent director of the Investment Manager. He holds a Bachelor's of Technology degree in Mechanical Engineering and has completed a Management Education Programme. He is a fellow and a Chartered Engineer (India) of the Institution of Engineers. He has experience in the fields of management. Previously, he served as the managing director of ACC Limited.

E. Brief Profiles of the Investment Manager's Key Personnel

a) Mr. Vinod Kumar Menon

For details in relation to Mr. Vinod Kumar Menon, see "- *Brief Profiles of the Investment Manager's Directors*".

b) Mr. Madhav Kale

Mr. Madhav H. Kale, aged 62 years, is the Head Corporate Strategy Planning of the Investment Manager. Previously, he served as the head of corporate strategy planning of the Sponsor. Mr. Kale holds a Bachelor's degree in commerce and is a fellow of the ICAI. Prior to joining the Sponsor group, he was a partner at M. H. Kale & Co., Chartered Accountants. He has experience in the fields of audit, taxation and consultancy and has worked with the Sponsor group, in the development of its infrastructure business, since 2007.

c) Mr. Tushar Kawedia

Mr. Tushar Kawedia, aged 37 years, is the chief financial officer of the Investment Manager. Previously, he served as the deputy chief financial officer of the Sponsor group. Mr. Kawedia holds a Bachelor's degree in commerce and is a qualified chartered accountant (ICAI). Prior to joining the Sponsor, he was deputy general manager (accounts and finance) at Reliance Infrastructure Limited. He has experience in the fields of accounts and finance.

d) Mr. Urmil Shah

Mr. Urmil Shah, aged 32 years, is the company secretary of the Investment Manager and has been designated as the Compliance Officer by the Investment Manager with respect to the Trust. Previously, he served as the assistant company secretary of the Sponsor. Mr. Shah holds a Bachelor's degree in commerce and is an associate of the ICSI. Prior to joining the Sponsor group in 2011, he was part of the secretarial department of Great Offshore Limited. He has several years of experience in secretarial and compliance functions.

F. Details of the Holding or the Proposed Holding by the Investment Manager and its Directors in the Trust

The Investment Manager and its directors do not hold any Units as on date. Further, neither the Investment Manager nor its directors propose to hold any Units in the Trust subsequent to the Issue.

H. Summary of the Standalone Financial Statements of the Investment Manager

The Investment Manager has no subsidiaries. For a summary of the financial statements of the Investment Manager, as derived from the standalone financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2014, 2015, 2016, see "*Summary Financial Information*" on page 57.

G. Functions, Duties and Responsibilities of the Investment Manager

Below is the brief description of the functions, duties and responsibilities of the Investment Manager provided in the Investment Management Agreement and in accordance with the InvIT Regulations, which *inter alia* include:

a) to manage the day-to-day business and affairs of the Trust and provide administrative services in accordance with the provisions of Investment Management Agreement;

b) to make all investment decisions, concerning the investigation, selection, development, negotiation, structuring, restructuring, commitment or monitoring the investment decisions with respect to the Trust Assets, including any further investment or divestment of the assets and the appointment of the various advisors and service providers in connection with such investments, in accordance with the Trust's investment strategy and applicable laws;

c) to be responsible for the management of the Trust Fund along with the Trustee in accordance with the provisions of Investment Management Agreement, the Trust Documents and applicable laws;

d) to consult with the Trustee with regard to the appointment of the Project Manager and the execution of the Project Implementation Agreement;

e) to oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation Agreement, and to obtain a compliance certificate from the Project Manager, on a quarterly basis;

f) to ensure that the Trust Assets have proper legal titles, if applicable, and that all the material contracts entered into on behalf of the Trust or the Project SPV are legal, valid, binding and enforceable by and on behalf of the Trust or the Project SPV;

g) to ensure that the Trust's investments are in accordance with the InvIT Regulations and the Trust's investment strategy;

h) to, in consultation with the Trustee, appoint, remove or replace the Valuers, Auditor, registrar and transfer agent, merchant banker, custodian and any other intermediary or service provider or agent as may be applicable with respect to activities pertaining to the Trust in a timely manner and in accordance with the Trust Documents and InvIT Regulations;

i) to maintain proper books of accounts, financial statements, documents and records with respect to the matters of the Trust in accordance with the InvIT Regulations, or appoint a service provider and cause such service provider to maintain such proper books of accounts, documents and records;

j) to arrange for adequate insurance coverage for the Trust Assets and the Project SPVs other than those assets that are required to be insured by any other person under any other agreement or applicable law;

k) to handle all activities relating to issue of Units including filing of private placement memorandum with SEBI and the relevant Stock Exchange, filing the Draft Offer Document, Offer Document, Final Offer Document with SEBI and the Stock Exchanges within the prescribed time period, filing of any other document (including any information memorandum) with the Stock Exchanges as may be required, dealing with all matters up to Allotment of Units to the Unitholders, obtaining in-principle approval and final listing and trading approvals from the Stock Exchanges, and dealing with all matters relating to issue, listing and delisting of the Units specified under the InvIT Regulations;

l) to ensure that the disclosures made in the Draft Offer Document, Offer Document, Final Offer Document, private placement memorandum, or to the Trustee or the Unitholders or to SEBI or to the Stock Exchanges are material, true, correct, adequate, and in accordance with the InvIT Regulations and applicable law;

m) to declare and make distributions to the Unitholders in a timely manner in accordance with the InvIT Regulations;

n) to obtain the consent of the Unitholders, as may be required under applicable law;

o) to assist in the payment of all taxes, duties and any other statutory charges or levies that may be payable by the Trust or on behalf of the Unitholders from the Trust Fund, subject to the provisions of the Trust Documents;

p) to, in consultation with the Trustee, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable law before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise;

q) to, in consultation with the Trustee, deduct any stamp duties or government taxes, registration fees or charges payable by the Trustee or for which the Trustee may be liable in respect of any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise, or in connection with any documents executed in that regard;

r) to consult with the Trustee in relation to the distribution of the disposition proceeds *pro rata* to the total subscription amounts of a Unitholder in accordance with the provisions of the Trust Documents provided that such proceeds from disposition are not being used for investments in any the infrastructure projects in which the Trust is permitted to invest in, acquire or set up or the Project SPVs;

s) to assist the Trustee in relation to creating reserves from the Trust Fund in order to meet the operating expenses, liabilities or contingent liabilities of the Trust;

t) to review the related party transactions carried out between the Project Manager and its Associates, and where the Project Manager has advised that there may be a conflict of interest, to obtain confirmation from a practicing chartered accountant or the valuers, as applicable, that such transaction is on arms-length basis;

u) To provide the Trustee with advice and recommendations regarding the extension of loans from the Trust Fund to the Project SPVs and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the Project SPVs from the Trust Fund or extension of loans from the Trust Fund in compliance with applicable laws;

v) to ensure adequate and timely redressal of all Unitholders' grievances pertaining to activities of the Trust and provide quarterly reports regarding the same;

w) to provide to SEBI, the Stock Exchanges, where applicable, and the Unitholders, any such documents and information as may be sought by the SEBI, such stock exchanges or the Unitholder pertaining to the activities of the Trust, subject to any confidentiality obligations in relation to such information;

x) to ensure that the valuation of the Trust Assets is done by the Valuers in accordance with the InvIT Regulations;

y) to submit the following to the Trustee:

z) quarterly reports on the activities of the Trust including receipts for all funds received by it and for all payments made, position on compliance with the InvIT Regulations specifically compliance with respect to Regulations 18, 19 and 20 of InvIT Regulations, performance report, status of development of under-construction projects, within thirty days of end of such quarter;

   i) valuation reports as required under the InvIT Regulations, within fifteen days of the receipt of the valuation report from the Valuers;

   ii) any decision to acquire or sell or develop or bid for any asset or the infrastructure projects in which the Trust is permitted to invest in, acquire or set up or expand existing completed assets or projects along with rationale for the same;

   iii) details of any action which requires approval from the Unitholders, as maybe required under the Trust Documents and applicable laws including the InvIT Regulations;

   iv) details of any other material fact including change in its directors, change in its shareholding, any legal proceedings that may have a significant bearing on the activity of the Trust, within seven working days of such action;

   v) details of any breach of the Trust's investment strategy on account of market movements of the price of the Trust's investments; and

   vi) details of any borrowings exceeding such percentage of the value of the Trust Assets as may be prescribed by the InvIT Regulations on account of market movements of the price of the Trust's investments.

aa) to coordinate with Trustee, as may be necessary, with respect to operations of the Trust;

bb) from time to time file, to file such reports as may be required by the SEBI or other governmental agency under applicable law, with respect to the activities carried on by the Trust;

cc) to collect the income due to the Trust and to provide the Trustee with a certificate on a quarterly basis detailing such income;

dd) to prepare the annual report and the half yearly report in accordance with the InvIT Regulations;

ee) to submit the annual report of the Trust to all the Unitholders, either electronically or by physical copies, and to the designated Stock Exchange, within three months from the end of the Financial Year;

ff) to submit the half-yearly report of the Trust to the designated Stock Exchange, within forty-five days from the end of every half year ending March 31st and September 30th of that year;

gg) to ensure computation and declaration of NAV of the Trust, based on the valuation done by the Valuers, not later than fifteen days from the date of valuation;

hh) to ensure audit of the accounts of the Trust by the Auditor is done in accordance with the InvIT Regulations, but not less than once in a year;

ii) to ensure that the Auditor's report shall be submitted to the designated Stock Exchange in accordance with any agreement with such Stock Exchange and applicable law, and within 45 days of the end of the Financial Year or any other such period as may be prescribed by applicable law;

jj) to designate one of its employees or directors as the compliance officer for monitoring of compliance with the InvIT Regulations, and intimating SEBI in case of any non-compliance;

kk) to effectuate any transfer of Units by the Unitholders in accordance with applicable law;

ll) to convene meetings of the Unitholders in accordance with the Trust Documents and applicable law and not less than once every year and the period between such meetings shall not exceed 15 months;

mm) to maintain records pertaining to the meetings in accordance with applicable law;

nn) to place, before its board of directors, a report on activity and performance of the Trust at least once every quarter within thirty days of end of every quarter;

oo) to ensure that all activities of the Valuers, Auditors, registrar and transfer agent, merchant banker, custodian and any other intermediary or service provider or agent appointed by it in accordance with Investment Management Agreement are in accordance with applicable law;

pp) to disclose, in the form and manner specified in any agreement entered into by the Trust with such Stock Exchange as well as specified under applicable law, to the Stock Exchanges, within such time period in any agreement entered into by the Trust with such Stock Exchange as well as specified under applicable law, all information having a bearing on the operation or performance of the Trust as well as price sensitive information which includes the following:

i) acquisition or disposal of any projects, directly or through Project SPV, value of which exceeds five per cent. of value of the Trust Assets;

ii) additional borrowing, at level of Project SPV or the Trust, exceeding 15 per cent of the value of the Trust Assets;

iii) additional issue of Units by the Trust;

iv) details of any credit rating obtained by the Trust and any change in such rating;

v) any issue which requires approval of the Unitholders;

vi) any legal proceedings which may have significant bearing on the functioning of the Trust;

vii) notices and results of meetings of Unitholders,

viii) any instance of non-compliance with the InvIT Regulations including any breach of limits specified under the InvIT Regulations; and

ix) any material issue that in the opinion of the Investment Manager or Trustee needs to be disclosed to the Unitholders;

qq) to execute such transaction documents in respect of the Trust's investments, as may be necessary, in accordance with the Trust's investment strategy and the Trust Documents and varying, amending or modifying the terms and conditions of the transaction documents in relation to such Investment, from time to time;

rr) to monitor the performance of the Trust's investments and, where appropriate, providing advice to the management of the Project SPVs during the life of the Investment;

ss) to actively manage the Trust's investments and exercising voting and other rights on behalf of the Trust in Project SPVs;

tt) to ensure that the Auditors follow all the rules and regulations under the InvIT Regulations and applicable law;

uu) appointing or advising the Trustee on the appointment of the Board observer / nominee / directors on the boards of the Project SPVs in accordance with the terms and conditions contained in the transaction documents of an investment and in accordance with the InvIT Regulations;

vv) to apply for and obtain the necessary approvals from relevant Governmental Agencies in relation to the Trust, its Investments and any of its activities;

ww) to make short term investments in accordance with the provisions of the Trust Documents;

xx) to maintain such books, records and accounts of the Trust in accordance with the Trust Documents and Indian GAAP;

yy) to issue Statement of Accounts or Unit Certificates (if requested) to the Unitholders on behalf of the Trustee. In case Unit Certificates have been issued to the Unitholders, to submit theses Units for dematerialisation and to make all applications and execute all documents with the depositories and depository participants as may be necessary in this regard;

zz) to maintain on-going relationships with the Unitholders and providing periodic reporting to keep the Unitholders abreast of the activities of the Trust;

aaa) to open, and operate bank accounts, demat accounts and any other accounts maintained by the Trust in accordance with the Trust Documents;

bbb) to exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interest of each Unitholder;

ccc) to generally evolve, formulate and adopt from time to time such policies and procedures in accordance with the Trust Documents as may be conducive for the effective management of the Trust and the attainment of the Trust's investment strategy;

ddd) to maintain a skilled fund management team in accordance with the InvIT Regulations;

eee) to cause the collection of all dividends, interests, properties and other payments due and receivable by the Trust and support the same, on a quarterly basis, with a compliance certificate from the Investment Manager in this regard;

fff) to ensure the payment of any money due to a Unitholder by cheque or by demand draft drawn on the bankers of the Trust and cause to be sent to the registered address of each Unitholder;

ggg) to ensure, at all times, that the assets and liabilities of the Trust shall be segregated from, the assets and liabilities of any other trusts / funds managed by the Trustee and / or the Investment Manager and / or any other service provider;

hhh) to appoint, at its discretion, a custodian to provide such services and perform such functions as may be authorised by the Trustee;

iii) to conduct its affairs and the affairs of the Trust in such a manner so as to ensure that no Unitholder has any personal liability or obligation with respect to the Trust;

jjj) to devote such time and resources to the management of the Trust and its investments as the Investment Manager reasonably determines shall be necessary to conduct the affairs of the Trust in an appropriate manner;

kkk) to provide the prescribed compliance certificate to the Trustee, on a quarterly basis;

lll) to intimate the Trustee on the occurrence of any event that may have a material impact on the Investment Manager and its ability to perform its obligations under Investment Management Agreement, including any change in control of the Investment Manager;

mmm) to perform any duties and comply with any other obligations otherwise agreed in writing between the Investment Manager and the Trustee;

nnn) to ensure that the public holding of the Trust is in accordance with the InvIT Regulations;

ooo) to ensure that it, or its Associates, shall not obtain any commission or rebate or any other remuneration by whatever name called, arising out of transactions pertaining to the Trust other than as specified in the Draft Offer Document, Offer Document, Final Offer Document or placement Mmemorandum or any other document as may be specified by the SEBI for the purpose of issue of Units;

ppp) To ensure that all taxes and statutory levies are paid in time;

qqq) to submit copies of the valuation report received from the Valuers to the Stock Exchanges within 15 days of receipt of such valuation report;

rrr) to ensure that any Related Party Transaction in which it is involved are conducted on an arm's length basis;

sss) to determine any change in name of the Trust along with the Trustee;

ttt) to determine, along with the Trustee, the location of the other offices of the Trust;

uuu) to carry on activities of the Trust, on the instructions of the Trustee, throughout India and outside India, subject to the approval of the appropriate Governmental Agency, if any;

vvv) from time to time, to advise the Trustee on any review, revision, amendment, variation or alteration of the Trust's investment strategy in accordance with the Indenture of Trust, subject however to the provisions of the Trust Documents and applicable law;

www) to advise the Trustee on termination of the Trust, in accordance with the Trust Documents;

xxx) to assist and advise the Trustee on all steps required to be taken and all acts required to be done in connection with making an application to SEBI for the grant of a certificate to the Trust to carry on the activity of a infrastructure investment trust under the InvIT Regulations, within such period from

the Effective Date as may be reasonably practical and as permissible under the InvIT Regulations, along with payment of the requisite fees as stipulated in the InvIT Regulations;

yyy) to set up such systems and procedures, and submit such reports, as may be required by the Trustee as necessary for effective monitoring of the functioning of the Trust; and

zzz) to perform any other duties specified in the InvIT Regulations.

H. Investment Committee

The Investment Manager may constitute an investment committee in accordance with the provisions of the Investment Management Agreement, and in compliance with the provisions of the InvIT Regulations. The members of the investment committee will be nominated by the Investment Manager.

THE PROJECT MANAGER

The Trustee and the Investment Manager have appointed Modern Road Makers Private Limited as the Project Manager, to carry out operations and management of the Project SPVs in accordance with the Project Implementation Agreements, the relevant concession agreements and the InvIT Regulations.

The details of the Project Manager are as follows:

A. Details of the Project Manager

a) **Name:** Modern Road Makers Private Limited;

b) **Registered Office:** IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

c) **Correspondence Address:** IRB Complex, Chandivali Farm, Chandivali Village, Andheri (E), Mumbai - 400 072;

d) **Telephone Number:** +91 22 6733 5900;

e) **Fax:** +91 22 6733 5950; and

f) **E-mail:** info@irb.co.in

B. Details of the Contact Person of the Project Manager

a) **Name:** Mr. Rajpaul S. Sharma;

b) **Telephone Number:** +91 22 6733 5900; and

c) **Email:** rajpaul.sharma@irb.co.in

C. Background and Past Experience of the Project Manager

The Project Manager is a wholly-owned subsidiary of the Sponsor and the EPC arm of its business operations. A majority of the EPC projects being undertaken by the Sponsor group are executed through the Project Manager. The Project Manager also acts as the operations and maintenance contractor for the road projects of the Sponsor group. Typically, the Project Manager has constructed and maintained numerous road projects in accordance with the concession agreements. The Project Manager has an order book that as of December 31, 2016, stood at approximately Rs. 152,878.71 million. The present order book of the Project Manager comprises construction contracts for the Sponsor group's in-house toll projects as well as the operation and maintenance contracts for certain of the toll roads portfolio held by the Sponsor and the Project SPVs. The Project Manager has experience in the execution of construction work for roads, highways, and other relevant structures and has a track record of constructing over 2,500 Kms of roads and highways as of December 31, 2016. The Project Manager had a team of approximately 3,296 skilled and semi-skilled persons to support its operations as of December 31, 2016. As on December 31, 2016, the written down value of the machinery is Rs.1,035.74 million.

Further, neither the Project Manager, nor its promoters or directors:

a) is debarred from accessing the securities market by the SEBI;

b) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or

c) is in the list of the willful defaulters published by the RBI.

D. Functions, Duties and Responsibilities of the Project Manager

The Project Manager has agreed to provide professional services to carry out operations and management of the Project SPVs, including making arrangements for the appropriate maintenance, either directly or through the appointment of appropriate agents, in accordance with the terms and conditions of the relevant concession agreement and project implementation agreement, and the InvIT Regulations.

Pursuant to a letter dated April 20, 2017 issued by NHAI, any replacement of the Project Manager shall be subject to the prior approval of NHAI. Further, in accordance with the aforesaid letter, a change in the project manager can only be to an entity which is equal or better in terms of the prescribed O&M capacity requirements for a particular project. For further details, please see "*Government and Other Approvals*" on page 449.

THE TRUSTEE

The Sponsor has settled the Trust pursuant to the Indenture of Trust dated October 16, 2015, as amended on February 17, 2017, and appointed IDBI Trusteeship Services Limited (the "**Trustee**") in accordance with the provisions of the InvIT Regulations.

The details of the Trustee are as follows:

A. Details of the Trustee

a) **Name:** IDBI Trusteeship Services Limited;

b) **Registered Office:** Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001;

c) **Correspondence Address:** Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001;

d) **Telephone Number:** +91 22 4080 7000;

e) **Fax:** +91 22 6631 1776; and

f) **E-mail:** itsl@idbitrustee.co.in;

B. Details of the Contact Person of the Trustee

a) **Name:** Mr. Shivaji Gunware / Mr. Naresh Sachwani;

b) **Telephone Number:** +91 22 4080 7016; and

c) **E-mail:** sgunware@idbitrustee.com / naresh.sachwani@idbitrustee.com

C. Details of Trustee's Registration with SEBI

The Trustee registered with SEBI as a debenture trustee under the Debenture Trustees Regulations, having SEBI registration number IND000000460. The Trustee's SEBI registration certificate is valid unless it is suspended or cancelled by the SEBI.

D. Background of the Trustee

The Trustee is a trusteeship company, which has been registered with SEBI as a debenture trustee, and has been jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services.

The Trustee is permitted to engage in the following activities:

i) Debenture / bond trustee;
ii) Security trustee/ facility agent;
iii) Securitization trustee;
iv) Share pledge trustee / share monitoring agent;
v) Escrow agent;
vi) VCF trustees/ AIF Trustees;
vii) Safe keeping / lockers services;
viii) Management of private trusts / execution of wills; and
ix) Special corporate services (e.g. provision of nominee directors)

The Trustee has experience in providing trusteeship services to a range of corporates and institutions.

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, Trustee (i) is not debarred from accessing the securities market by the SEBI; (ii) is not a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or (iii) is not in the list of the willful defaulters published by the RBI.

To the best of the knowledge of the Trustee, none of the promoters or directors of the Trustee (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

E. Names and Profiles of the Directors of the Trustee

The names and profiles of board of directors of the Trustee, in a tabular form, are as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. G. M. Yadwadkar	Chairman	01432796
2.	Mr. Pankaj Gupta	Director	00085831
3.	Mrs. Mythili Balasubramanian	Director	00038005
4.	Mr. Ravishankar G. Shinde	Director	03106953
5.	Ms. Madhuri J. Kulkarni	Director	07787126
6.	Mr. B. Balachandra	Managing Director and CEO	07424524

The Trustee confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance InvIT Regulations, the Indenture of Trust and applicable law.

F. Functions, Duties and Responsibilities of the Trustee

a) Change in Control of the Trustee

The Trustee shall obtain the prior approval of the Unitholders in the event of a proposed change in control of the Trustee or change in the Trustee, in accordance with the InvIT Regulations and applicable law.

b) Change in Control of the Investment Manager

The Trustee shall obtain the prior approval of the Unitholders in the manner specified under Regulation 22 of the InvIT Regulations (where the votes cast in favour of a resolution shall not be less than one and a half times the votes cast against such resolution) in the event of a proposed change in control of the Investment Manager.

c) Change in Control of the Project Manager

The Trustee is required to obtain the prior approval of the relevant concessioning authority, where applicable, and such other person as may be required under the InvIT Regulations.

d) Change or Removal of the Investment Manager

The Trustee is required to ensure that a new investment manager of the Trust is appointed within such period as may be prescribed under the InvIT Regulations. Further, the Trustee is required to ensure that all the conditions in connection with removal of an investment manager and appointment of a new investment manager as prescribed under the InvIT Regulations are adhered to.

e) Change or Removal of the Project Manager

The Trustee is required to do all such acts and take all such steps as may be prescribed in the InvIT Regulations in the event of any change in the Project Manager for removal or otherwise.

f) Interests of the Unitholders

The Trustee shall at all times exercise due diligence in carrying out its duties and protect the interests of the Unitholders. The Trustee shall make distributions and ensure that the Investment Manager makes declarations of distributions to the Unitholders in a timely manner, in accordance with Regulation 18 of the InvIT Regulations.

g) Income Due to the Trust

The Trustee shall ensure that the Investment Manager undertakes prompt and proper collection of the income due to the Trust. The Trustee shall also ensure that the Investment Manager provides the Trustee with a certificate on a quarterly basis detailing such income.

Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Indenture of Trust or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the person or persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof, provided that the Trustee and such persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.

h) Transactions by Certain Persons

The Trustee shall ensure that all transactions executed and the activities carried out by the Investment Manager and any service provider to whom the Trustee has delegated any powers or duties, subject to the InvIT Regulations, are done in accordance with the Indenture of Trust, the Investment Management Agreement, the Project Implementation Agreements and any agreement executed with such service provider.

i) Trust Fund

The Trustee shall hold the Trust Fund in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts on behalf of the Trust. The Trustee must ensure that the Trust Fund is held in a bank account opened in the name of the Trust.

j) Trust Assets

The Trustee shall hold the Trust Assets in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts in the name of the Trust.

k) Subscription amounts

The Trustee shall ensure that the subscription amounts are kept in a separate bank account in the name of the Trust and are only utilised for adjustment against Allotment of Units or refund of money to the applicants till the time such Units are listed.

l) Books of Accounts

The Trustee shall ensure that the Investment Manager shall cause to be maintained, the books of accounts of the Trust in accordance with the Indenture of Trust and the InvIT Regulations.

m) Valuation of the Trust Assets

The Trustee shall ensure that the Investment Manager shall ensure that a detailed valuation is undertaken of the Trust Assets by the valuers at such intervals and in the manner as may be prescribed under the InvIT Regulations. The Trustee shall ensure that the remuneration of the Valuers is not linked to or based on the value of the Trust Assets being valued.

n) Statutory charges or levies payable by the Trust

The Trustee shall ensure that the Investment Manager shall pay all taxes, duties and any other statutory charges or levies that may be payable by the Trust or on behalf of the Unitholders from the Trust Fund.

o) Reports to be filed by the Trust

The Trustee shall, and shall ensure that Investment Manager does, from time to time file such reports as may be required by the SEBI or other governmental agency under applicable law, with respect to the activities carried on by the Trust.

p) Documents and information to be provided to Unitholders

The Trustee shall, and shall ensure that Investment Manager shall, from time to time provide such documents and information to the Unitholders, as may be required under applicable law, with respect to the activities carried on by the Trust.

q) Confidentiality

The Trustee and its directors, officers, employees and agents shall at all times maintain confidentiality with respect to all the investments and all matters connected with the investments, and shall not disclose any confidential information to any person or use such information in a manner prejudicial to the interest of the Trust, subject to disclosure of information to any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority where so required under applicable law.

r) Segregation of assets and liabilities

The assets and liabilities of the Trust shall at all times be segregated from, the assets and liabilities of any other trusts managed by the Trustee. The assets held in the name of the Trust shall be held for the exclusive benefit of the Unitholders of the Trust and such assets shall not be subject to the claims of any creditor or other person claiming under any other trust administered by the Trustee or managed by the Investment Manager, as the case may be.

s) Attainment of Objects of the Trust

The Trustee shall ensure that all acts, deeds and things are done with a view to attain the objects of the Trust in compliance with the Trust's investment strategy, applicable law, Indenture of Trust, Investment Management Agreement and Project Implementation Agreements in order to secure the best interests of the Unitholders.

t) Winding up of the Trust

The Trustee shall wind up the Trust only as set out in the Indenture of Trust and in accordance with applicable law. Upon winding up of or dissolution the Trust, the Trustee shall surrender the certificate of registration to the SEBI.

u) Investments by the Trustee

The Trustee shall not invest in the Units unless permitted to do so under applicable law.

v) Grievance redressal

The Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager in accordance with the InvIT Regulations.

w) Delegation to Investment Manager

The Trustee shall delegate all such powers to the Investment Manager as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under applicable law.

The Trustee shall delegate all such powers to the relevant Project Manager as may be required by such Project Manager to carry out its obligations under the relevant Project Implementation Agreement and under applicable law.

x) Related Party Transactions

The Trustee shall review the transactions carried out between the Investment Manager and its Associates and obtain a certificate from a practising chartered accountant or valuer, as applicable, with respect to any related party transactions involving the Investment Manager and its Associates, where the Investment Manager has advised that there may be a conflict of interest, stating that such transactions have been done at an arms-length basis.

y) Monitoring

The Trustee may require the Investment Manager to set up such systems and procedures and submit such reports to the Trustee, as may be necessary for the effective monitoring or the functioning of the Trust. The Trustee shall oversee activities of the Investment Manager in the interest of the Unitholders, shall ensure that the Investment Manager is in compliance Regulation 10 of the InvIT Regulations at all times and shall obtain a compliance certificate from the Investment Manager. Further, the Trustee shall ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with the InvIT Regulations and in case of any delay or discrepancy, the Trustee will ensure that the Investment Manager rectifies such delay or discrepancy on an urgent basis.

The Trustee shall also oversee the activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation Agreement. The Trustee shall obtain a compliance certificate from the Project Manager in this regard, as specified under the InvIT Regulations.

z) Unitholders Meeting

The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations. The Trustee shall also oversee the voting by the Unitholders at such meetings. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than once every year and the period between such meetings shall not exceed 15 months. In issues pertaining to the Investment Manager such as change in the Investment Manager, including removal of the Investment Manager or change in control of the Investment Manager, the Trustee shall convene and handle all activities pertaining to the conduct of such meetings. In respect of issues pertaining to the Trustee, including any change in the Trustee or change in control of the Trustee, the Trustee will not be involved in any manner in the conduct of such meetings. The Trustee may take up with the SEBI and/or the Stock Exchanges, any matter which has been approved in any meeting of the Unitholders, if the matter requires such action.

aa) Others

The Trustee shall ensure that the activity of the Trust is operated in accordance with the Indenture of Trust, InvIT Regulations, the Final Offer Document and Offer Document. In the event, any discrepancy is noticed by the Trustee, then the Trustee shall promptly inform the SEBI in writing. The Trustee shall provide to the SEBI and Stock Exchange such information as may be sought by the SEBI or the Stock Exchanges pertaining to the activity of the Trust.

The Trustee shall promptly inform the SEBI about any act which is detrimental to the interest of the Unitholders.

bb) Compliance Certificate

The Trustee shall obtain a compliance certificate in the form and manner prescribed under applicable law on a quarterly basis, from each of the Investment Manager and the Project Manager.

cc) Power to appoint the Investment Manager

The Trustee shall have the power to appoint the Investment Manager as the investment manager of the Trust. The Trustee shall have the power to execute the Investment Management Agreement or any other agreement or arrangement, from time to time, with the Investment Manager in this regard.

dd) Power to appoint the Project Manager

The Trustee shall in consultation with the Investment Manager have the power to appoint the Project Manager. The Trustee shall have the power to execute the Project Implementation Agreement or any other agreement or arrangement, from time to time, with the Project Manager and the Project SPV in this regard.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Independent Auditors' Report on Combined Financial Statements of proposed Project SPVs of the IRB InvIT Fund in connection with the proposed Initial Public Offer of the Units.

IDBI Trusteeship Services Limited (As "Trustee" of the IRB InvIT Fund)
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai- 400 001

IRB InvIT Fund ("Trust")
IRB Complex,
Chandivali Farm, Chandivali Village,
Andheri (E),
Mumbai 400 072.

IRB Infrastructure Private Limited (As the "Investment Manager" of the IRB InvIT Fund)
IRB Complex, Chandivali Farm,
Chandivali Village, Andheri (E)
Mumbai-400072

Dear Sirs,

Report on Combined Financial Statements

We have audited the attached Combined Financial Statements of the six subsidiaries of IRB Infrastructure Developers Limited ("IRB" or "Sponsor"), namely IDAA Infrastructure Private Limited, IRB Jaipur Deoli Tollway Private Limited, IRB Surat Dahisar Tollway Private Limited, IRB Talegaon Amravati Tollway Private Limited, IRB Tumkur Chitradurga Tollway Private Limited and M.V.R. Infrastructure and Tollways Private Limited (together called as "Project SPVs" or "Project SPV Group" and individually a "Project SPV") which are proposed to be transferred from the Sponsor to IRB InvIT Fund (the "Trust") pursuant to the proposed Initial Public Offering of Units of the Trust ('IPO'), which comprise the combined balance sheet and combined statement of changes in equity as at December 31 , 2016, March 31, 2016, 2015, and 2014, the combined statement of profit and loss, combined statement of cash flows for the nine months period ended December 31, 2016 and 2015 and for the years ended as on March 31, 2016, 2015, and 2014 and combined statement of net assets at fair value as at December 31, 2016 and the combined statement of total return at fair value for the nine months ended December 31,2016, a summary of significant accounting policies, notes and other explanatory Information (collectively called the "Combined Financial Statements") annexed to this report for the purpose of inclusion in the offer document, prepared in connection with the proposed IPO.

These Combined Financial Statements have been prepared in accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014, as amended from time to time including by any guidelines and circulars (the "InvIT Regulations"). Accordingly these Combined Financial Statements have been prepared, as if the Trust structure was in place and 100% interest of the Project SPVs was part of the Trust since April 1, 2013 and have been approved by the Investment Manager of the Trust.

Management's Responsibilities for the Combined Financial Statements

The Investment Manager of the Trust is responsible for the preparation of Combined Financial Statements that give a true and fair view of the combined financial position, combined financial performance, combined cash flows, combined statement of change in equity in accordance with the Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules and other accounting principles generally accepted in India. The management is also responsible for ensuring that the Trust complies with all the requirements of InvIT Regulations.

The respective managements of the Project SPVs are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act , 2013 for safeguarding the assets of the Project SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

For the purposes of preparation of the Ind AS financial statements of each Project SPV, the financial statements prepared in accordance with Generally Accepted Accounting Principles of India ('Indian GAAP') including the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014/ Section 211 (3C) of the Companies Act, 1956 for the years ended March 31, 2016, 2015, 2014 and audited by their respective auditors were converted by the respective managements of the Project SPVs in accordance with the Ind AS, which have been used for the purpose of preparation of the Combined Financial Statements by the Investment Manager of the Trust, as aforesaid.

The Financial statements of each of the Project SPVs for the nine months period ended December 31, 2016, the statement of profit and loss and statement of cash flows for the nine months period ended on December 31, 2015 is prepared by the management as per the roadmap prescribed by the Ministry of Corporates Affairs for the implementation of Ind AS, considering the transition date i.e 1 April 2015 and audited by thee respective statutory auditors of the Project SPVs. Further, the said financial statements were adjusted by the respective management of Project SPVs, considering thetransition date as on 1 April 2013 for the purpose of preparation of Combined Financial Statements by the Investment Manager of the Trust.

.**Auditor's Responsibility**

Our responsibility is to express an opinion on these Combined Financial Statements based on our audit. While conducting the audit, we have taken into account (a) the terms of reference vide our engagement letter dated April 5, 2016 to carry out work on such financial information included in the offer document of the Trust in connection with its proposed IPO,(b) Guidance note on Combined and Curve-out financial statements, (c) Guidance note on Report or certificates for special purpose (Revised 2016) and (d) the Guidance Notes on Reports in Company Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India, to the extent applicable to these Combined Financial Statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Combined Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Combined Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Investment Manager of Trust, as well as evaluating the overall presentation of the Combined Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Combined Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for the Firm's that Perform Audit and Review of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us:

a) The combined balance sheet gives a true and fair view of the state of affairs of the Project SPV Group as at the December 31, 2016, March 31, 2016, 2015 and 2014;

b) The combined statement of profit and loss gives a true and fair view of the losses of the Project SPV Group for the nine months period ended December 31, 2016 and 2015 and years ended on March 31, 2016, 2015 and 2014;

c) The combined cash flow statement gives a true and fair view of the cash movements of the Project SPV Group for the nine months period ended December 31, 2016 and 2015 and years ended on March 31, 2016, 2015 and 2014;

d) The combined statement of changes in equity gives a true and fair view of the movement of the equity holder's fund of the Project SPV Group for the nine months period ended December 31, 2016 and years ended on March 31, 2016, 2015 and 2014;

e) The combined statement of net assets at fair value gives a true and fair view of the net assets of the Project SPV Group as at December 31, 2016; and

f) The combined statement of total return at fair value gives a true and fair view of the total return at fair value of the Project SPV Group for the year ended March 31, 2016 and nine months period ended December 31, 2016.

Other matters

We have conducted the audit of Ind AS financial statements of each of the respective Project SPVs i.e. Audited Converted Financial Statements ("ACFS") in the accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The financial statements of Project SPVs as at and for the years ended March 31, 2016, 2015 and 2014, which were drawn up in accordance with Indian GAAP including the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 / Section 211 (3C) of the Companies Act, 1956 were audited by their respective statutory auditors' and have been relied upon by us (refer Standard on Auditing (SA) 600 "Using the Work of another Auditor" to the extent applicable) for our audit of ACFS.

This report should not in any way be construed as a reissuance or re-dating of any of the previous reports issued by the SPV's Auditor nor should it be construed as a new opinion on any of the financial statements referred to herein.

We have also conducted the audit of Ind AS financial statements of each of the respective Project SPVs for the nine months period ended December 31, 2016, the statement of profit and loss and statement of cash flows for the nine months period ended on December 31, 2015 i.e. Audited Adjusted Financial Statements ("AAFS") in the accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The Financial statements of each of the project SPV's for the nine months period ended December 31, 2016, the statement of profit and loss and statement of cash flows for the nine months period ended on December 31, 2015 are prepared as per Ind AS, and have been audited by their respective auditors of Project SPVs.

Further, the said financial statements were adjusted by the respective management of Project SPVs, considering the transition date as on 1 April 2013 for the purpose of preparation of Combined Financial Statements by the Investment Manager of the Trust for the purpose of preparation of Combined Financial Statements by the Investment Manager of the Fund and have been relied upon by us (refer Standard on Auditing (SA) 600 "Using the Work of another Auditor" to the extent applicable) for our audit of AAFS.

Report on other Regulatory Requirements

We report that:

(i). We have sought and obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(ii). The combined balance sheet, the combined statement of profit and loss, combined statement of cash flows, the combined statement of changes in equity, as of and for the nine months period ended December 31,

2016 and years ended March 31, 2016, 2015, 2014 and the combined statement of profit and loss, combined statement of cash flows for the nine months period ended December 31, 2015, the combined statement of net assets at fair value as at December 31, 2016 and the combined statement of total return at fair value for the nine months period ended December 31, 2016 are in agreement with the relevant books of account considering the adjustments required for preparation of AAFS / ACFS as maintained for the purpose of preparation of Combined Financial Statements;

(iii). The Combined Financial Statements do not contain any extraordinary items.

(iv). There are no qualifications / reservations / remarks / adverse remarks / Emphasis of Matter in the auditors' reports on the ACFS of the Project SPVs as at and for each of the years ended March 31, 2016, 2015 and 2014 and AAFS of the nine months period ended December 31, 2016 which requires any adjustments to the Combined Financial Statements.

(v). We have also audited the following combined financial information (the "Information") included in the offer document:

a. Operating cash flow from the Project SPVs (project-wise) for the nine months period ended December 31, 2016 and 2015 and three years ended March 31, 2016, 2015 and 2014;
b. Details on payment of interest and principal history for the nine months period ended December 31, 2016 and three years ended March 31, 2016, 2015 and 2014;

(vi). In our opinion, the Combined Financial Statements (including the Information) are in compliance with the requirements of InvIT Regulations and Ind AS, as applicable.

Restriction on use

We have no responsibility to update our report for events and circumstances occurring after the date of this report.

This report is intended solely for your information and for inclusion in the offer document in connection with the proposed IPO and is not to be used, referred to or distributed for any other purpose without our written consent. Accordingly, we do not accept any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/ W-100010

(Ramesh Gupta)
Partner
Membership No.: 102306
Place: Mumbai
Dated: March 29, 2017

IRB InvIT Fund
Combined Balance sheet

(Amount Rs. in Millions)

	Particulars	Notes	As at December 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	ASSETS					
(1)	**Non-current assets**					
	a. Property, plant and equipment	4	12.01	12.52	13.99	41.17
	b. Other intangible assets	4	126,846.99	129,882.32	134,149.13	135,805.98
	c. Intangible assets under development		46.81	41.26	16.43	3,122.86
	d. Financial assets					
	i) Investments	5	0.04	0.04	0.09	0.10
	ii) Loans	6	6.54	533.91	482.87	435.92
	iii) Other receivables	7	-	-	-	0.33
	e. Deferred tax assets (net)	36	366.93	366.93	492.41	447.77
	f. Other non-current assets	8	2.11	5.32	10.64	29.74
			127,281.43	**130,842.30**	**135,165.56**	**139,883.87**
(2)	**Current assets**					
	a. Financial assets					
	i) Investments	5	121.16	0.05	0.02	0.21
	ii) Trade receivables	9	453.90	18.09	24.58	33.05
	iii) Cash and cash equivalents	10	477.35	579.41	824.04	725.37
	iv) Bank balance other than above (iii)	10	1,104.76	1,026.79	984.34	1,012.68
	v) Loans	6	1,987.64	1,903.92	1,252.61	0.98
	vi) Others	7	116.08	130.18	153.03	170.89
	b. Current tax assets (net)		27.81	32.04	22.19	34.73
	c. Other current assets	11	83.92	90.41	42.75	106.94
			4,372.62	**3,780.89**	**3,303.56**	**2,084.85**
	Total assets		**131,654.05**	**134,623.19**	**138,469.12**	**141,968.72**
	EQUITY AND LIABILITIES					
	Equity					
	Equity share capital	12	11,145.64	11,145.64	11,145.64	11,116.24
	Subordinated debt (in nature of equity)	12	6,985.00	6,985.00	6,985.00	6,955.60
	Other equity		22.27	151.80	916.15	2,155.60
	Total equity		**18,152.91**	**18,282.44**	**19,046.79**	**20,227.44**
	Liabilities					
(1)	**Non-current liabilities**					
	a. Financial liabilities					
	i) Borrowings	13	33,257.10	36,552.04	38,681.66	40,069.05
	ii) Other financial liabilities	14	62,543.44	66,626.27	68,673.01	69,592.45
	b. Provisions	15	1,487.14	1,093.56	734.97	1,214.89
	c. Other non-current liabilities	17	-	-	-	3.57
			97,287.68	**104,271.87**	**108,089.64**	**110,879.96**
(2)	**Current liabilities**					
	a. Financial liabilities					
	i) Borrowings	13	6,877.01	6,436.12	6,520.62	6,778.30
	ii) Trade payables	16	127.05	134.08	429.51	75.72
	iii) Other financial liabilities	14	9,168.71	5,453.62	4,209.70	3,837.84
	b. Other current liabilities	17	6.11	29.88	138.82	128.80
	c. Provisions	15	1.53	0.87	0.62	2.36
	d. Current tax liabilities (net)		33.05	14.31	33.42	38.30
			16,213.46	**12,068.88**	**11,332.69**	**10,861.32**
	Total liabilities		**113,501.14**	**116,340.75**	**119,422.33**	**121,741.28**
	Total equity and liabilities		**131,654.05**	**134,623.19**	**138,469.12**	**141,968.72**

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of the Combined Financial Statements.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Finance Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Combined Statement of Profit and Loss

(Amount Rs. in Millions)

Particulars	Notes	For nine months ended December 31, 2016	For nine months ended December 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Income						
Revenue from operations	18	7,349.93	7,310.87	9,867.23	9,002.52	7,452.04
Other income	19	161.19	129.50	171.09	161.06	172.88
Total income		**7,511.12**	**7,440.37**	**10,038.32**	**9,163.58**	**7,624.92**
Expenses						
Road work and site expenses	20	1,012.48	1,006.22	1,283.76	1,426.39	479.83
Employee benefits expense	21	157.14	152.58	209.34	174.35	159.64
Finance costs	22	3,097.91	3,289.93	4,348.17	4,448.40	3,755.94
Depreciation and amortisation expenses	23	3,203.83	3,513.80	4,675.77	4,253.79	3,563.94
Other expenses	24	93.84	83.43	111.92	122.08	117.09
Total expenses		**7,565.20**	**8,045.96**	**10,628.96**	**10,425.01**	**8,076.44**
Profit / (loss) before tax		**(54.08)**	**(605.59)**	**(590.64)**	**(1,261.43)**	**(451.52)**
Tax expenses	36					
Current tax		72.00	23.94	46.59	20.82	67.41
Tax adjustments for earlier years		4.41	-	0.93	0.16	6.50
Deferred tax		-	-	125.47	(44.63)	(50.01)
Total tax expenses		**76.41**	**23.94**	**172.99**	**(23.65)**	**23.90**
Profit/(loss) after tax		**(130.49)**	**(629.53)**	**(763.63)**	**(1,237.78)**	**(475.42)**
Other comprehensive income						
Items that will not to be reclassified to profit or loss						
Remeasurement gains / (losses) on defined benefit plans (net of tax)	25	0.96	(0.29)	(0.72)	(0.12)	1.47
Income tax relating to above				-	-	-
Other comprehensive income/(loss) for the period / year (net of tax)		0.96	(0.29)	(0.72)	(0.12)	1.47
Total comprehensive income/(loss) for the period / year		**(129.53)**	**(629.82)**	**(764.35)**	**(1,237.90)**	**(473.95)**
Profit / (loss) for the period / year		**(130.49)**	**(629.53)**	**(763.63)**	**(1,237.78)**	**(475.42)**
Attributable to:						
Equity holders		(130.49)	(629.53)	(763.63)	(1,237.78)	(475.42)
Non-controlling interests		-	-	-	-	-
Total comprehensive income / (loss) for the period / year		**(129.53)**	**(629.82)**	**(764.35)**	**(1,237.90)**	**(473.95)**
Attributable to:						
Equity holders		(129.53)	(629.82)	(764.35)	(1,237.90)	(473.95)
Non-controlling interests		-	-	-	-	-

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of the Combined Financial Statements.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Finance Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Combined Cash Flow Statement

(Amount Rs. in Millions)

Particulars	For nine months ended December 31, 2016	For nine months ended December 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities					
Profit/(Loss) before tax	**(54.08)**	**(605.59)**	**(590.64)**	**(1,261.43)**	**(451.52)**
Adjustments to reconcile profit before tax to net cash flows					
Interest expense	2,800.11	3,017.57	3,987.27	4,138.79	3,474.18
Depreciation and amortisation expenses	3,203.83	3,513.80	4,675.77	4,253.79	3,563.94
Dividend income on current investments	(0.17)	(3.64)	(3.72)	(0.37)	(0.39)
Interest income	(66.38)	(75.31)	(95.68)	(100.94)	(121.88)
Operating profit before working capital changes	**5,883.31**	**5,846.83**	**7,973.00**	**7,029.84**	**6,464.33**
Movement in working capital:					
Increase/(decrease) in trade payables	(7.03)	(334.75)	(295.42)	353.79	(443.20)
Increase/(decrease) in other liabilities	(23.77)	(125.67)	(108.94)	6.45	97.75
Increase/(decrease) in other financial liabilities	(1,037.94)	(1,165.76)	(1,520.94)	(1,639.18)	(1,393.13)
Increase/(decrease) in provisions	395.20	330.70	358.11	437.55	2.03
Decrease/(increase) in trade receivables	(435.81)	17.19	6.50	8.47	(6.92)
Decrease/(increase) in financials assets-loans	443.65	(568.38)	(702.34)	(1,298.58)	(39.88)
Decrease/(increase) in others financial assets	14.17	59.43	19.43	29.71	180.26
Decrease/(increase) in others assets	9.70	(53.19)	(42.34)	83.29	1,394.96
Cash generated from / (used in) operations	**5,241.48**	**4,006.40**	**5,687.06**	**5,011.34**	**6,256.20**
Direct taxes paid (net of refunds)	(53.44)	(57.39)	(76.48)	(13.35)	(7.60)
Net cash flows from / (used in) operating activities	**5,188.04**	**3,949.01**	**5,610.58**	**4,997.99**	**6,248.60**
B. Cash flows from investing activities					
Sale proceeds from investments	(121.11)	(134.61)	0.02	0.20	25.34
(Purchase)/sale of fixed assets including capital work in progress and capital advances (net of grant received)	(173.54)	(390.10)	(432.33)	(384.23)	(5,130.54)
(Purchase)/ Proceeds from maturity/redemption of financial instruments	(77.97)	(54.42)	(42.46)	28.34	432.07
Dividend income	0.17	3.64	3.72	0.37	0.39
Interest received	66.31	87.18	99.09	89.43	132.55
Net cash flows from/(used in) investing activities	**(306.14)**	**(488.29)**	**(371.96)**	**(265.89)**	**(4,540.19)**
C. Cash flow from financing activities					
Proceeds from issuance of equity share capital	-	-	-	29.40	414.93
Proceeds from receipt of subordinated debt	-	-	-	29.40	414.93
Repayment of long-term borrowings	(2,409.10)	(888.91)	(1,607.23)	(597.12)	(83.69)
Interest paid	(2,574.86)	(2,839.54)	(3,876.02)	(4,095.11)	(3,463.95)
Net cash flows from/(used in) financing activities	**(4,983.96)**	**(3,728.45)**	**(5,483.25)**	**(4,633.43)**	**(2,717.78)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(102.06)**	**(267.73)**	**(244.63)**	**98.67**	**(1,009.37)**
Cash and cash equivalents at the beginning of the period / year	**579.41**	**824.04**	**824.04**	**725.37**	**1,734.74**
Cash and cash equivalents at the end of the period / year (note 10)	**477.35**	**556.31**	**579.41**	**824.04**	**725.37**

Components of cash and cash equivalents					
Cash on hand	48.64	50.44	79.19	45.23	66.92
Balances with scheduled banks					
- Others	370.20	433.62	440.93	447.94	459.92
- Earmarked balances in escrow accounts	58.51	72.25	59.29	330.87	198.53
Total Cash and cash equivalents	**477.35**	**556.31**	**579.41**	**824.04**	**725.37**

1. All figures in bracket are outflow.
2. Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
3.The cash flow statement has been prepared under Indirect Method as per the Ind AS 7 "Statement of Cash Flows" as notified under section 133 of the Companies Act, 2013, read with relevant rules.

The accompanying summary of significant accounting policies and other explanatory information (notes) are an integral part of the Combined Financial Statements.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Finance Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Notes to Combined Financial Statements

Statement of changes in equity
A. Equity share capital:

(Amount Rs. in Millions)

	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
i) Equity shares issued, subscribed and fully paid	**No.**	**Rs.**	**No.**	**Rs.**	**No.**	**Rs.**	**No.**	**Rs.**
Shares having face value of Rs. 10/-								
Balance at the beginning of the period / year	1,045,462,005	10,454.62	1,045,462,005	10,454.62	1,042,522,003	10,425.22	1,001,029,000	10,010.29
Issue of share capital (Note 12)	-	-	-	-	2,940,002	29.40	41,493,003	414.93
Balance at the end of the period / year	**1,045,462,005**	**10,454.62**	**1,045,462,005**	**10,454.62**	**1,045,462,005**	**10,454.62**	**1,042,522,003**	**10,425.22**
Shares having face value of Rs. 100/-								
Balance at the beginning of the period / year	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02
Issue of share capital (Note 12)	-	-	-	-	-	-	-	-
Balance at the end of the period / year	**6,910,170**	**691.02**	**6,910,170**	**691.02**	**6,910,170**	**691.02**	**6,910,170**	**691.02**

The Project SPVs have only one class of equity shares having par value of Rs. 10/- per share, except M.V.R Infrastructure and Tollways Private Limited, which has the par value of Rs. 100/- per share.

ii) Subordinated debt (in nature of equity)	**December 31, 2016**	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Balance at the beginning of the period / year	6,985.00	6,985.00	6,955.60	6,540.67
Receipt of subordinated debt (Note 12)	-	-	29.40	414.93
Balance at the end of the period / year	**6,985.00**	**6,985.00**	**6,985.00**	**6,955.60**

B. Other equity

	December 31, 2016	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
i) Retained earnings				
Balance at the beginning of the period / year	151.17	914.80	2,154.13	2,629.55
Profit/(loss) for the period / year	(130.49)	(763.63)	(1,237.78)	(475.42)
Adjustments to property, plant and equipment (note 4)		0.00	(1.55)	0.00
Balance at the end of the period / year (a)	**20.68**	**151.17**	**914.80**	**2,154.13**
ii) Other items of other comprehensive income				
Balance at the beginning of the period / year	0.63	1.35	1.47	-
Re-measurement gains/ (losses) on defined benefit plans (note 25)	0.96	(0.72)	(0.12)	1.47
Balance at the end of the period / year (b)	**1.59**	**0.63**	**1.35**	**1.47**
			-	
Balance at the end of the period / year of other equity (a+b)	**22.27**	**151.80**	**916.15**	**2,155.60**

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Finance Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund

Combined statement of total return at fair value

(Amount Rs. in Millions)

Particulars	For nine months ended December 31, 2016	For the year ended March 31, 2016
Total comprehensive income (As per the statement of profit and loss)	(129.53)	(764.35)
Add/Less: other changes in fair value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in total comprehensive income	8,976.31	941.14
Total Return	**8,846.78**	**176.79**

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Combined statement of net assets at fair value

(Amount Rs. in Millions)

Particulars	As at December 31, 2016	
	Book value	Fair value
Non-current assets		
Property, plant and equipment	12.01	12.01
Other intangible assets	126,846.99	138,004.04
Intangible assets under development	46.81	46.81
Financial assets	6.58	6.58
i) Investments	0.04	0.04
ii) Loans	6.54	6.54
Deferred tax assets	366.93	366.93
Other non-current assets	2.11	2.11
	127,281.43	**138,438.48**
Current assets		
Financial assets	4,260.89	4,260.89
i) Investments	121.16	121.16
ii) Trade receivables	453.90	453.90
iii) Cash and cash equivalents	477.35	477.35
iv) Bank balance other than above (iii)	1,104.76	1,104.76
v) Loans	1,987.64	1,987.64
vi) Others	116.08	116.08
Current tax assets (net)	27.81	27.81
Other current assets	83.92	83.92
	4,372.62	**4,372.62**
Total assets (a)	**131,654.05**	**142,811.10**
Non-current liabilities		
Financial liabilities	95,800.54	95,800.54
i) Borrowings	33,257.10	33,257.10
ii) Other financial liabilities	62,543.44	62,543.44
Provisions	1,487.14	1,487.14
Deferred tax liabilities (net)	-	-
	97,287.68	**97,287.68**
Current liabilities		
Financial liabilities	16,172.77	16,172.77
i) Borrowings	6,877.01	6,877.01
ii) Trade and other payables	127.05	127.05
iii) Other financial liabilities	9,168.71	9,168.71
Provisions	6.11	6.11
Other current liabilities	1.53	1.53
Current tax liabilities (net)	33.05	33.05
	16,213.46	**16,213.46**
Total liabilities (b)	**113,501.14**	**113,501.14**
Net Assets (a-b)	**18,152.91**	**29,309.96**

Project-wise breakup of net assets at fair value is as under

(Amount Rs. in Millions)

Company name	Book value	Fair value
IDAA	2,485.63	900.12
IRBSD	5,947.86	5,243.44
IRBTA	1,580.03	2,351.79
IRBJD	4,978.02	13,203.71
IRBTC	2,865.53	6,243.05
MVR	295.84	1,367.85
Total	**18,152.91**	**29,309.96**

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Notes to Combined Financial Statements

Note 1 : Corporate information

The IRB InvIT Fund (the "Fund" / "Trust") is a trust constituted by "The Indenture of Trust" dated October 16, 2015 registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 and as amended from time to time. The Fund is settled by the Sponsor, IRB Infrastructure Developers Limited ("IRB" or the "Sponsor"), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the "Trustee"). Investment manager for the Fund is IRB Infrastructure Private Limited (the "Investment Manager").

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. All of the Fund's road projects are implemented and held through special purpose vehicles ("Project SPVs" together as "Project SPV Group"). The Fund's portfolio subsequent to the completion of the proposed offering will comprise of six road projects as listed below:-

Project SPV Name	Residual Concession life*	Proposed Shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
IDAA Infrastructure Private Limited (IDAA)	5 years 2 days	100%	Subsidiary	Operating	Construction and operation of road including toll collection.	India
IRB Talegaon Amravati Tollway Private Limited (IRBTA)	15 years 8 months 2 days	100%	Subsidiary	Operating		India
IRB Jaipur Deoli Tollway Private Limited (IRBJD)	18 years 5 months 13 days	100%	Subsidiary	Operating		India
IRB Surat Dahisar Tollway Private Limited (IRBSD)	4 years 1 months 20 days	100%	Subsidiary	Operating		India
IRB Tumkur Chitradurga Tollway Private Limited (IRBTC)	20 years 5 months 3 days	100%	Subsidiary	Operating		India
M.V.R Infrastructure and Tollways Private Limited (MVR)	9 years 7 months 13 days	100%**	Subsidiary	Operating		India

* Represents residual concession life as at December 31, 2016 as per original concession period (without considering extension of concession period, if any).

** As at December 31, 2016 the Sponsor owns 74% equity interest in MVR and the remaining 26% equity interest is pledged in favor of the Sponsor as the consideration for acquisition is already paid by the Sponsor. The shares transfer will be completed on the receipt of approval from the NHAI.

Note 2 : Basis of preparation

The Combined Financial Statements of Project SPV Group comprises of Combined Balance Sheets as at December 31, 2016, March 31, 2016, March 31, 2015 and March 31, 2014, Combined Statement of Profit and Loss, Combined Cash Flow Statement and Combined Statement of Changes in Equity for nine months / years ended December 31, 2016, December 31, 2015, March 31, 2016, March 31, 2015 and March 31, 2014 and Combined Statement of Net Assets at Fair Value as at December 31, 2016 and the Combined Statement of Total Return at Fair Value for the nine months ended December 31, 2016, a summary of significant accounting policies, notes and other explanatory Information. The Combined Financial Statement has been prepared for inclusion in the Final Offer Document (the "Final Offer document") to be issued in connection with the proposed offering (the "Offering") of the Fund.

The Combined Financial Statements of the Project SPV Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with relevant rule and other accounting principles. The Combined Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

For all periods upto and including the year ended March 31, 2016, the Project SPVs prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). For the period ended December 31, 2016, the Project SPVs prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with relevant rule and other accounting principles. For the purpose of preparation of these Combined Financial Statements, the transition date to Ind AS is considered as April 1, 2013 for the the Project SPVs (refer note 37).

In accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014, as amended from time to time including by circulars dated October 20, 2016, November 29, 2016 and any further guidelines and circulars (the "InvIT Regulations"), since the Fund is newly set up on October 16, 2015, to present the financial position and performance of the proposed Project SPV Group, the historical Combined Financial Statements have been prepared, as if the Fund structure was in place and 100% interest of the Project SPVs was part of the Fund since April 1, 2013.

The Combined Financial Statements are special purpose financial statements of the fund and have been prepared to meet the requirements of InvIT Regulations and for inclusion in the Final Offer Document in connection with the proposed Initial Public Issue of units of Fund. As a result, the Combined Financial Statements may not be suitable for another purpose.

The Combined Financial Statements are presented in Rs. in millions, except when otherwise indicated.

Basis of preparation of Combined Financial Statements

The Combined Financial Statements comprise the financial statements of the Project SPV Group.

Combined Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all Project SPVs used for the purpose of combination are drawn up to the same reporting date i.e. period ended on December 31/ March 31.

Combination procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of Project SPVs.

(b) Eliminate in full intra Project SPVs assets and liabilities, income, expenses and cash flows relating to transactions between Project SPVs of the Project SPV Group (profits or losses resulting from intra Project SPV Group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Project SPV Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Note 3 : Summary of significant accounting policies

3.01 Current versus non-current classification

The Project SPV Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Project SPV Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Project SPV Group has identified twelve months as its operating cycle.

3.02 **Foreign currencies**

The Project SPV Groups' financial statements are presented in Rs., which is also the Project SPV Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Project SPV Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of profit and loss with the exception of the following:-
Under Ind AS 21 exchange differences arising on the translation/settlement of non-monetary item should be treated as income or loss in Statement of Profit and Loss.
However, Ind AS 101 gives an exemption for existing long term foreign currency non-monetary items wherein the Project SPV Group can continue the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2013.

For any new long term foreign currency non-monetary item recognized from or after first Ind AS financial reporting period, deferral/amortization of exchange difference will not be allowed, rather the Project SPV Group will apply Ind AS 21 for recognition of gains and losses.

3.03 **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Project SPV Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Project SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Project SPV Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Project SPV Group's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.
At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Project SPV Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Project SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
Disclosures for valuation methods, significant estimates and assumptions (note 33, 34 and 38)
Financial instruments (including those carried at amortised cost) (note 5,6,7,9,10,13,14 and16)
Quantitative disclosures of fair value measurement hierarchy (note 33)

3.04 **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Project SPV Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
The specific recognition criteria described below must also be met before revenue is recognised:

Toll revenue

The income from Toll collection is recognised on the actual collection of toll revenue.

Contract revenue (construction contracts)

Contract revenue associated with the utility shifting incidental to construction of road are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.
The Project SPV Group operations involve levying of VAT on the construction work. Sales tax/ value added tax (VAT) is not received by the Project SPV on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Interest income

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

Dividends

Revenue is recognised when the Project SPV Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Revenue from trading sales

Revenue from sale of goods is recognised in Statement of Profit and Loss when the significant risks and rewards in respect of ownership of the goods has been transferred to the buyer as per the term of the respective sales order, and the income can be measured reliably and is expected to be received.

3.05 **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Project SPV Group operates and generates taxable income.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction. affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of profit or loss is recognised outside the Statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity .

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax as sets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternative tax (MAT)

Minimum alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Project SPV will pay income tax higher than that computed under MAT, during the year that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as Deferred tax. The Project SPV Group reviews the same at each balance sheet date and writes down the carrying amount of unused tax credit to the extent there is no longer convincing evidence to the effect that the Project SPV Group will pay income tax higher than MAT during the specified year.

3.06 **Property, plant and equipment**

The Project SPV Group has elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any such cost includes the cost of replacing part of the plant and equipment and borrowing its for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Project SPV depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation is calculated on written down value method (WDV) using the useful lives as prescribed under the Schedule II to the Companies Act, 2013 or re-assessed by the Project SPV Group. The Project SPV Group has estimated the following useful lives for its tangible fixed assets:

Asset class	Useful life
Office equipment	5 years
Computers	3 years
Furniture & fixtures	10 years
Building	30 years
Plant & Machinery	15 years
Servers	6 years
Vehicles	8 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.07 **Intangible**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Statement of profit and loss in the period in which the expenditure is incurred.

The Project SPV Group exercised first time adoption under Ind AS 101 and has elect to continue with the carrying value of its “Toll Collection Rights” (Intangible Assets) including corresponding obligation, as recognised in the financial statements as at the date of transition measured as per the previous GAAP and uses that as its deemed cost as at date of transition.

Toll Collection Rights

Toll collection rights are stated at cost net of accumulated amortisation and impairment losses. Cost includes:

Toll Collection Rights awarded by the grantor against construction service rendered by the Project SPV on Design, Built, Finance, Operate and Transfer ('DBFOT') basis - Direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.

Toll Collection Rights (including Premium to NHAI) are amortised over the period of concession, using revenue based amortisation as per exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Premium to NHAI

As per the service concession agreement, the IRBTC and MVR is obligated to pay the fixed amount of premium to National Highway Authorities of India (NHAI). This premium obligation has been treated as Intangible asset given it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Hence, total premium payable as per the service concession agreement has been upfront capitalized at deemed cost of the obligation at the date of transition.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of toll equipments :

Toll equipments are amortized on a straight line basis over the estimated useful economic life not exceeding seven years.

3.08 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.09 **Premium Deferment**

Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under deferred premium obligation. Interest on premium deferral is charged to the statement of Profit and Loss.

3.10 **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Project SPV Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of account but its existence is disclosed in the financial statements.

3.11 **Impairment of non-financial assets**

The Project SPV Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Project SPV Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset. unless the asset does not generate cash inflows that are largely independent of those from other assets or Project SPV Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.12 **Provisions**

Provisions are recognised when the Project SPV Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Project SPV Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.13 **Retirement and other employee benefits**

i. Defined contribution plan

Retirement benefits in the form of Provident Fund, Pension Fund and Employee State Insurance Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the employee renders related services. There are no other obligations other than the contribution payable to the respective authorities.

ii. Defined benefit plan

Gratuity liability is a defined benefit obligation which is provided for, on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

iii. Leave encashment

As per the leave encashment policy of the Project SPV Group, the employees have to utilize their eligible leave during the calendar year and the balance lapses at the end of the calendar year. Accruals towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absences at the end of the financial year.

iv. Remeasurements, comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

3.14 **Cash support (grant) from grantor**

Grant received are considered as a part of total outlay of the construction project. The same shall be recognize when the entity complies with the conditions attaching to collection of grant considered as a financial asset and it shall be simultaneously reduce from the cost of acquisition of the intangible asset and are recognised.

3.15 **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Project SPV Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;
at amortised cost
at fair value through profit or loss (FVTPL)
at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

A financial assets is measured at the amortised cost if both the following conditions are met :
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Project SPV Group. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables do not carry any interest and are stated at their nominal value as reduced by impairment amount.

After initial measurement such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 9.

Financial Assets at Fair Value through Statement of Profit and Loss/Other comprehensive income

All investments in scope of Ind AS 109 are measured at fair value. Project SPVs has investment in Mutual fund which are held for trading, are classified as at FVTPL. The Project SPV Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Project SPV Group decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other. There is no recycling of the amounts from Other Comprehensive Income(OCI) to Profit and Loss, even on sale of investment. However, the Project SPV Group may transfer the cumulative gain or loss within equity.

Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Project SPV Group of similar financial assets) is primarily derecognised (i.e. removed from the Project SPV Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Project SPV Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Project SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the Project SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Project SPV Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Project SPV Group continues to recognise the transferred asset to the extent of the Project SPV Group's continuing involvement. In that case, the Project SPV Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Project SPV Group has retained.

Impairment of financial assets

Trade receivable:

The management has evaluated the impairment provision requirement under IND AS 109 and has listed down below major facts for trade and other receivables impairment provisioning:

In case of Project SPVs where primarily the business is of toll collection which is on cash basis and hence, there is no receivable on account of their primary business segment.

Also the receivable from Project SPV Group companies are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Project SPV Group receivables.

Balance trade receivables majority pertain to Government receivables. Hence, there is no major risk of bad debts. However, the Project SPVs experiences a delay of 5-6 months from receiving the payment. Management believes that the impact of above delay would not be material to the Project SPVs.

Other Financial Assets:-

Other Financial Assets mainly consists of Loans to employees and Security deposit and other deposits, interest accrued on fixed deposits, Loans to related party, Bank guarantee margin receivable from related party, Retention money receivable from NHAI, Grant receivable from NHAI and other receivables and advances are measured at amortised cost.

Following are the policy for specific financial assets:-

Type of financial asset	
Loans to employees	The Project SPV avails guarantee for loan provided to employees. In case of default in repayment of loan, the same is recovered from the salary of guarantor.
Security Deposit	Security deposit is in the nature of statutory deposits like electricity deposits, etc. Since they are kept with Government bodies, there is low risk.
Loans/ Bank guarantee to related party	Loan/ Bank Guarantee to Project SPV Group companies are considered to be good and there are neither been any past instances of default and also management doesn't expect any default in case of Project SPV Group receivables.
Retention money/ Grant receivable	Retention money/ grant majorly pertain to Government receivables. Hence, there is no major risk of bad debts.

The Project SPV Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Project SPV Group does not reduce impairment allowance from the gross carrying amount.

Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognised initially at fair value.
The Project SPV Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Project SPV Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Project SPVs has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the transaction cost amortisation process.

Retention money payable

This is the category most relevant to the Project SPV Group. Retention money are measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Reclassification of financial assets

The Project SPV Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Project SPVs senior management determines change in the business model as a result of external or internal changes which are significant to the Project SPVs operations. Such changes are evident to external parties. A change in the business model occurs when the Project SPV Group either begins or ceases to perform an activity that is significant to its operations. If the Project SPVs reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Project SPVs does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit and loss.
FVTPL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Project SPV Group uses derivative financial instruments - interest rate swaps hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

3.16 **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Project SPVs cash management.

3.17 **Segment information**

The Project SPV Group is engaged in “Road Infrastructure Projects” which in the context of Ind AS 108 “Operating Segment" is considered as the only segment. The Project SPV Group’s activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

IRB InvIT Fund
Notes to Combined Financial Statements

Note 4 :
A) Property, plant and equipment

(Amount Rs. in Millions)

	Land				Computer				Vehicles				Furniture & fixtures				Plant & Machinery				Office Equipment				Total			
	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Gross block																												
Opening balance	9.86	9.86	9.86	9.86	0.67	1.50	1.14	0.86	4.04	4.04	6.10	6.10	2.92	3.01	2.89	2.72	1.05	1.05	47.45	47.45	5.69	7.23	6.21	4.79	24.23	26.69	73.65	71.78
Additions / Adjustments	-	-	-	-	0.05	-	0.36	0.28	-	-	-	-	-	0.08	0.12	0.17	-	-	-	-	0.05	0.09	1.02	1.42	0.10	0.17	1.50	1.87
Deletion / Transfer	-	-	-	-	-	(0.83)	-	-	-	-	(2.06)	-	-	(0.17)	-	-	-	-	(46.40)	-	-	(1.63)	-	-	-	(2.63)	(48.46)	-
Closing balance	**9.86**	**9.86**	**9.86**	**9.86**	**0.72**	**0.67**	**1.50**	**1.14**	**4.04**	**4.04**	**4.04**	**6.10**	**2.92**	**2.92**	**3.01**	**2.89**	**1.05**	**1.05**	**1.05**	**47.45**	**5.74**	**5.69**	**7.23**	**6.21**	**24.33**	**24.23**	**26.69**	**73.65**
Depreciation																												
Opening balance	-	-	-	-	0.64	1.28	0.70	0.48	3.44	3.12	4.36	3.79	2.21	2.05	1.65	1.42	0.49	0.34	23.30	19.23	4.93	5.91	2.47	1.97	11.71	12.70	32.48	26.89
Additions	-	-	-	-	0.01	0.11	0.21	0.22	0.13	0.32	0.57	0.57	0.16	0.30	0.40	0.23	0.09	0.15	0.18	4.07	0.22	0.57	1.67	0.50	0.61	1.45	3.03	5.59
Deletion / transfer / adjustment	-	-	-	-	-	(0.75)	0.21	-	-	-	(1.81)	-	-	(0.14)	-	-	-	-	(23.14)	-	-	(1.55)	0.38	-	-	(2.44)	(24.36)	-
Adjustment to other equity	-	-	-	-	-	-	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.39	-	-	-	1.55	-
Closing balance	**-**	**-**	**-**	**-**	**0.65**	**0.64**	**1.28**	**0.70**	**3.57**	**3.44**	**3.12**	**4.36**	**2.37**	**2.21**	**2.05**	**1.65**	**0.58**	**0.49**	**0.34**	**23.30**	**5.15**	**4.93**	**5.91**	**2.47**	**12.32**	**11.71**	**12.70**	**32.48**
Net block	**9.86**	**9.86**	**9.86**	**9.86**	**0.07**	**0.03**	**0.22**	**0.44**	**0.47**	**0.60**	**0.92**	**1.74**	**0.55**	**0.71**	**0.96**	**1.24**	**0.47**	**0.56**	**0.71**	**24.15**	**0.59**	**0.76**	**1.32**	**3.74**	**12.01**	**12.52**	**13.99**	**41.17**

Property, plant and equipment given as security
Plant and Equipment are subject to first charge to secured long term borrowings from the lenders. Land is also mortgaged as first charge to debenture holders

B) Other intangible assets

	Toll collection rights				Premium to NHAI				Total			
	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Gross block												
Opening balance	76,309.15	75,901.64	73,598.88	43,467.30	71,048.89	71,048.89	71,048.89	71,048.89	147,358.03	146,950.52	144,647.77	114,516.19
Additions	167.89	407.51	3,616.84	30,131.58	-	-	-	-	167.89	407.51	3,616.84	30,131.58
Less : Grant from NHAI	-	-	(103.59)	-	-	-	-	-	-	-	(103.59)	-
Transfer / deletion	-	-	(1,210.50)	-	-	-	-	-	-	-	(1,210.50)	-
Closing balance	**76,477.04**	**76,309.15**	**75,901.64**	**73,598.88**	**71,048.89**	**71,048.89**	**71,048.89**	**71,048.89**	**147,525.92**	**147,358.03**	**146,950.52**	**144,647.77**
Amortisation	-				-				-			
Opening balance	15,011.48	11,242.31	8,112.47	5,283.44	2,464.22	1,559.07	729.32	-	17,475.71	12,801.39	8,841.79	5,283.44
Additions	2,609.90	3,769.17	3,421.01	2,829.03	593.32	905.15	829.75	729.32	3,203.22	4,674.32	4,250.76	3,558.35
Adjustment	-	-	(291.17)	-	-	-	-	-	-	-	(291.16)	-
Closing balance	**17,621.38**	**15,011.48**	**11,242.31**	**8,112.47**	**3,057.54**	**2,464.22**	**1,559.07**	**729.32**	**20,678.93**	**17,475.71**	**12,801.39**	**8,841.79**
Net block	**58,855.66**	**61,297.67**	**64,659.33**	**65,486.41**	**67,991.35**	**68,584.67**	**69,489.82**	**70,319.57**	**126,846.99**	**129,882.32**	**134,149.13**	**135,805.98**

C) Intangible Assets under development

	Toll collection rights under developement			
	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Gross block				
Opening balance	41.26	16.43	3,122.86	22,045.11
Additions	11.55	192.76	461.20	4,541.70
Less : Grant from NHAI	-	-	-	-
Transfer / deletion	(6.00)	(167.93)	(3,567.63)	(23,463.96)
Closing balance	**46.81**	**41.26**	**16.43**	**3,122.86**
Amortisation				
Opening balance	-	-	-	-
Additions	-	-	-	-
Closing balance	-	-	-	-
Net block	**46.81**	**41.26**	**16.43**	**3,122.86**

Intangible assets given as security
Intangible assets include toll equipments and are subject to first charge to secured long term borrowings from the lenders.
Toll collection rights under development includes borrowing cost as at December 31, 2016: Rs. Nil, March 31, 2016: Rs. 148.14, March 31, 2015: Rs.122.57, March 21, 2014: Rs.993.74

IRB InvIT Fund
Notes to Combined Financial Statements

(Amount Rs. in Millions)

	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current	Non-current	Current	Non-current	Current
Note 5 : Investments								
Investments at fair value through OCI (fully paid)								
Non-trade investments								
Government and trust securities (unquoted)								
- National saving certificates	0.04	-	0.04	0.05	0.09	-	0.10	-
	-	-	-	-	-	-	-	-
Investments at fair value through profit and loss	-	-	-	-	-	-	-	-
Investments in Liquid Mutual Funds (Quoted)	-	-	-	-	-	-	-	-
December 31, 2016 : 53,290.350 @ 1832.1728	-	97.64	-	-	-	-	-	-
December 31, 2016 : 23391.658 @ 1005.5000	-	23.52	-	-	-	-	-	-
March 31, 2015 : 206.90 units @ Rs. 100.0503	-	-	-	-	-	0.02	-	-
March 31, 2014 : 194.653 units @ Rs. 100.0503	-	-	-	-	-	-	-	0.02
March 31, 2014 : 1762.632 units @ Rs. 105.735	-	-	-	-	-	-	-	0.19
Total	**0.04**	**121.16**	**0.04**	**0.05**	**0.09**	**0.02**	**0.10**	**0.21**
Note 6 : Loans								
(Unsecured, considered good unless otherwise stated)								
Loans to related parties (refer note 32)	-	1,986.25	527.18	1,902.60	474.93	1,251.70	427.87	-
Security and other deposits	6.22	0.35	6.02	0.01	7.42	0.01	7.32	0.01
Others loans	-	-						
Loans to employees	0.32	1.02	0.71	1.31	0.52	0.90	0.66	0.97
Advance to others	-	0.02	-	-	-	-	0.07	-
Total	**6.54**	**1,987.64**	**533.91**	**1,903.92**	**482.87**	**1,252.61**	**435.92**	**0.98**
Note 7 : Other recievables								
(unsecured considered good unless otherwise stated)								
Other receivables								
- Related party (refer note 32)	-	56.73	-	70.90	-	70.90	-	109.41
- Others	-		-	-	-	8.49	-	-
Receivable from NHAI	-	-	-	-	-	9.25	-	9.25
Interest accrued on fixed deposits	-	44.76	-	44.69	-	48.10	-	36.58
Retention money receivable from NHAI	-	14.59	-	14.59	-	16.29	0.33	15.65
Total	**-**	**116.08**	**-**	**130.18**	**-**	**153.03**	**0.33**	**170.89**

Note 8 : Other non-current assets	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
(Unsecured, considered good unless otherwise stated)				
Prepaid expenses	2.11	5.32	8.69	-
Mobilisation / capital advances for EPC Contract for the project				
- Related party (refer note 32)	-	-	1.95	28.39
- Others	-	-	-	1.35
Total	**2.11**	**5.32**	**10.64**	**29.74**

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Note 9 : Trade receivables				
(Unsecured, considered good unless otherwise stated)				
Trade receivables				
- Related party (refer note 32)	9.46	8.87	17.08	32.90
- Others (Refer note 39)	444.44	9.22	7.50	0.15
Total	**453.90**	**18.09**	**24.58**	**33.05**

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Note 10 : Cash and bank balances

Cash and cash equivalents				
Balances with banks:				
- in current accounts	370.20	437.88	444.13	380.00
- in escrow accounts	56.94	59.29	330.87	198.53
Earmarked balance in deposit account				
- Original maturity less than 3 months	1.57	-	2.22	76.48
Other deposits	-	-	-	-
- Original maturity less than 3 months	-	3.05	1.59	3.44
Cash on hand	48.64	79.19	45.23	66.92
Total	**477.35**	**579.41**	**824.04**	**725.37**
Other bank balances				
Debt service reserve account (DSRA) with banks /earmarked balance				
- Original maturity more than 3 months but less than 12 months	76.02	176.31	34.14	91.95
- Original maturity more than 12 months	975.86	731.00	950.20	920.73
Deposits with banks				
- Original maturity less than 3 months				
- Original maturity more than 3 but less than 12 months	52.88	-	-	-
- Original maturity more than 12 months	-	119.48	-	-
Total	**1,104.76**	**1,026.79**	**984.34**	**1,012.68**

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. Debt service deposits earn interest at the rate ranging from 6.00% to 8.50%. The deposits maintained by the Project SPVs with the bank comprise time deposits, which are held in DSRA accounts as a security to the lenders as per the Common Loan Agreement which can be withdrawn by the Project SPVs at any point with prior notice and without penalty on the principal.
The Project SPVs has pledged a part of its debt service reserve deposits and escrow current accounts to fulfill collateral requirements.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Balances with banks:				
-On current accounts	370.20	437.88	444.13	380.00
-On escrow accounts	56.94	59.29	330.87	198.53
Fixed deposits less than 3 months	1.57	3.05	3.81	79.92
Cash on hand	48.64	79.19	45.23	66.92
Less- Bank overdraft	-	-	-	-
Total	**477.35**	**579.41**	**824.04**	**725.37**

Note 11 : Other current assets

(Unsecured, considered good unless otherwise stated)				
Balances with government authorities	15.26	23.43	17.78	59.93
Prepaid expenses	27.95	47.89	13.25	27.45
Duties and taxes receivable	5.95	5.84	11.02	11.74
Advance given to suppliers	13.78	13.25	0.70	7.82
Other receivable	20.98	-	-	-
Total	**83.92**	**90.41**	**42.75**	**106.94**

(Amount Rs. in Millions)

Particulars	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
Note : 12 : Equity								
A) Equity share capital								
Authorised share capital								
Shares having face value of Rs. 10/-	1,085,380,050	10,853.80	1,085,380,050	10,853.80	1,085,380,050	10,853.80	1,085,380,050	10,853.80
Shares having face value of Rs. 100/-	7,000,000	700.00	7,000,000	700.00	7,000,000	700.00	7,000,000	700.00
		11,553.80		**11,553.80**		**11,553.80**		**11,553.80**
Issued share capital								
Shares having face value of Rs. 10/-	1,045,462,005	10,454.62	1,045,462,005	10,454.62	1,045,462,005	10,454.62	1,042,522,003	10,425.22
Shares having face value of Rs. 100/-	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02
Total		**11,145.64**		**11,145.64**		**11,145.64**		**11,116.24**

The above authorised and issued equity share capital is a sum of equity share capital of all the Project SPVs.

Terms / rights attached to equity shares

The Project SPVs have only one class of equity shares having par value of Rs. 10/- per share, except M.V.R Infrastructure and Tollways Private Limited, which has the par value of Rs. 100/- per share. Each holder of equity shares is entitled to one vote per share. The Project SPVs declares and pays dividend in Indian rupees.

In the event of liquidation of the Project SPV, the holders of equity shares will be entitled to receive remaining assets of the Project SPV, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the number of shares outstanding and the amount of share capital:

	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
Equity shares issued, subscribed and fully paid	**No. of shares**	**INR**	**No. of shares**	**INR**	**No. of shares**	**INR**	**No. of shares**	**INR**
Shares having face value of Rs. 10/-								
At the beginning of the period / year	1,045,462,005	10,454.62	1,045,462,005	10,454.62	1,042,522,003	10,425.22	1,001,029,000	10,010.29
Increase/(decrease) during the period / year	-	-	-	-	2,940,002	29.40	41,493,003	414.93
At the end of the period / year	**1,045,462,005**	**10,454.62**	**1,045,462,005**	**10,454.62**	**1,045,462,005**	**10,454.62**	**1,042,522,003**	**10,425.22**
Shares having face value of Rs. 100/-								
At the beginning of the period / year	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02	6,910,170	691.02
Increase/(decrease) during the period / year		-	-	-	-	-	-	-
At the end of the period / year	**6,910,170**	**691.02**	**6,910,170**	**691.02**	**6,910,170**	**691.02**	**6,910,170**	**691.02**

B) Subordinated debt (in nature of equity)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
	INR	**INR**	**INR**	**INR**
At the beginning of the period / year	6,985.00	6,985.00	6,955.60	6,540.67
Increase/(decrease) during the period / year	-	-	29.40	414.93
At the end of the period / year	**6,985.00**	**6,985.00**	**6,985.00**	**6,955.60**

Subordinated debt infused by Sponsor and/ or their subsidiaries

i) Subordinated debt is the part of Sponsors Equity from the promoters of the Project SPVs for the project, which is unsecured and interest free as per Common Loan Agreement with the lenders;
ii) No repayment/redemption/interest servicing allowed during the moratorium period of the long term project loan.

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Note : 13 : Borrowings				
Non-current borrowings				
Term loans				
Indian rupee loan from banks (secured)	22,434.90	24,436.22	20,670.67	21,958.55
Less : current maturities to be settled within 12 months from balance sheet date	(3,161.46)	(2,751.35)	(2,082.31)	(1,326.49)
Less : Unamortised transaction cost	(27.04)	-	-	-
Sub-total	19,246.40	21,684.87	18,588.36	20,632.06
Indian rupee loan from financial institutions (secured)	4,577.92	4,935.00	12,505.45	12,708.26
Less : current maturities to be settled within 12 months from balance sheet date	(523.81)	(489.00)	(545.20)	(296.46)
Sub-total	4,054.11	4,446.00	11,960.25	12,411.80
Foreign currency loan from banks (secured)	6,967.68	6,809.20	6,478.00	6,229.74
Less : current maturities to be settled within 12 months from balance sheet date	(37.61)	(9.38)	(52.93)	(9.55)
Sub-total	6,930.07	6,799.82	6,425.07	6,220.19
Non-convertible debentures (secured)	1,146.51	1,174.71	-	-
Less : current maturities to be settled within 12 months from balance sheet date	(9.40)	(37.60)	-	-
Sub-total	1,137.11	1,137.11	-	-
From other parties				
- Deferred premium obligation	1,889.41	1,492.40	814.43	-
- Loan from related parties (note 32)	-	991.84	893.55	805.00
(unsecured, repayable after 5 years and interest free)				
Sub-total	1,889.41	2,484.24	1,707.98	805.00
Total non current borrowings (a)	**33,257.10**	**36,552.04**	**38,681.66**	**40,069.05**
Current borrowings				
Current maturity of long term loans				
Indian rupee loan from banks (secured)	3,161.46	2,751.35	2,082.31	1,326.48
Indian rupee loan from financial institutions (secured)	523.81	489.00	545.20	296.46
Foreign currency loan from banks (secured)	37.61	9.38	52.93	9.55
Non convertible debentures (secured)	9.40	37.60	-	-
Unamortised transaction cost	(14.75)	-	-	-
From other parties				
(unsecured, repayable on demand and interest free)				
Loan from related parties (note 32)	6,877.01	6,436.12	6,520.62	6,778.30
Total current borrowings (b)	**10,594.54**	**9,723.45**	**9,201.06**	**8,410.79**
less: Amount shown under "other current financial liabilities"	3,717.53	3,287.33	2,680.43	1,632.49
Net current borrowings	**6,877.01**	**6,436.12**	**6,520.63**	**6,778.30**
Total borrowings (a+b)	**43,851.64**	**46,275.49**	**47,882.73**	**48,479.84**
Aggregate secured loans	35,085.22	37,355.13	39,654.13	40,896.54
Aggregate unsecured loans	8,766.42	8,920.36	8,228.60	7,583.30

1. Secured term loans :

i) Secured by first charge on the movable / immovable asset by way of mortgage / hypothecation; first charge on all intangible assets, all receivables, book debts and all rights and interest in project, both present & future, excluding the Project Assets as per the waterfall mechanism stated in the Concession Agreement;

ii) Secured by first charge on the Escrow Account, Debt Service Reserve Account and any other reserves and other bank accounts of the Company;

ii) Secured by pledge of shares held by the sponsors in demat form;

iv) An irrevocable and unconditional corporate guarantee from IRB Infrastructure Developers Limited to meet shortfall (if any) between debt due and termination payments received from NHAI in case of termination of Concession Agreement for any reason.

v) Rate of Interest and maturity.

Indian rupee loan from banks and financial institutions :

Rate of interest varies from 9.75% to 13.15% p.a. The loan is repayable in monthly installments as per the repayment schedule specified in common loan agreement with the Lenders and maturity period from April, 2014 to March, 2026.

Foreign currency loan from banks :

Rate of interest on Foreign currency loan (ECB) in case of IRB Tumkur Chitradurga Tollway Private Limited is 425 basis points plus 6 months LIBOR. The foreign currency loan shall be repaid in 6 structured semi-annual installments such that the total tenor does not exceed 7 years from the date of first disbursement i.e. August 23, 2011 and repayment is in line with the repayment schedule of the indian rupee common loan agreement with the lenders.

Rate of interest on Foreign currency ECB loan in case of IRB Jaipur Deoli Tollway Private Limited is 425 basis points plus 6 months LIBOR. The foreign currency ECB loan has to be repaid in 7 structured semi-annual installments such that the total tenor does not exceed 7 years from the date of first disbursement i.e. September 26, 2011 and repayment is in line with the repayment schedule of the Indian rupee common loan agreement with the lenders and maturity period from April, 2014 to March, 2026.

Non convertible debentures:

Rate of interest is 10.05% p.a. interest bearing 1,19,000 debentures of face value Rs.10,000 each are redeemable 102 monthly installments plus accrued interest thereon on monthly basis commencing from October 2015 to March 2023 with a holiday from April 2017 to March 2018.

vi) There have been no breaches in the financial covenants with respect to borrowings.

2. Deferred premium obligation

National Highways Authority of India has approved deferment of premium obligation which carries interest rate @2% above the RBI bank rate. Bank guarantee has been provided to NHAI. The repayment is in accordance with the cash surplus accruing to the Project SPV over the concession period.

3. Unsecured loans from related parties

The unsecured loans taken from Sponsor and Subsidiaries of Sponsor are repayable on demand and interest free.

Note : 14 : Other financial liabilities

(Amount Rs. in Millions)

	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
At amortised cost	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Premium obligation/ Negative grant to NHAI	62,269.97	2,706.22	64,219.95	1,949.13	66,601.02	1,319.22	67,762.82	1,910.38
Interest on premium deferment	273.47	-	152.01	-	38.00	-	-	-
Current maturity of long term loans (refer note 13)	-	3,732.28	-	3,287.33	-	2,680.43	-	1,632.50
Unamortised transaction cost	-	(14.75)	-	-	-	-	-	-
Interest accrued but not due on borrowings	-	192.41	-	88.62	-	91.38	-	85.71
Book overdraft on account of issuance of cheques	-	1.70	-	1.24	-	-	-	42.30
	-	-	-	-	-	-	-	-
Due to related parties:	-	-	-	-	-	-	-	-
- Directors sitting fees payable	-	0.23	-	-	-	0.06	-	0.01
- BG margin payable	-	19.22	-	19.22	-	19.22	-	19.22
- Other payable	-	0.08	-	0.01	-	-	-	12.63
Security deposits	-	0.12	0.13	2.47	3.19	0.85	0.08	0.31
Retention money payable	-	-	-	-	-	-	-	66.56
- Related parties (refer note 32)	-	2,444.67	2,254.18	-	2,030.80	-	1,829.55	-
- Others	-	30.83	-	31.32	-	37.13	-	5.41
Deposit (smart cards)	-	1.00	-	0.35	-	-	-	-
Premium payable to National Highways Authority Of India	-	-	-	-	-	-	-	-
Expenses payable	-	6.46	-	3.28	-	3.10	-	8.46
Additional proportionate revenue to NHAI	-	33.49	-	50.08	-	43.31	-	37.43
Employee benefits payable (includes salary and bonus payable)	-	14.75	-	20.57	-	15.00	-	16.92
Total	**62,543.44**	**9,168.71**	**66,626.27**	**5,453.62**	**68,673.01**	**4,209.70**	**69,592.45**	**3,837.84**

Note : 15 : Provisions

Provision for employee benefits								
- Gratuity (note 25)	8.25	1.53	8.65	0.54	6.11	0.39	4.39	0.34
- Leave encashment	-	-	-	0.33	-	0.23	-	2.02
- Bonus								
Others								
- Resurfacing expenses	1,478.89	-	1,084.91	-	728.87	-	1,210.50	-
Total	**1,487.14**	**1.53**	**1,093.56**	**0.87**	**734.97**	**0.62**	**1,214.89**	**2.36**
Resurfacing expenses								
The movement in resurfacing expenses is as follows :								
Opening balance	1,084.91	-	728.87	-	1,210.50	-	1,210.50	-
Add : Provision made during the period / year	393.98	-	356.04	-	728.87	-	-	-
Utilised / reversed during the period / year	-	-	-	-	(1,210.50)	-	-	-
Closing balance	**1,478.89**	**-**	**1,084.91**	**-**	**728.87**	**-**	**1,210.50**	**-**

The above provisions are based on current best estimation of expenses that may be required to fulfill the resurfacing obligation as per the service concession agreement with the National Highways Authority of India. It is expected that significant portion of these costs will be incurred within six years from the balance sheet date. The actual expense incurred at the end of the period may vary from the above. No reimbursements are expected from any sources against the above obligation.

Note : 16 : Trade payables

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Total outstanding dues of creditors other than micro enterprises and small enterprises				
- Related parties (refer note 32)	86.76	91.74	375.20	47.25
- Others	40.29	42.34	54.31	28.47
Total	**127.05**	**134.08**	**429.51**	**75.72**

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 90 day terms.
For explanations on the Group's credit risk management processes, refer to Note 34

Note : 17 : Other liabilities

(Amount Rs. in Millions)

	December 31, 2016		March 31, 2016		March 31, 2015		March 31, 2014	
	Non-current	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**
Advance from customers								
- Related parties (refer note 32)	-	-	-	-	-	-	3.57	-
- Others	-	-	-	0.36	-	0.36	-	0.36
Creditors for capital expenditure								
- Related parties (refer note 32)	-	-	-	-	-	115.39	-	115.39
- Others	-	2.10	-	10.00	-	-	-	-
Duties and taxes payable	-	3.98	-	19.48	-	23.06	-	13.04
(includes Service tax/TDS/VAT/Profession tax/Providen	-	-	-	-	-	-	-	-
Other advances	-	0.03	-	0.04	-	0.01	-	0.01
Total	**-**	**6.11**	**-**	**29.88**	**-**	**138.82**	**3.57**	**128.80**

IRB InvIT Fund
Notes to Combined Financial Statements

(Amount Rs. in Millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Note 18 : Revenue from operations					
Operating income					
- Income from toll collection (net of revenue share) *	6,660.90	7,118.60	9,648.34	8,908.83	7,201.25
		-			
Other operating revenue		-			
- Contract revenue from NHAI (utility shifting contract)	148.34	175.84	186.55	36.82	194.01
- Sale of materials	28.61	9.48	25.39	41.61	56.12
- Other operating income (refer note 39)	512.08	6.95	6.96	15.26	0.66
Total	**7,349.93**	**7,310.87**	**9,867.23**	**9,002.52**	**7,452.04**

* Refer note 18A for breakup

Note 18A: Gross toll collection and details of revenue share to NHAI

For period ended December 2016 (Amount Rs. in Millions)

Particulars	IDAA	IRBTA	IRBJD	IRBSD	IRBTC	MVR	Total
Toll collection (gross)	1,335.74	346.10	811.96	4,207.51	1,425.68	544.28	8,671.27
Less: revenue share to NHAI				1,893.38		122.48	2,015.86
Toll collection (net) (A)	**1,335.74**	**346.10**	**811.96**	**2,314.13**	**1,425.68**	**421.80**	**6,655.41**
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	-	182.52	-	182.52
Less: payment to NHAI	-	-	-	-	177.03	-	177.03
Toll collection charges (net) (B)	**-**	**-**	**-**	**-**	**5.49**	**-**	**5.49**
Income from toll collection (net of revenue share) (A+B)	**1,335.74**	**346.10**	**811.96**	**2,314.13**	**1,431.17**	**421.80**	**6,660.90**

For period ended December 2015 (Amount Rs. in Millions)

Particulars	IDAA	IRBTA	IRBJD	IRBSD	IRBTC	MVR	Total
Toll collection (gross)	1,433.69	343.34	887.16	4,515.75	1,505.17	536.89	9,222.00
Less: revenue share to NHAI				1,986.92		120.81	2,107.73
Toll collection (net) (A)	**1,433.69**	**343.34**	**887.16**	**2,528.83**	**1,505.17**	**416.08**	**7,114.27**
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	-	144.41	-	144.41
Less: payment to NHAI	-	-	-	-	140.08	-	140.08
Toll collection charges (net) (B)	**-**	**-**	**-**	**-**	**4.33**	**-**	**4.33**
Income from toll collection (net of revenue share) (A+B)	**1,433.69**	**343.34**	**887.16**	**2,528.83**	**1,509.50**	**416.08**	**7,118.60**

FY 2015-16 (Amount Rs. in Millions)

Particulars	IDAA	IRBTA	IRBJD	IRBSD	IRBTC	MVR	Total
Toll collection (gross)	1,935.52	472.17	1,206.17	6,134.76	2,019.10	749.39	12,517.11
Less: revenue share to NHAI	-	-	-	2,706.48	-	168.63	2,875.11
Toll collection (net) (A)	**1,935.52**	**472.17**	**1,206.17**	**3,428.28**	**2,019.10**	**580.76**	**9,642.00**
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	-	211.33	-	211.33
Less: payment to NHAI	-	-	-	-	204.99	-	204.99
Toll collection charges (net) (B)	**-**	**-**	**-**	**-**	**6.34**	**-**	**6.34**
Income from toll collection (net of revenue share) (A+B)	**1,935.52**	**472.17**	**1,206.17**	**3,428.28**	**2,025.44**	**580.76**	**9,648.34**

FY 2014-15 (Amount Rs. in Millions)

Particulars	IDAA	IRBTA	IRBJD	IRBSD	IRBTC	MVR	Total
Toll collection (gross)	1,857.33	461.28	1,014.45	5,549.28	1,841.53	756.10	11,479.97
Less: revenue share to NHAI	-	-	-	2,401.00	-	170.14	2,571.14
Toll collection (net) (A)	**1,857.33**	**461.28**	**1,014.45**	**3,148.28**	**1,841.53**	**585.96**	**8,908.83**
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	-	-	-	-
Less: payment to NHAI	-	-	-	-	-	-	-
Toll collection charges (net) (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Income from toll collection (net of revenue share) (A+B)	**1,857.33**	**461.28**	**1,014.45**	**3,148.28**	**1,841.53**	**585.96**	**8,908.83**

FY 2013-14 (Amount Rs. in Millions)

Particulars	IDAA	IRBTA	IRBJD	IRBSD	IRBTC	MVR	Total
Toll collection (gross)	1,665.73	264.22	342.35	4,879.37	1,629.89	612.70	9,394.26
Less: revenue share to NHAI	-	-	-	2,055.13	-	137.88	2,193.01
Toll collection (net) (A)	**1,665.73**	**264.22**	**342.35**	**2,824.24**	**1,629.89**	**474.82**	**7,201.25**
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	-	-	-	-
Less: payment to NHAI	-	-	-	-	-	-	-
Toll collection charges (net) (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Income from toll collection (net of revenue share) (A+B)	**1,665.73**	**264.22**	**342.35**	**2,824.24**	**1,629.89**	**474.82**	**7,201.25**

(Amount Rs. in Millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Note 19 : Other income					
Other non operating income					
Interest income on					
- Bank deposits	66.07	75.19	95.64	100.88	121.68
- Others	0.32	0.12	0.04	0.06	0.20
- Interest on income tax refund	-		-	1.77	2.36
Interest unwinding on loan given	72.82	39.36	52.24	47.07	42.40
Fair value gain on mutual funds (valued at FVTPL)	0.52	-	-	-	-
Dividend income on current investments	0.17	3.64	3.72	0.37	0.39
Others					
- Profit/loss on sale of property, plant and equipment	-	-	-	0.17	-
- Profit/loss on sale of investments	17.52	6.57	13.41	4.26	1.65
Miscellaneous income	3.77	4.62	6.04	6.48	4.20
Total	**161.19**	**129.50**	**171.09**	**161.06**	**172.88**
Note 20 : Road work and site expenses					
Contract expenses (utility shifting contract)	11.24	170.16	180.01	33.59	157.68
Operation and maintenance expenses	858.30	723.22	949.69	1,215.96	155.94
Road works expenses	-	-	-	-	1.02
Cost of materials sold	28.28	9.48	25.39	41.71	72.03
Independent Engineer Fees - NHAI	2.50	4.50	4.83	9.63	-
Sub-contracting / Security expenses	68.91	62.97	75.85	66.39	54.78
Site and other direct expenses	43.25	35.89	48.00	59.11	38.38
Total	**1,012.48**	**1,006.22**	**1,283.76**	**1,426.39**	**479.83**
Note 21 : Employee benefits expense					
Salaries, wages and bonus	130.58	125.88	172.99	140.30	127.92
Contribution to provident and other funds	5.61	7.39	9.95	8.49	8.00
Gratuity expenses (note 25)	1.82	1.57	2.09	1.72	1.69
Staff welfare expenses	19.13	17.74	24.31	23.84	22.03
Total	**157.14**	**152.58**	**209.34**	**174.35**	**159.64**
Note 22 : Finance costs					
Interest on loan from banks/financial institutions	2,653.34	2,881.56	3,799.83	4,025.54	3,355.47
Interest loss on derivative contracts	25.32	53.45	69.42	73.52	114.66
Interest on premium deferment	121.46	82.56	114.01	38.00	-
Interest on loan from group companies	-	-	4.01	1.74	4.05
Other borrowing costs	31.10	30.00	6.60	64.34	20.68
Total interest expense	**2,831.22**	**3,047.57**	**3,993.87**	**4,203.14**	**3,494.86**
Interest unwinding on loan/ retention money taken	266.69	242.36	352.59	241.50	261.08
Interest unwinding on premium obligation	-	-	1.71	3.76	-
Total	**3,097.91**	**3,289.93**	**4,348.17**	**4,448.40**	**3,755.94**
Note 23 : Depreciation and amortisation expenses					
Depreciation on property, plant and equipment (note 4)	0.61	1.09	1.45	3.03	5.59
Amortisation on intangible assets (note 4)	3,203.22	3,512.71	4,674.32	4,250.76	3,558.35
Total	**3,203.83**	**3,513.80**	**4,675.77**	**4,253.79**	**3,563.94**

IRB InvIT Fund
Notes to Combined Financial Statements

(Amount Rs. in Millions)

	Nine months ended December 31, 2016	Nine months ended December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Note 24 : Other expenses					
Power and fuel	14.07	14.95	18.89	21.74	14.46
Rent	2.92	2.84	3.82	3.45	2.81
Rates and taxes	0.83	8.98	14.40	20.40	10.79
Water charges	4.54	6.79	8.27	8.25	8.82
Repairs and maintenance (others)	6.43	1.82	3.43	8.69	11.22
Travelling and conveyance	7.91	7.95	11.32	2.65	2.02
Vehicle expenses	4.74	6.07	7.97	8.86	8.42
Printing and stationery	8.72	7.66	11.32	10.34	7.87
Directors sitting fees (including service tax)	1.94	1.06	1.88	1.15	0.60
Advertisement expenses	3.02	2.66	2.98	1.32	0.87
Legal and professional expenses	25.21	11.79	14.42	22.52	29.47
Payment to Auditor (including service tax)*	5.38	3.47	5.02	3.86	3.99
Bank charges	5.69	4.88	4.52	2.59	3.01
Insurance	0.37	0.34	0.45	2.88	3.56
Miscellaneous expenses	2.07	2.17	3.22	3.38	9.17
Total	**93.84**	**83.43**	**111.92**	**122.08**	**117.09**

* Payments made to auditors of respective Project SPVs.

Payment to Auditor (including service tax)

As auditors:					
Statutory audit fees	2.98	1.76	2.90	2.17	2.19
Limited review fees	1.63	1.28	1.68	1.32	1.25
In other capacity:					
Other services (Certification Fees)	0.56	0.28	0.30	0.17	0.48
Reimbursement of expenses	0.20	0.15	0.14	0.20	0.07
Total	**5.38**	**3.47**	**5.02**	**3.86**	**3.99**

Note 25 : Gratuity and other post-employment benefit plans

(a) Defined contribution plan
The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

Period ended	(Amount Rs. in Millions)
December 31, 2016	5.61
December 31, 2015	7.39
March 31, 2016	9.95
March 31, 2015	8.49
March 31, 2014	8.00

(b) Defined benefit plan
The Project SPV Group has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000/-. The said gratuity plan is unfunded.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss, the funded status and amounts recognised in the balance sheet for the gratuity plan.

(Amount Rs. in Millions)

Particulars	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Statement of profit and loss					
Net employee benefit expense recognised in the employee cost					
Current service cost	1.30	1.11	1.59	1.30	1.34
Past service cost					
Interest cost on benefit obligation	0.52	0.46	0.50	0.42	0.35
(Gain) / losses on settlement					
Net benefit expense	**1.82**	**1.57**	**2.09**	**1.72**	**1.69**
Amount recorded in Other Comprehensive Income (OCI)					
Opening amount recognized in OCI	(0.63)	(1.35)	(1.35)	(1.47)	0.00
Measurement during the period due to :					
Actuarial loss / (gain) arising from change in financial assumptions	0.85	0.55	0.23	0.89	(0.72)
Actuarial loss / (gain) arising on account of experience changes	(1.81)	(0.26)	0.49	(0.77)	(0.75)
Amount recognized in OCI	**(0.96)**	**0.29**	**0.72**	**0.12**	**(1.47)**
Closing amount recognized in OCI	**(1.59)**	**(1.07)**	**(0.63)**	**(1.35)**	**(1.47)**
Reconciliation of net liability / asset					
Opening defined benefit liability / (assets)	9.19	6.49	6.49	4.73	4.51
Expense charged to profit & loss account	1.82	1.57	2.09	1.72	1.69
Amount recognised in OCI	(0.96)	0.29	0.72	0.12	(1.47)
Employer contribution	(0.27)	(0.10)	(0.12)	(0.07)	0.00
Closing net defined benefit liability / (asset)	**9.78**	**8.26**	**9.19**	**6.49**	**4.73**
Movement in benefit obligation and balance sheet					
A reconciliation of the benefit obligation during the inter-valuation period:					
Opening defined benefit obligation	9.19	6.49	6.49	4.73	4.51
Current service cost	1.30	1.11	1.60	1.30	1.34
Past service cost					
Interest on defined benefit obligation	0.52	0.46	0.50	0.42	0.35
Remeasurement during the period due to :					
Actuarial loss / (gain) arising from change in financial assumptions	0.85	0.55	0.23	0.89	(0.72)
Actuarial loss / (gain) arising on account of experience changes	(1.81)	(0.26)	0.49	(0.77)	(0.75)
Benefits paid	(0.27)	(0.10)	(0.12)	(0.07)	0.00
Closing defined benefit obligation [liability / (asset)] recognised in balance sheet	**9.78**	**8.26**	**9.19**	**6.49**	**4.73**
Net liability is bifurcated as follows :					
Current	0.47	0.41	0.54	0.39	0.34
Non-current	9.31	7.85	8.65	6.10	4.39
Net liability	**9.78**	**8.26**	**9.19**	**6.49**	**4.73**

The principal assumptions used in determining gratuity benefit obligation for the Project SPV's plans are shown below:

Discount rate	7.05%	8.20%	7.75%	7.95%	9.15%
Expected rate of return on plan assets (p.a.)	0.00%	0.00%	0.00%	0.00%	0.00%
Salary escalation rate (p.a.)	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:
Indian gratuity plan:

Particulars	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Assumptions -Discount rate					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact on defined benefit obligation -increase	(0.62)	(0.44)	(0.56)	(0.40)	(0.27)
Impact on defined benefit obligation -decrease	0.69	0.50	0.54	0.36	0.24
Assumptions -Future salary increases					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact on defined benefit obligation-increase	0.65	0.57	0.61	0.44	0.29
Impact on defined benefit obligation-decrease	(0.60)	(0.39)	(0.50)	(0.34)	(0.23)

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

(Amount Rs. in Millions)

Particulars	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Within the next 12 months (next annual reporting period)	0.47	0.41	0.54	0.39	0.34
Between 2 and 5 years	2.11	2.10	2.33	1.73	1.46
Between 6 and 9 years	2.08	1.97	2.24	1.64	1.40
For and Beyond 10 years	27.90	27.18	28.26	21.27	18.14
Total expected payments	**32.56**	**31.66**	**33.37**	**25.03**	**21.34**
The average duration of the defined benefit plan obligation at the end of the reporting period	14.55 years	13.94 years	13.22 years	13.94 years	13.05 years

A quantitative analysis for significant assumption is as shown below:
Indian gratuity plan:

	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Assumptions -Discount rate					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact on defined benefit obligation-increase	(0.62)	(7.78)	(0.56)	(0.40)	(0.27)
Impact on defined benefit obligation-decrease	0.68	8.79	0.54	0.36	0.24
Assumptions -Future salary increases					
Sensitivity Level	0.50%	0.50%	0.50%	0.50%	0.50%
Impact on defined benefit obligation-increase	0.65	8.72	0.61	0.44	0.29
Impact on defined benefit obligation-decrease	(0.60)	(7.83)	(0.50)	(0.34)	(0.23)

Note 26 : Capital and other commitments

(Amount Rs. in Millions)

Particulars	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
a) Estimated value of contracts in capital account remaining to be executed		-	150.20	150.20
b) Commitment for acquisition of toll equipment's & machineries	8.66	-	2.06	2.21

Note 27 : Contingent liability

(Amount Rs. in Millions)

Particulars	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Claim against the Project SPV Group not acknowledged as debts				
- Other finance costs	-	13.50	-	-
- NHAI claim for shortfall in Revenue share	328.91	328.91	-	-

The Project SPV Group's pending litigations comprise of claims against the Project SPV Group primarily by the commuters and regulators. The Project SPV Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. The Project SPV Group has not provided for or disclosed contingent liabilities for matters considered as remote for pending litigations/public litigations(PIL)/claims wherein the management is confident, based on the internal legal assessment and advice of its lawyers that these litigations would not result into any liabilities. The Project SPV Group does not expect the outcome of these proceedings to have a material adverse effect on the Financial Statements.

Note 28 : Hedging activities and derivatives

Interest rate swap
IRB Tumkur Chitradurga Tollway Private Limited and IRB Jaipur Deoli Tollway Private Limited had an interest rate swap agreement whereby the respective Project SPV receive a variable rate of interest and pays fixed interest rates. The swap is being used to hedge the exposure to changes in the fair value of its variable rate ECB secured loans. The increase/decrease in fair value of the interest rate swap has been recognised in finance costs.

Particulars of unhedged foreign currency exposure as at the balance sheet date
Purpose:
Hedge against exposure to variable interest outflow on ECB loan. Swap to receive a variable rate equal to USD 6 month LIBOR plus margin 4.25% on the notional amount and pays fixed rate of interest of 5.80% on the notional amount. The fair value of interest rate swap as on reporting period ended in Nil.

a) Interest rate swaps outstanding as at balance sheet date

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Notional amount of USD in Million	96.28	96.38	97.10	97.23
Notional amount of INR in Million	6,542.50	6,393.89	6,077.48	5,843.52
Closing rate of 1 USD	67.95	66.33	62.59	60.10

b) Particulars of unhedged foreign currency exposure as at the balance sheet date

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
i) External commercial borrowing (ECB)				
Amount in USD in Million	102.53	102.66	103.50	103.66
Amount in INR in Million	6,967.68	6,809.20	6,478.06	6,229.97
Closing rate of 1 USD	67.95	66.33	62.59	60.10
ii) Interest on ECB				
Amount in USD in Million	0.97	0.41	0.41	0.41
Amount in INR in Million	66.21	27.05	25.77	24.63
Closing rate of 1 USD	67.95	66.33	62.59	60.10

Note 29 : Deferral capitalisation of exchange differences

The Project SPV Group had opted to defer / capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11. However, Ind AS 21 does not allow capitalisation of exchange differences arising from settlement of long term non-monetary items in relation to acquisition of depreciable assets and required recognise the same to statement of other comprehensive income. Ind AS 101 gives an option whereby the Project SPV Group will continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP Financial Statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. However, for any new long-term foreign currency monetary item recognised from the first Ind AS financial reporting period, the Project SPV Group will follow Ind AS 21 for recognition of gains and losses.

(Amount Rs. in Millions)

Particulars	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Amount of exchange loss capitalised arising on long-term foreign currency loan	166.36	386.49	387.50	258.07	591.93

Note 30 : Expenditure in foreign currency (accrual basis)

(Amount Rs. in Millions)

Particulars	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Interest on External Commercial Borrowings (ECB)	297.19	282.48	335.48	297.25	308.81
Agency fees on External Commercial Borrowings (ECB)	1.34	1.33	1.33	1.22	1.24

Note 31 : Details of dues to micro and small enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Project SPV Group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Project SPV Group.

IRB InvIT Fund
Notes to Consolidated Financial Statements

Note 32: Related Party Transactions

List of Related parties of the Fund

(i)	Parties to the InvIT	IRB Infrastructure Developers Limited (Sponsor)
		IRB Infrastructure Private Limited (Investment Manager)
		Modern Road Makers Private Limited (Project Manager)
		IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)
(ii)	Associates, Promoters, Directors and Partners of the persons mentioned in clause (i)	As per table below

List of associates, promoters, directors and partners of the persons mentioned in clause (i)

Particulars	**IRB Infrastructure Developers Limited (Sponsor)**	**IRB Infrastructure Private Limited (Investment Manager)**	**Modern Road Makers Private Limited (Project Manager)**	**IDBI Trusteeship Services Limited (Trustee of the IRB InvIT Fund)**
Promoters	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Virendra D. Mhaiskar HUF	IRB Infrastructure Developers Limited (IRBIDL)	IRB Infrastructure Developers Limited (IRBIDL)	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation
Directors	Mr. Virendra D. Mhaiskar Mrs. Deepali V. Mhaiskar Mr. Mukeshlal Gupta Mr. Sudhir Rao Hoshing Mr. Suresh Kelkar (upto July 22, 2016) **Independent Directors** Mr. Chandrashekhar S. Kaptan Mr. Sunil H. Talati Mr. Sandeep J. Shah Mr. Sunil Tandon Mr. Govind Desai (upto May 19, 2016)	Mr. Vinodkumar Menon **Independent Directors** Mr. B L Gupta Mr. Sumit Banerjee	Mr. Mukeshlal Gupta Mr. Dhananjay K. Joshi Mr. Ajay P. Deshmukh Mr. Rajpaul S. Sharma **Independent Directors** Mr. Chandrashekhar S. Kaptan Mrs. Heena Raja	Mr. G.M. Yadwadkar Mr. Pankaj Gupta Mr. K.S. Nagnyal Ms. Mythili Balasubramanian Mr. B. Balachandra

Associates	**A) Subsidiary Companies of Sponsor / Project Manager** **Project SPVs** 1. IRB Surat Dahisar Tollway Pvt. Ltd. (IRBSD) 2. M.V.R. Infrastructure and Tollways Pvt. Ltd. (MVR) 3. IRB Talegaon Amravati Tollway Pvt. Ltd. (IRBTA) 4. IRB Jaipur Deoli Tollway Pvt. Ltd. (IRBJD) 5. IRB Tumkur Chitradurga Tollway Pvt. Ltd. (IRBTC) 6. IDAA Infrastructure Pvt. Ltd. (IDAA) **Others** 1. Thane Ghodbunder Toll Road Pvt. Ltd. (TGTRPL) 2. Modern Road Makers Pvt. Ltd. (MRMPL) 3. IRB Kolhapur Integrated Road Development Company Pvt. Ltd. (IRBK) 4. ATR Infrastructure Pvt. Ltd. (ATRFL) 5. Ideal Road Builders Pvt. Ltd. (IRBPL) 6. Aryan Toll Road Pvt. Ltd. (ATRPL) 7. NKT Road & Toll Pvt. Ltd. (NKT) 8. IRB Infrastructure Pvt. Ltd. (IRBFL) 9. IRB Pathankot Amritsar Toll Road Pvt. Ltd. (IRBPA) 10. Mhaiskar Infrastructure Pvt. Ltd. (MIPL) 11. IRB Ahmedabad Vadodara Super Express Tollway Pvt. Ltd. (IRBAV) 12. IRB Goa Tollway Pvt. Ltd. (IRBPG) 13. IRB Westcoast Tollway Pvt. Ltd. (IRBWT) 14. Solapur Yedeshi Tollway Pvt. Ltd. (SYTPL) 15. Yedeshi Aurangabad Tollway Pvt. Ltd. (YATPL) 16. Kaithal Tollway Pvt. Ltd. (KTPL) 17. AE Tollway Pvt. Ltd. (AETPL) 18. IRB Sindhudurg Airport Pvt. Ltd. (IRBSA) 19. Aryan Infrastructure Investments Pvt. Ltd. (AIIPL) 20. Aryan Hospitality Pvt. Ltd. (AHPL) 21. MMK Toll Road Pvt. Ltd. (MMK) 22. MRM Highways Pvt. Ltd. (MRMH) 23. MRM Mining Pvt. Ltd. (MRMM) 24. Zozila Tunnel Project Pvt. Ltd. (ZTPL) 25. Udaipur Tollway Pvt. Ltd. (UTPL) 26. CG Tollway Pvt. Ltd. (CGTPL)
	B) Company with same promoters (not part of IRB Group) 1. Ideal Soft Tech Park Private Limited (ISPL) 2. VCR Toll Services Private Limited (VCR)

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

Sr. No.	Particulars	Transaction with Sponsor					Transaction with Project Manager					Transactions with subsidiaries of Sponsor				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
a)	**Related Party Transactions**															
1	**Share application money received**	-	-	-	29.40	414.93	-	-	-	-	10.00	-	-	-	-	10.00
	IRBIDL	-	-	-	29.40	414.93	-	-	-	-	-	-	-	-	-	-
	MRMPL*	-	-	-	-	-	-	-	-	-	10.00	-	-	-	-	-
	MIPL*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00
2	**Share allotment**	-	-	-	29.40	414.93	-	-	-	-	10.00	-	-	-	-	10.00
	IRBIDL	-	-	-	29.40	414.93	-	-	-	-	-	-	-	-	-	-
	MRMPL*	-	-	-	-	-	-	-	-	-	10.00	-	-	-	-	-
	MIPL*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00
3	**Sub debt received**	-	-	-	29.40	414.93	-	-	-	-	108.07	-	-	-	-	-
	IRBIDL	-	-	-	29.40	414.93	-	-	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	-	108.07	-	-	-	-	-
4	**Sub debt repaid**	-	-	-	-	108.07	-	-	-	-	-	-	-	-	-	-
	IRBIDL	-	-	-	-	108.07	-	-	-	-	-	-	-	-	-	-
5	**Sale of materials**	-	-	-	-	-	28.61	9.48	25.39	41.35	55.79			-	-	-
	MRMPL	-	-	-	-	-	28.61	9.48	25.39	41.35	55.79			-	-	-
6	**Purchase of material**	-	-	-	-	-	-	-	4.88	1.92	40.77			-	-	-
	MRMPL	-	-	-	-	-	-	-	4.88	1.92	40.77			-	-	-
7	**Other income**	-	-	-	-	-		-	-	0.09	-			-	-	-
	MRMPL	-	-	-	-	-		-	-	0.09	-			-	-	-
8	**Interest received**	-	-	-	-	11.52	-	-	-	-	-	72.83	39.36	-	-	-
	IRBIDL	-	-	-	-	11.52		-	-	-	-		-	-	-	-
	NKT	-	-	-	-	-	-	-				19.67	12.43	-	-	-
	MMK	-	-	-	-	-	-	-				19.67	13.46	-	-	-
	IRBFL	-	-	-	-	-	-	-				33.49	13.46	-	-	-
													-			
9	**Interest paid**	-	-	-	1.74	82.79	183.03	167.69	-	-	-	80.52	73.93	-	-	-
	IRBIDL	-	-	-	1.74	82.79		-	-	-	-		-	-	-	-
	IRBPL	-	-	-	-	-		-	-	-	-	80.52	73.93	-	-	-
	MRMPL	-	-	-	-	-	183.03	167.69	-	-	-		-			
	IDBI bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
													-			
													-			
10	**Payment to creditors**	-	-	-	-	-	-	-	4.42	220.97	2,960.86		-	-	-	-
	MRMPL	-	-	-	-	-	-	-	4.42	220.97	2,960.86		-	-	-	-
													-			
11	**Intangible assets under development (Toll Collection- Construction)**	-	1.62	-	-	568.88	-	-	-	137.06	2,922.11		-	-	-	-
	IRBIDL	-	1.62	-	-	568.88	-	-	-	-	-		-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	137.06	2,922.11		-	-	-	-
			-					-					-			
12	**Construction cost paid**	-	116.98	-	-	-	-	-	-	-	-	-	-			
	IRBIDL	-	116.98	-	-	-	-	-	-	-	-	-	-			

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

Sr. No.	Particulars	Transaction with Sponsor					Transaction with Project Manager					Transactions with subsidiaries of Sponsor				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
								-					-			
13	**Mobilisation advances**	-	-	-	**24.11**	**15.39**	**-**	**-**	**-**	**2.33**	**431.18**		-	-	-	-
	IRBIDL	-	-	-	24.11	15.39	-	-	-	-	-		-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	2.33	431.18		-	-	-	-
								-					-			
14	**Road work expenses**	-	-	-	-	-		**0.92**	**219.71**	**1.50**	-		-	-	-	-
	MRMPL	-	-	-	-	-		0.92	219.71	1.50	-		-	-	-	-
								-					-			
15	**Operation and maintenance expenses**	-	-	-	-	-	**464.31**	**427.44**	**292.47**	**156.35**	**18.90**		**124.10**	**166.55**	**290.98**	**125.30**
	MRMPL	-	-	-	-	-	464.31	427.44	292.47	156.35	18.90		-	-	-	-
	IRBPL	-	-	-	-	-		**-**	**-**	**-**	**-**		124.10	166.55	290.98	125.30
								-					-			
16	**Loan given**	**311.95**	**-**	**677.90**	**1,294.70**	-	-	-	-	-	**40.99**	**125.00**	-	-	-	-
	IRBIDL	311.95	-	677.90	1,294.70	-	-	-	-	-	**-**	**-**	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	-	40.99	-	-	-	-	-
	MMK	-	-	-	-	-	-	-	-	-	-	125.00	-			
								-					-			
17	**Loan repayment received**	**223.73**	**-**	**27.00**	**43.00**	-		-	-	-	**40.99**	**125.00**	**-**	**-**	**-**	-
	IRBIDL	223.73	-	27.00	43.00	-		-	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-		-	-	-	40.99	-	-	-	-	-
	IRBFL	-	-	-	-	-		-	-	-	-	-	-	-	-	-
	MMK	-	-	-	-	-		-	-	-	-	125.00	-	-	-	-
	NKT	-	-	-	-	-		-	-	-	-		-	-	-	-
	IDBI Bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
								-					-			
18	**Short term borrowings (unsecured) received**	**299.93**	**816.30**	**731.80**	**1,108.20**	**2,650.84**		**-**	**-**	**88.25**	**799.58**		**-**	**-**	**26.40**	**518.40**
	IRBIDL	299.93	816.30	731.80	1,108.20	2,650.84		-	-	-	-		-	-	-	-
	MRMPL		-	-	-	-		-	-	88.25	799.58		-	-	-	-
	MIPL		-	-	-	-		-	-	-	-		-	-	5.00	518.40
	JJP		-	-	-	-		-	-	-	-		-	-	21.40	-
	MMK		-					-					-			
			-					-					-			
19	**Short term borrowings (unsecured) repaid**	**964.68**	**354.75**	**796.95**	**1,354.94**	**5,848.56**	**1.95**	**-**	**9.35**	**109.18**	**380.04**		**-**	**-**	**26.40**	**59.00**
	IRBIDL	964.68	354.75	796.95	1,354.94	5,848.56	-	-	-	-	-		-	-	-	-
	MRMPL	-	-	-	-	-	1.95	-	9.35	109.18	380.04		-	-	-	-
	MIPL	-	-	-	-	-	-	-	-	-	-		-	-	5.00	59.00
	JJP	-	-	-	-	-	-	-	-	-	-		-	-	21.40	-
			-					**-**					-			
20	**BG Margin given**		**-**	**-**	**-**	**56.73**		-	-	-	-		-	-	-	-
	IRBIDL		-	-	-	56.73		-	-	-	-		-	-	-	-
			-					**-**					-			
21	**BG Margin refund received**	**14.18**	-	-	**38.51**	**41.51**		-	-	-	-		-	-	-	-
	IRBIDL	14.18	-	-	38.51	41.51		-	-	-	-		-	-	-	-
			-					**-**					-			
22	**Expenses incurred on our behalf**	**0.01**	**0.18**	**54.46**	**9.18**	**68.77**	-	-	-	-	**99.59**		**-**	**0.02**	**-**	**86.21**
	IRBIDL	0.01	0.18	54.46	9.18	68.77	-	-	-	-	-		-	-	-	-
	MIPL		-	-	-	-	-	-	-	-	-		-	-	-	0.03
	IRBAV		-	-	-	-	-	-	-	-	-		-	-	-	86.18
	MRMPL		-	-	-	-	-	-	-	-	99.59		-	-	-	-
	IRBPL		-	-	-	-	-	-	-	-	-		-	0.02	-	-

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

Sr. No.	Particulars	Transaction with Sponsor					Transaction with Project Manager					Transactions with subsidiaries of Sponsor				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
			-					-					-			
23	**Expenses incurred on behalf of others**	-	-	-	-	-	-	-	-	-	-		-	-	-	**0.29**
	MIPL	-	-	-	-	-	-	-	-	-	-		-	-	-	0.01
	IRBAV	-	-	-	-	-	-	-	-	-	-		-	-	-	0.28
			-					-					-			
24	**Reimbursement of expenses paid**	**0.01**	-	**54.46**	**9.18**	**68.77**	-	-	-	-	**12.30**		-	**0.10**	-	**86.21**
	IRBFL	-	-	-	-	-	-	-	-	-	-		-	0.05	-	-
	IRBIDL	0.01	-	54.46	9.18	68.77	-	-	-	-	-		-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	-	12.30		-	-	-	-
	MIPL	-	-	-	-	-	-	-	-	-	-		-	-	-	0.03
	IRBAV	-	-	-	-	-	-	-	-	-	-		-	-	-	86.18
	IRBPL	-	-	-	-	-	-	-	-	-	-		-	0.05	-	-
			-					-					-			
			-					-					-			
25	**Reimbursement of expenses received**	-	-	-	-	-	-	-	-	-	**0.25**		-	-	-	**0.80**
	IRBFL	-	-	-	-	-	-	-	-	-	-		-	-	-	0.16
	MIPL	-	-	-	-	-	-	-	-	-	-		-	-	-	0.35
	IRBAV	-	-	-	-	-	-	-	-	-	-		-	-	-	0.28
	IRBPL	-	-	-	-	-	-	-	-	-	-		-	-	-	0.01
	MRMPL	-	-	-	-	-	-	-	-	-	0.25		-	-	-	-
			-					-					-			
26	**Advance received**		-	-	-	-	-	-	-	-	**11.70**		-	-	-	-
	MRMPL		-	-	-	-	-	-	-	-	11.70		-	-	-	-
	IRBIDL		-	-	-	-	-	-	-	-	-		-			
			-					-					-			
27	**Advance paid**		-	-	-	-	-	-	-	**3.57**	**8.14**		-	-	-	-
	MRMPL		-	-	-	-	-	-	-	3.57	8.14		-	-	-	-
	IRBIDL		-					-					-			
			-					-					-			

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

Sr. No.	Particulars	Transaction with Sponsor					Transaction with Project Manager					Transactions with subsidiaries of Sponsor				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
28	**Advance given**	**255.10**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**
	IRBIDL	255.10	-	-	-	-	-	-					**-**	**-**	**-**	**-**
			-					-					-			
29	**Repayment received of Advance given**	**4.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**-**
	IRBIDL	4.58	-	-	-	-	-	-					**-**	**-**	**-**	**-**
			-					-					-			
30	**Mobilisation advance received**	-	**-**	**1.95**	-	-	-	-	-	-	-		-	-	-	-
	IRBIDL	-	-	1.95	-	-	-	-	-	-	-		-	-	-	-
			-					-					-			
31	**Rent**	-	-	-	-	-	-	-	-	-	-	**0.09**	**0.07**	**0.08**	-	-
	IRBPL	-	-	-	-	-	-	-	-	-	-	0.09	0.07	0.08	-	-
								-					-			
32	**Secured Loans**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IDBI bank	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Interest on Fixed Deposit**															
	IDBI bank															
34	**Directors sitting fees**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Virendra D. Mhaiskar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mrs. Deepali V. Mhaiskar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Dhananjay K. Joshi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Mukeshlal Gupta	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Ajay P. Deshmukh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Vinod Kumar Menon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Rajpaul S. Sharma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Chandrashekhar S. Kaptan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Sandeep J. Shah	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

(Amount Rs. in Millions)

Sr. No.	Particulars	Transactions with promoters of Trustee					Key Management Personnel / Relatives of Key Management Personnel				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
a)	**Related Party Transactions**										
1	**Share application money received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL*						-	-	-	-	-
	MIPL*						-	-	-	-	-
2	**Share allotment**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL*						-	-	-	-	-
	MIPL*						-	-	-	-	-
3	**Sub debt received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
4	**Sub debt repaid**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
5	**Sale of materials**						-	-	-	-	-
	MRMPL						-	-	-	-	-
6	**Purchase of material**						-	-	-	-	-
	MRMPL						-	-	-	-	-
7	**Other income**						-	-	-	-	-
	MRMPL						-	-	-	-	-
8	**Interest received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	NKT						-	-	-	-	-
	MMK						-	-	-	-	-
	IRBFL						-	-	-	-	-
9	**Interest paid**	**83.47**	**78.51**	**104.47**	**104.22**	**94.46**	-	-	-	-	-
	IRBIDL	-	-	-	-	-	-	-	-	-	-
	IRBPL	-	-	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	-	-
	IDBI bank	83.47	78.51	104.47	104.22	94.46	-	-	-	-	-
10	**Payment to creditors**						-	-	-	-	-
	MRMPL						-	-	-	-	-
11	**Intangible assets under development (Toll Collection- Construction)**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
12	**Construction cost paid**						-	-	-	-	-
	IRBIDL						-	-	-	-	-

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances (Amount Rs. in Millions)

Sr. No.	Particulars	Transactions with promoters of Trustee					Key Management Personnel / Relatives of Key Management Personnel				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
13	**Mobilisation advances**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
14	**Road work expenses**						-	-	-	-	-
	MRMPL						-	-	-	-	-
15	**Operation and maintenance expenses**						-	-	-	-	-
	MRMPL						-	-	-	-	-
	IRBPL						-	-	-	-	-
16	**Loan given**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
	MMK						-	-	-	-	-
17	**Loan repayment received**	**0.75**	**0.50**	**1.00**	**-**	**-**	-	-	-	-	-
	IRBIDL	-	-	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	-	-	-
	IRBFL	-	-	-	-	-	-	-	-	-	-
	MMK	-	-	-	-	-	-	-	-	-	-
	NKT	-	-	-	-	-	-	-	-	-	-
	IDBI Bank	0.75	0.50	1.00	-	-	-	-	-	-	-
18	**Short term borrowings (unsecured) received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
	MIPL						-	-	-	-	-
	JJP						-	-	-	-	-
	MMK						-	-	-	-	-
19	**Short term borrowings (unsecured) repaid**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
	MIPL						-	-	-	-	-
	JJP						-	-	-	-	-
20	**BG Margin given**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
21	**BG Margin refund received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
22	**Expenses incurred on our behalf**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MIPL						-	-	-	-	-
	IRBAV						-	-	-	-	-
	MRMPL						-	-	-	-	-
	IRBPL						-	-	-	-	-

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances

(Amount Rs. in Millions)

Sr. No.	Particulars	Transactions with promoters of Trustee					Key Management Personnel / Relatives of Key Management Personnel				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
23	**Expenses incurred on behalf of others**						-	-	-	-	-
	MIPL						-	-	-	-	-
	IRBAV						-	-	-	-	-
24	**Reimbursement of expenses paid**						-	-	-	-	-
	IRBFL						-	-	-	-	-
	IRBIDL						-	-	-	-	-
	MRMPL						-	-	-	-	-
	MIPL						-	-	-	-	-
	IRBAV						-	-	-	-	-
	IRBPL						-	-	-	-	-
25	**Reimbursement of expenses received**						-	-	-	-	-
	IRBFL						-	-	-	-	-
	MIPL						-	-	-	-	-
	IRBAV						-	-	-	-	-
	IRBPL						-	-	-	-	-
	MRMPL						-	-	-	-	-
26	**Advance received**						-	-	-	-	-
	MRMPL						-	-	-	-	-
	IRBIDL						-	-	-	-	-
27	**Advance paid**						-	-	-	-	-
	MRMPL						-	-	-	-	-
	IRBIDL						-	-	-	-	-

IRB Invit Fund

Notes to Consolidated Financial Statements

II. Related Party Transactions and Balances (Amount Rs. in Millions)

Sr. No.	Particulars	Transactions with promoters of Trustee					Key Management Personnel / Relatives of Key Management Personnel				
		December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
28	**Advance given**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
29	**Repayment received of Advance given**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
30	**Mobilisation advance received**						-	-	-	-	-
	IRBIDL						-	-	-	-	-
31	**Rent**						-	-	-	-	-
	IRBPL						-	-	-	-	-
32	**Secured Loans**	-	-	-	-	**255.79**	-	-	-	-	-
	IDBI bank	-	-	-	-	255.79	-	-	-	-	-
33	**Interest on Fixed Deposit**	**25.29**	**24.91**	**32.32**	**29.45**	**14.37**					
	IDBI bank	25.29	24.91	32.32	29.45	14.37					
34	**Directors sitting fees**						**1.03**	**0.44**	**0.77**	**0.68**	**0.52**
	Mr. Virendra D. Mhaiskar						-		-	0.05	0.10
	Mrs. Deepali V. Mhaiskar						-	0.02	-	0.05	0.10
	Mr. Dhananjay K. Joshi						-	-	-	0.10	0.14
	Mr. Mukeshlal Gupta						0.03		-	-	-
	Mr. Ajay P. Deshmukh						0.14	0.03	0.19	0.21	0.15
	Mr. Vinod Kumar Menon						0.36	0.17	0.29	0.13	0.01
	Mr. Rajpaul S. Sharma						0.21	0.08	0.21	0.09	-
	Mr. Chandrashekhar S. Kaptan						0.09	0.07	0.04	0.05	0.02
	Mr. Sandeep J. Shah						0.20	0.07	0.04	-	-

Sr. No.	Particulars	Balances with Sponsor				Balances with Project Manager				Transactions with subsidiaries of Sponsor			
		December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
b)	**Related party balances at the year end**												
1	**Long term Borrowing**	-	-	-	-	-	-	-	-	-	**991.84**	**893.55**	**805.00**
	IRBPL	-	-	-	-	-	-	-	-	-	991.84	893.55	805.00
2	**Sub debt**	**5,465.13**	**5,465.13**	**5,465.13**	**5,435.73**	-	**1,519.87**	**1,519.87**	**1,519.87**	-	**-**	**-**	**-**
	IRBIDL	5,465.13	5,465.13	5,465.13	5,435.73	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-	1,519.87	1,519.87	1,519.87	-	-	-	-
3	**Short term borrowing**	**1,552.49**	**2,217.14**	**2,282.29**	**2,529.03**	**795.34**	**763.13**	**782.48**	**793.42**	**4,529.19**	**3,455.86**	**3,455.86**	**3,455.86**
	IRBIDL	1,552.49	2,217.14	2,282.29	2,529.03	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	795.34	763.13	782.48	793.42	-	-	-	-
	NKT	-	-	-	-	-	-	-	-	396.80	396.80	396.80	396.80
	ATRPL	-	-	-	-	-	-	-	-	746.44	746.44	746.44	746.44
	ATRFL	-	-	-	-	-	-	-	-	645.04	645.04	645.04	645.04
	TGTRPL	-	-	-	-	-	-	-	-	368.50	368.50	368.50	368.50
	MIPL	-	-	-	-	-	-	-	-	1,299.08	1,299.08	1,299.08	1,299.08
	IRBPL	-	-	-	-	-	-	-	-	1,073.33	-	-	-
4	**BG margin receivable**	**56.73**	**70.90**	**70.90**	**70.90**	-	-	-	-	-	-	-	-
	IRBIDL	56.73	70.90	70.90	70.90	-	-	-	-	-	-	-	-
5	**Retention money payable**	**2,444.67**	**2,254.18**	**2,030.80**	**1,829.55**	-	-	-	-	-	-	-	-
	IRBIDL	2,444.67	2,254.18	2,030.80	1,829.55	-	-	-	-	-	-	-	-
6	**Long term loans and advances**	-	-	-	-	-	-	-	-	-	**527.18**	**474.93**	**427.87**
	IRBFL	-	-	-	-	-	-	-	-	-	166.51	150.01	135.14
	MMK	-	-	-	-	-	-	-	-	-	180.33	162.46	146.36
	NKT	-	-	-	-	-	-	-	-	-	180.33	162.46	146.36
7	**Short term loans and advances**	**1,946.25**	**1,902.60**	**1,251.70**	-	-	-	-	-		-	-	-
	IRBIDL	1,946.25	1,902.60	1,251.70	-	-	-	-	-		-	-	-
8	**Advance received**	-	-	-	-	-	-	-	**3.57**	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	3.57	-	-	-	-
9	**Mobilisation advance Given**	-	-	**1.95**	**26.06**	-	-	-	**2.33**	-	-	-	-
	IRBIDL	-	-	1.95	26.06	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	2.33	-	-	-	-
10	**Trade receivable**		-	-	-	**9.46**	**8.87**	**17.08**	**32.90**	-	-	-	-
	MRMPL		-	-	-	9.46	8.87	17.08	32.90	-	-	-	-
11	**Trade payable**	**-**	**-**	**307.28**	**8.02**	**86.76**	**91.74**	**67.92**	**39.23**	-	-	-	-
	IRBIDL	-	-	307.28	8.02	-	-	-	-	-	-	-	-
	MRMPL	-	-	-	-	86.76	91.74	67.92	39.23	-	-	-	-
	IRBPL	-	-	-	-		-	-	-				
12	**Creditors for capital expenditure**	**-**	**-**	**115.39**	**115.39**	-	-	-	-	-	-	-	-
	IRBIDL	-	-	115.39	115.39	-	-	-	-	-	-	-	-

Sr. No.	Particulars	Balances with Sponsor				Balances with Project Manager				Transactions with subsidiaries of Sponsor			
		December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
13	**Other payable**	**19.22**	**19.23**	**19.22**	**19.22**	-	-	-	-	**0.08**	-	-	**12.63**
	IRBIDL	19.22	19.23	19.22	19.22	-	-	-	-		-	-	-
	IRBPL	-	-	-	-	-	-	-	-	0.08	-	-	12.63
14	**Other receivable**		-	-	**38.51**	-	-	-	-	-	-	-	-
	IRBIDL	-	-	-	38.51	-	-	-	-	-	-	-	-
	IRBPL		-	-	-	-	-	-	-	-	-	-	-
15	**Intangible assets under development (Toll Collection- Construction)**	-	-	-	-	-	-	-	**10,607.64**	-	-	-	-
	MRMPL	-	-	-	-	-	-	-	10,607.64	-	-	-	-
16	**Secured Loans**	-	-	-	-	-	-	-	-	-	-	-	-
	IDBI Bank	-	-	-	-	-	-	-	-	-	-	-	-
17	**Investment in Fixed Deposits**												
	IDBI Bank												
18	**Directors fees payable**	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Ajay P. Deshmukh	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Vinod Kumar Menon	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Mukeshlal Gupta	-	-	-	-	-	-	-	-	-	-	-	-
	Mr. Rajpaul S. Sharma	-	-	-	-	-	-	-	-	-	-	-	-

* In absolute figure

Sr. No.	Particulars	Key Management Personnel / Relatives of Key Management Personnel				Transactions with promoters of Trustee			
		December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
b)	Related party balances at the year end								
1	Long term Borrowing	-	-	-	-				-
	IRBPL	-	-	-	-				-
2	Sub debt	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	MRMPL	-	-	-	-				-
3	Short term borrowing	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	MRMPL	-	-	-	-				-
	NKT	-	-	-	-				-
	ATRPL	-	-	-	-				-
	ATRFL	-	-	-	-				-
	TGTRPL	-	-	-	-				-
	MIPL	-	-	-	-				-
	IRBPL								
4	BG margin receivable	-	-	-	-				-
	IRBIDL	-	-	-	-				-
5	Retention money payable	-	-	-	-				-
	IRBIDL	-	-	-	-				-
6	Long term loans and advances	-	-	-	-				-
	IRBFL	-	-	-	-				-
	MMK	-	-	-	-				-
	NKT	-	-	-	-				-
7	Short term loans and advances	-	-	-	-				-
	IRBIDL	-	-	-	-				-
8	Advance received	-	-	-	-				-
	MRMPL	-	-	-	-				-
9	Mobilisation advance Given	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	MRMPL	-	-	-	-				-
10	Trade receivable	-	-	-	-				-
	MRMPL	-	-	-	-				-
11	Trade payable	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	MRMPL	-	-	-	-				-
	IRBPL								
12	Creditors for capital expenditure	-	-	-	-				-
	IRBIDL	-	-	-	-				-

Sr. No.	Particulars	Key Management Personnel / Relatives of Key Management Personnel				Transactions with promoters of Trustee			
		December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
13	**Other payable**	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	IRBPL	-	-	-	-				-
14	**Other receivable**	-	-	-	-				-
	IRBIDL	-	-	-	-				-
	IRBPL	-	-	-	-				-
15	**Intangible assets under development (Toll Collection- Construction)**	-	-	-	-				-
	MRMPL	-	-	-	-				-
16	**Secured Loans**	-	-	-	**-**	**967.75**	**968.50**	**969.50**	**969.50**
	IDBI Bank	-	-	-	-	967.75	968.50	969.50	969.50
17	**Investment in Fixed Deposits**				**-**	**285.51**	**367.65**	**334.34**	**270.73**
	IDBI Bank				-	285.51	367.65	334.34	270.73
18	**Directors fees payable**	**0.07**	**-**	**0.06**	**0.01**				**-**
	Mr. Ajay P. Deshmukh	-	-	0.03	0.00				-
	Mr. Vinod Kumar Menon	0.02	-	0.03	0.00				-
	Mr. Mukeshlal Gupta	0.02	-	-	-				-
	Mr. Rajpaul S. Sharma	0.04	-	-	-				-

* In absolute figure

Note 33 : Fair values

The carrying values of financials instruments of the Project SPV Group are reasonable approximations of their fair values.

The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at December 31, 2016, March 31 2016, March 31, 2015 and April 01, 2014 are as shown below:

(Amount Rs. in Millions)

	Financial Liabilities		Financial Assets	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity of the input to fair value as on December 31, 2016				
Impact on fair value (decrease)/ increase	(6.88)	7.39	-	-
Sensitivity of the input to fair value as on March 31, 2016				
Impact on fair value (decrease)/ increase	(73.77)	77.53	(5.80)	5.92
Sensitivity of the input to fair value as on March 31, 2015				
Impact on fair value (decrease)/ increase	(51.78)	53.19	(9.42)	9.70
Sensitivity of the input to fair value as on March 31, 2014				
Impact on fair value (decrease)/ increase	(69.75)	72.31	(12.23)	12.71

Note 34 : Financial risk management objectives and policies

The risk management policies of the Project SPV Group are established to identify and analyse the risks faced by the Project SPV Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Project SPV Group's activities.

The Management has overall responsibility for the establishment and oversight of the Project SPV Group risk management framework.
In performing its operating, investing and financing activities, the Project SPV Group is exposed to the Credit risk, Liquidity risk and Market risk.

Carrying amount of financial assets and liabilities:

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the period by categories:

(Amount Rs. in Millions)

Financial assets	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
At fair value				
Investmen	121.20	0.09	0.11	0.31
At amortised cost				
Loans	1,994.18	2,437.83	1,735.48	436.90
Trade receivable	453.90	18.09	24.58	33.05
Cash and bank balances	1,582.11	1,606.20	1,808.38	1,738.05
Other receivables	116.08	130.18	153.03	171.22
At end of the year	**4,267.47**	**4,192.39**	**3,721.58**	**2,379.53**
Financial liabilities				
At amortised cost				
Borrowings (secured)	35,085.22	37,355.13	39,654.13	40,896.54
Borrowings (unsecured)	8,766.42	8,920.36	8,228.60	7,583.30
Trade payables	127.05	134.08	429.51	75.72
Other financial liabilities	67,994.61	68,792.55	70,202.28	71,797.79
At end of the year	**111,973.30**	**115,202.12**	**118,514.52**	**120,353.35**

The sensitivity analysis in the following sections relate to the position as at December 31, 2016, March 31, 2016, March 31, 2015 and March 31, 2014.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and in place as at December 31, 2016.

The following assumptions have been made in calculating the sensitivity analysis:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2016, March 31, 2016, March 31, 2015 and March 31, 2014.

Credit risk on Financial Assets
The Project SPV Group engaged in infrastructure development and construction business under BOT and currently derive most of the turnover from BOT contracts with NHAI. Payments are typically not secured by any form of credit support such as letters of credit, performance guarantees or escrow arrangements. Credit risk is the risk that counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Project SPV Group is exposed to credit risk from its operating activities and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk from balances with banks and financial institutions is managed by the Project SPVs top management in accordance with the Project SPVs policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Project SPVs board of directors. The limits are set to minimise the concentration of risks and therefore, mitigate financial loss through counterparty's potential failure to make payments.

Financial assets that are potentially subject to concentrations of credit risk and failures by counter-parties to discharge their obligations in full or in a timely manner consist principally of trade and other receivables. Credit risk on cash balances with Banks and loans to related parties are limited because the counterparties are entities with acceptable credit ratings. The exposure to credit risk for trade receivable is low as its mainly consist of Government customers i.e. NHAI and amount is received on timely basis within the credit period which is about 30 to 90 days.

Ageing analysis of the age of certain financial assets amounts that are past due as at the end of reporting year but not impaired:

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Within 30 - 90 days	111.38	1.31	34.94	25.87
Over 90 days	220.34	30.55	15.43	8.53
Total	**331.72**	**31.86**	**50.37**	**34.40**

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

Interest rate risk
As infrastructure development and construction business is capital intensive, the Project SPV Group are exposed to interest rate risks. The Project SPV Group's infrastructure development and construction projects are funded to a large extent by debt and any increase in interest expense may have an adverse effect on our results of operations and financial condition. The Project SPV Group current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of December 31, 2016, the majority of the Project SPV Group indebtedness was subject to variable interest rates. In view of the high debt to equity ratios for the Project SPV Group's infrastructure development projects, an increase in interest expense is likely to have a significant adverse effect on financial results. The Project SPV Group is selectively engage in interest rate hedging transactions from time to time to protect against interest rate risks.
The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rate are disclosed in the respective notes to the Financial Statements of the Project SPV. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Financial assets				
Interest bearing				
- fixed interest rate				
Cash and cash equivalents	1.57	3.05	3.81	79.92
Other bank balances	1,104.76	1,026.79	984.34	1,012.68
Other loans	1.34	1.67	1.46	1.46
Non interest bearing				
Loans	2,108.92	2,566.34	1,887.05	606.66
Trade receivable	453.90	18.09	24.58	33.05
Cash and cash equivalents	475.78	576.36	820.24	645.45
Financial Liabilities				
Interest bearing				
- floating interest rate		-	-	-
Borrowings	29,285.63	32,038.32	34,000.56	34,735.62
- fixed interest rate		-	-	
- fixed interest rate			-	
Borrowings	7,689.01	6,809.20	6,478.00	6,229.74
Non interest bearing				
Borrowings	6,877.01	7,427.97	7,404.17	7,514.48
Trade payables	127.05	134.08	429.51	75.72
Other financial liabilities	67,994.61	68,792.55	70,202.28	71,797.79

The Project SPV Group hedged floating interest rate on ECB by using interest rate swap to fix the interest rate and refer note 28 on interest rate swap risk. For all the reporting period, the Project SPV Group has hedged 94% of its ECB loan for the entire tenure.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Project SPV Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Increase in basis points	50	50	50	50
Effect on profit before tax	(146.43)	(160.19)	(170.00)	(173.68)
Decrease in basis points	50	50	50	50
Effect on profit before tax	146.43	160.19	170.00	173.68

Currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Project SPV Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Project SPV Group's operating activities (when expense is denominated in a foreign currency) and the Project SPV Group's foreign currency loan i.e. External Commercial Borrowings (ECB).

Sensitivity analysis
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Project SPV Group's profit before tax is due to changes in the fair value of monetary liabilities. The Project SPV Group has used exemption under Ind AS 101 for existing long term foreign currency non-monetary items. The Project SPV Group continue to apply the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2013 and hence, not considered in disclosure of foreign currency sensitivity. With all other variables held constant, the Project SPV Group's profit before tax is affected through the impact on change of foreign currency rate on interest accrued but not due on ECB loans, as follows:

(Amount Rs. in Millions)

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
USD strengthened against Rupee by	5%	5%	5%	5%
- In Rs.	3.31	1.35	1.29	1.23

Liquidity risk
Liquidity risk is the risk that the Project SPV Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Project SPV Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Project SPV Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost (refer note 10) .

The Project SPV Group's maximum exposure to credit risk for the components of the balance sheet at December 31, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 is the carrying amounts. The Project SPV Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note 28. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities:

(Amount Rs. in Millions)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions	INR Millions
As at December 31, 2016						
Borrowings	6,877.01	912.70	2,819.58	12,611.14	20,672.99	43,893.43
Other financial liabilities	14.66	1,308.32	1,683.44	9,957.68	55,030.44	67,994.55
Trade payables	-	127.05		-	-	127.05
	6,891.67	**2,348.07**	**4,503.03**	**22,568.81**	**75,703.43**	**112,015.02**
As at March 31, 2016						
Borrowings	6,436.12	737.11	2,550.22	14,462.23	22,089.81	46,275.49
Other financial liabilities	63.87	659.38	1,443.14	9,872.15	56,754.01	68,792.55
Trade payables	-	134.08		-	-	134.08
	6,499.99	**1,530.57**	**3,993.36**	**24,334.38**	**78,843.82**	**115,202.12**

As at March 31, 2015						
Borrowings	6,520.62	564.70	2,115.73	15,356.57	23,325.11	47,882.73
Other financial liabilities	61.44	577.84	893.17	9,182.40	59,487.43	70,202.28
Trade payables	-	429.51	-	-	-	429.51
	6,582.05	**1,572.05**	**3,008.90**	**24,538.97**	**82,812.54**	**118,514.52**
As at March 31, 2014						
Borrowings	6,778.30	331.48	1,301.02	16,462.86	23,606.18	48,479.84
Other financial liabilities	319.58	355.69	777.06	8,064.91	62,280.55	71,797.79
Trade payables	-	75.72	-	-	-	75.72
	7,097.88	**762.89**	**2,078.08**	**24,527.77**	**85,886.73**	**120,353.35**

At present, the Project SPV Group does expects to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

Commodity price risk

The Project SPV Group requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the Project SPV entered the fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required.

Note 35 : Capital management

For the purpose of the Project SPV Group's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Project SPV Group's capital management is to maximise the shareholder value.

The Project SPV Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Project SPV Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Project SPV Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Project SPV Group's policy is to keep optimum gearing ratio. The Project SPV Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents, excluding discontinued operations.

(Amount Rs. in Millions)

	December 31, 2016	**March 31, 2016**	**March 31, 2015**	**March 31, 2014**
Borrowings (Note 13)	43,851.64	46,275.49	47,882.73	48,479.84
Trade payables (Note 16)	127.05	134.08	429.51	75.72
Other financial liabilities (Note 14)	67,994.61	68,792.55	70,202.28	71,797.79
Less: Cash and cash equivalents (Note 10)	(477.35)	(579.41)	(824.04)	(725.37)
Net debt	**111,495.95**	**114,622.71**	**117,690.48**	**119,627.97**
Equity	18,152.91	18,282.44	19,046.79	20,227.44
Total equity	**18,152.91**	**18,282.44**	**19,046.79**	**20,227.44**
Capital and net debt	**129,648.86**	**132,905.15**	**136,737.27**	**139,855.41**
Gearing ratio (%)	**86.00**	**86.24**	**86.07**	**85.54**

In order to achieve this overall objective, the Project SPV Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during nine months ended December 31, 2016 and years ended March 31, 2016, March 31, 2015 and March 31, 2014.

Note 36 : Income tax

The major components of income tax expense for the period / years are:

Profit or loss section

(Amount Rs. in Millions)

	December 31, 2016	December 31, 2015	March 31, 2016	March 31, 2015	March 31, 2014
Current income tax:					
Current income tax charge	72.00	23.94	46.59	20.82	67.41
Adjustments in respect of current income tax of previous period / year	4.41	-	0.93	0.16	6.50
Deferred tax:					
Relating to origination and reversal of temporary differences	-	-	125.47	(44.63)	(50.01)
Income tax expense reported in the statement of profit or loss	**76.41**	**23.94**	**172.99**	**(23.65)**	**23.90**

The major components of Deferred tax asset/ liability for the period / years are:

Balance sheet

	December 31, 2016	March 31, 2016	March 31, 2015	March 31, 2014
Deferred tax relates to:				
Unused tax credit	366.93	366.93	492.41	447.77

Deferred tax assets have not been recognised in respect of losses at origination since this timing differences will reverse during the tax holiday period.

Note 37 : First-time adoption of Ind AS

These Combined Financial Statements, for nine months ended December 31, 2016 and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014 are prepared in accordance with Ind AS. For all periods upto and including the year ended March 31, 2016, the Project SPVs prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). For the period ended December 31, 2016, the Project SPVs prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with relevant rule and other accounting principles.

Accordingly, the Project SPV Group has prepared Financial Statements which comply with Ind AS applicable for period ended December 31, 2016, together with the comparative period data as at and for the years ended March 31, 2016 , March 31, 2015 and March 31, 2014, as described in the summary of significant accounting policies. In preparing these Financial Statements, the Project SPV Group has considered April 1, 2013 as the date of transition and opening balance sheet of the Project SPVs was prepared as on that date for the purpose of preparation of this Combined Financial Statement. This note explains the principal adjustments made by the Project SPV Group in restating its Indian GAAP Financial Statements, including the balance sheet as at April 1, 2013 and the Financial Statements as at nine months December 31, 2016 and for the years ended March 31, 2016, March 31, 2015 and March 31, 2014.

For the preparation of Combined Financial Statements the Project SPV Group have opted for following exemptions under Ind AS 101:

A) Deemed cost
Since, there is no change in the functional currency, the Project SPV Group has elected to continue with the carrying value for all of its property, plant and equipment (PPE) and other intangible assets as recognised in its previous GAAP financial as deemed cost at the transition date.

B) Borrowing costs
The Project SPV Group has used exemption under Ind AS 101 for existing long term foreign currency non-monetary items. The Project SPV Group continue to apply the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2013

Estimates
The estimates at April 1, 2013, March 31 , 2014, March 31, 2015 and March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

Reconciliation of equity as at April 1, 2013 (date of transition to Ind AS) (Amount Rs. in Millions)

		Reference	Local GAAP	Adjustments	Ind AS
	ASSETS				
(1)	**Non-current assets**				
a.	Property, plant and equipment		44.90	-	44.90
b.	Other intangible assets	Refer Note 1	38,183.86	71,048.89	109,232.75
c.	Intangible assets under development		28,274.06	-	28,274.06
d.	Financial assets				-
	i) Investments		0.10	-	0.10
	ii) Loans	Refer Note 2	608.02	(214.53)	393.49
	iv) Others		-	-	-
e.	Deferred tax assets		407.50	-	407.50
f.	Other non-current assets		1,452.32	-	1,452.32
			68,970.76	**70,834.36**	**139,805.12**
(2)	**Current Assets**				
a.	Financial assets				
	i) Investments	Refer Note 3	25.41	0.13	25.54
	ii) Trade receivables		26.13	-	26.13
	iii) Cash and cash equivalents		1,734.74	-	1,734.74
	iv) Bank balance other than above (iii)		1,444.75	-	1,444.75
	v) Loans		3.53	-	3.53
	vi) Other receivables		362.14	-	362.14
b.	Current tax assets (net)		62.86	-	62.86
c.	Other current assets		79.32	-	79.32
			3,738.88	**0.13**	**3,739.01**
	Total assets		**72,709.64**	**70,834.49**	**143,544.13**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital		10,701.31	-	10,701.31
	Subordinated debt (in nature of equity)		6,540.67	-	6,540.67
	Other equity	Refer Note 1,2 & 3	1,494.57	1,134.98	2,629.55
	Total equity		**18,736.55**	**1,134.98**	**19,871.53**
	Liabilities				
(1)	**Non-current liabilities**				
a.	Financial liabilities				
	i) Borrowings	Refer Note 2	39,134.87	(374.77)	38,760.10
	ii) Other financial liabilities	Refer Note 1	2,500.02	68,625.22	71,125.24
b.	Provisions		1,214.80	-	1,214.80
c.	Other non-current liabilities		-	-	-
c.	Deferred tax liabilities		9.74	-	9.74
			42,859.43	**68,250.45**	**111,109.88**
(2)	**Current liabilities**				
a.	Financial Liabilities				
	i) Borrowings		8,645.42	-	8,645.42
	ii) Trade payables		518.92	-	518.92
	iii) Other financial liabilities	Refer Note 1	1,764.38	1,449.06	3,213.44
b.	Other current liabilities		182.92	-	182.92
c.	Provisions		1.90	-	1.90
d.	Current tax liabilities (net)		0.12	-	0.12
			11,113.66	**1,449.06**	**12,562.72**
	Total liabilities		**53,973.09**	**69,699.51**	**123,672.60**
					-
	Total equity and liabilities		**72,709.64**	**70,834.49**	**143,544.13**

Note :

1. Premium obligation

As per the service concession agreement, IRBTC and MVR is obligated to pay the annual fixed amount of premium to National Highway Authorities of India (NHAI). This premium obligation has been treated as Intangible Asset given as it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Accordingly, premium obligation is recognised as intangible asset with corresponding liability.

As stated above, total premium payable as per the service concession agreement was upfront capitalized on April 1, 2014 under IGAAP. However, for the purpose of preparation of Combined Financial Statement, the Project SPV Group has restated the premium as well as corresponding liability as on the date of transition.

2. Discounting of long term loans given/taken & Retention money

Under I GAAP, long term interest free unsecured loans (tenure ranging from 5 to 7 years) given/ taken and Retention money were stated at historical cost. As per Ind AS 109 Financial instruments need to be recognised initially at fair value. As per Ind AS 113, level III hierarchy has been used to fair value these loans and retention money as neither the quoted prices for loans and retention money are available (Level I) nor significant observable comparative inputs are available. Under Level III income approach - Discounting cash flow method has been used to fair value these loans and retention money retrospectively. The difference between the carrying amount and the loan and the present value of the loan as on April 01, 2013 has been recognised through retained earnings.

3. Fair value of mutual fund investments

Under I GAAP, Mutual fund investments were valued at cost or market value whichever is lower. As per Ind AS 109, mutual fund investments needs to be stated at fair value. The difference between fair value and book value as on April 01, 2013 has been recognised through retained earnings.

Note 38 : Significant accounting judgement, estimates and assumptions

The preparation of the Project SPV Group's Combined Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Project SPV Group based its assumptions and estimates on parameters available when the Combined Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Project SPV Group. Such changes are reflected in the assumptions when they occur.

Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities related to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Project SPV Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is reasonable certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Project SPV Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Project SPV Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain that sufficient future taxable income will be available.

Minimum alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Project SPVs will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the Statement of Profit and Loss and shown as Deferred tax. The Project SPVs reviews the same at each balance sheet date and writes down the carrying amount of Unused tax credit to the extent there is no longer convincing evidence to the effect that the Project SPVs will pay income tax higher than MAT during the specified period.

Resurfacing expenses

As per the Service Concession Agreements, the Project SPV Group is obligated to carry out resurfacing of the roads under concession. The Project SPV Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 25.

Note 39 : Compensation claim for Toll losses

Pursuant to the demonetization, National highways Authority of India ('NHAI') announced stoppage of toll collection at all our toll road from November 09, 2016 until December 02, 2016. The Project SPVs has claimed compensation of Rs. 512.08 millions as per the concession agreement with NHAI. Out of which, Rs. 432.03 millions is considered under receivables from NHAI.

Note 40 : Events after reporting period

Subsequent to the balance sheet date the Sponsor has acquired the balance 26% of equity interest in MVR on 16 March, 2017 after receiving the necessary approval from NHAI.There are no subsequent event after the reporting period which required adjustments to the Combined Financial Statements.

As per our report of even date attached

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Finance Officer

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

Urmil Shah
Company Secretary
Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund

Details on payment of interest and principal history for the period ended December 31, 2016 and three years ended March 31, 2016, 2015, and 2014

IDAA Infrastructure Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	5,089.73	4,722.14	4,248.01	3,510.97
Add: Loan availed during the year	-	-	-	-
Less: Repayment during the year	367.59	474.12	737.05	679.13
Closing Balance	4,722.14	4,248.01	3,510.97	2,831.84

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	513.26	480.28	407.94	241.86
Interest costs during the year	510.43	481.35	414.32	247.59

IRB Talegaon Amravati Tollways Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	4,000.00	4,000.00	3,960.00	3,840.00
Add: Loan availed during the year	-	-	-	-
Less: Repayment during the year	-	40.00	120.00	75.00
Closing Balance	4,000.00	3,960.00	3,840.00	3,765.00

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	227.70	430.88	423.52	310.49
Interest costs during the year	229.01	429.93	420.94	310.26

IRB Jaipur Deoli Tollway Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	9,144.20	9,387.25	9,447.99	9,403.53
Add: Loan availed during the year	16.20	-	-	0.00
Less: Repayment during the year	-	18.46	87.02	27.19
Exchange gain / (Loss)	226.84	79.20	42.57	62.79
Closing Balance	9,387.25	9,447.99	9,403.53	9,439.13

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	367.03	877.61	905.94	632.90
Interest costs during the year	368.82	877.59	904.40	669.44

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund

Details on payment of interest and principal history for the period ended December 31, 2016 and three years ended March 31, 2016, 2015, and 2014

IRB Surat Dahisar Tollway Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	12,371.49	11,600.45	10,548.94	8,976.88
Add: Loan availed during the year	-	-	-	5,229.73
Less: Repayment during the year	771.03	1,051.51	1,572.06	6,785.92
Closing Balance	11,600.45	10,548.94	8,976.88	7,420.69

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	1,314.04	1,241.65	1,050.79	651.44
Interest costs during the year	1,316.03	1,246.83	1,047.16	647.89

IRB Tumkur Chitradurga Tollway Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	7,267.05	8,990.40	9,281.10	9,511.41
Add: Loan availed during the year	1,358.26	131.45	-	-
Less: Repayment during the year	-	-	9.04	6.45
Exchange gain / (Loss)	365.09	159.26	239.36	103.58
Closing Balance	8,990.40	9,281.10	9,511.41	9,608.54

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	781.87	815.17	852.32	574.33
Interest costs during the year	780.57	816.21	854.39	640.15

M.V.R Infrastructure and Tollways Private Limited

Rs. in million

Particulars	Year			Period ended
	2013-14	2014-15	2015-16	December 31, 2016
Opening Balance	2,293.35	2,265.14	2,168.08	2,112.35
Add: Loan availed during the year	961.67	-	1,190.00	-
Less: Repayment during the year	989.88	97.05	1,245.74	50.54
Closing Balance	2,265.14	2,168.08	2,112.35	2,061.81

Details of Interest

Partculars	Financial Year			Period Ended
	2013-14	2014-15	2015-16	December 31, 2016
Interest paid during the year	265.22	249.53	231.50	163.84
Interest costs during the year	265.26	248.88	228.05	163.32

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Operating cash flow from the Project SPVs for the period ended December 31, 2016

Particulars	Total	Elimination	IJDTPL	MITPL	IDAAIPL	ISDTPL	ITATPL	ITCTPL
A. Cash flow from operating activities								
Profit/(Loss) before tax	(54.08)	-	(55.94)	98.02	254.01	(271.32)	(98.09)	19.24
Adjustments to reconcile profit before tax to net cash flows								
Finance costs	2,800.11	-	669.44	163.32	247.59	647.89	310.26	761.61
Depreciation and amortisation expenses	3,203.83	-	112.16	105.56	783.72	1,489.54	51.72	661.13
Dividend received	(0.17)	-	-	-	-	(0.17)	-	-
Interest income on fixed deposits	(66.38)	-	(20.00)	(0.27)	(0.09)	(0.68)	(13.67)	(31.67)
Operating profit before working capital changes	5,883.31		705.66	366.63	1,285.23	1,865.26	250.22	1,410.31
Movement in working capital:								
Increase/(decrease) in trade and other payable	(7.03)	-	(6.63)	(67.40)	(16.16)	(1.34)	59.51	24.99
Increase/(decrease) in other liabilities	(23.77)	-	0.05	(3.11)	(0.02)	(7.10)	(2.37)	(11.22)
Increase/(decrease) in other financial liabilities	(1,037.94)	-	(4.25)	(14.48)	2.08	193.49	(2.77)	(1,212.01)
Increase/(decrease) in provisions	395.20	-	60.41	63.86	57.67	117.41	23.47	72.39
Decrease/(increase) in trade receivables	(435.81)	-	(46.42)	(56.77)	(96.29)	(47.85)	(35.42)	(153.06)
Decrease/(increase) in financials assets-loans	443.65	-	(0.31)	-	438.90	5.24	(0.03)	(0.15)
Decrease/(increase) in others financial assets	14.17	-	-	-	-	-	14.17	-
Decrease/(increase) in others assets	9.70	-	(0.41)	-	1.52	8.62	3.68	(3.71)
Cash generated from/(used in) operations	5,241.48	-	708.10	288.73	1,672.93	2,133.73	310.46	127.54
Direct taxes paid (net of refunds)	(53.44)	-	(2.01)	(4.57)	(47.78)	(0.17)	4.62	(3.53)
Net cash flows from/(used in) operating activities	5,188.04	-	706.09	284.16	1,625.15	2,133.56	315.08	124.01

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Operating cash flow from the Project SPVs for the period ended December 31, 2015

Particulars	Total	Elimination	IJDTPL	MITPL	IDAAIPL	ISDTPL	ITATPL	ITCTPL
A. Cash flow from operating activities								
Profit/(Loss) before tax	(605.59)	-	(51.35)	(33.36)	108.51	(420.71)	(126.08)	(82.60)
Adjustments to reconcile profit before tax to net cash flows			-	-	-	-	-	-
Finance costs	3,017.57	-	681.07	172.10	319.74	805.15	317.18	722.33
Depreciation and amortisation expenses	3,513.80	-	136.31	97.15	754.87	1,680.38	77.92	767.17
Dividend received	(3.64)	-	-	-	(1.95)	(1.69)	-	-
Interest income on fixed deposits	(75.31)	-	(24.80)	(0.08)	(0.14)	(5.39)	(13.03)	(31.87)
Operating profit before working capital changes	5,846.83		741.23	235.81	1,181.03	2,057.74	255.99	1,375.03
Movement in working capital:								
Increase/(decrease) in trade and other payable	(334.75)	-	(27.27)	18.77	(293.64)	(12.41)	(2.54)	(17.66)
Increase/(decrease) in other liabilities	(125.67)	-	(115.41)	1.26	(5.93)	(1.84)	(2.53)	(1.22)
Increase/(decrease) in other financial liabilities	(1,165.76)	-	(2.21)	(96.80)	(1.83)	193.86	(0.82)	(1,257.96)
Increase/(decrease) in provisions	330.70	-	57.73	(14.81)	84.62	111.89	22.64	68.63
Decrease/(increase) in trade receivables	17.19	-	-	-	0.82	16.37	-	-
Decrease/(increase) in financials assets-loans	(568.38)	(15.00)	(0.04)	16.19	(39.36)	(529.93)	(0.15)	(0.09)
Decrease/(increase) in others financial assets	59.43	-	1.70	17.73	-	40.00	-	-
Decrease/(increase) in others assets	(53.19)	-	(3.55)	(22.25)	2.81	(9.03)	0.82	(21.99)
Cash generated from/(used in) operations	4,006.40	(15.00)	652.18	155.90	928.52	1,866.65	273.41	144.74
Direct taxes paid (net of refunds)	(57.39)	-	(5.77)	(2.56)	(44.26)	(0.64)	(0.54)	(3.62)
Net cash flows from/(used in) operating activities	3,949.01	(15.00)	646.41	153.34	884.26	1,866.01	272.87	141.12

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Operating cash flow from the Project SPVs for the year ended March 31, 2016

Particulars	Total	Elimination	IJDTPL	MITPL	IDAAIPL	ISDTPL	ITATPL	ITCTPL
A. Cash flow from operating activities								
Profit/(Loss) before tax	(590.64)	-	(49.56)	23.67	218.41	(512.40)	(161.88)	(108.88)
Adjustments to reconcile profit before tax to net cash flows								
Finance costs	3,987.27	-	904.40	228.05	414.31	1,047.16	422.76	970.59
Depreciation and amortisation expenses	4,675.77	-	181.42	133.96	1,001.92	2,237.16	103.43	1,017.88
Dividend received	(3.72)	-	-	-	(2.04)	(1.68)	-	-
Interest income on fixed deposits	(95.68)	-	(31.09)	(0.09)	(0.17)	(5.45)	(17.32)	(41.56)
Operating profit before working capital changes	7,973.00		1,005.17	385.59	1,632.43	2,764.79	346.99	1,838.03
Movement in working capital:								
Increase/(decrease) in trade and other payable	(295.42)	-	(21.73)	51.39	(291.70)	(4.26)	(9.25)	(19.87)
Increase/(decrease) in other liabilities	(108.94)	-	(115.52)	2.84	(5.93)	(0.12)	0.08	9.71
Increase/(decrease) in other financial liabilities	(1,520.94)	-	(1.65)	(85.66)	(1.87)	253.55	(0.24)	(1,685.07)
Increase/(decrease) in provisions	358.11	-	84.35	(118.10)	76.93	179.37	34.75	100.81
Decrease/(increase) in trade receivables	6.50	-	-	-	(1.01)	7.51	-	-
Decrease/(increase) in financials assets-loans	(702.34)	(15.00)	(0.02)	16.16	(52.27)	(650.88)	(0.17)	(0.16)
Decrease/(increase) in others financial assets	19.43	-	1.70	17.73	-	-	-	-
Decrease/(increase) in others assets	(42.34)	-	(1.59)	(20.47)	3.55	(25.44)	1.80	(0.19)
Cash generated from/(used in) operations	5,687.06	(15.00)	950.71	249.48	1,360.13	2,524.52	373.96	243.26
Direct taxes paid (net of refunds)	(76.48)	-	(6.35)	(3.30)	(60.44)	(0.84)	(1.01)	(4.54)
Net cash flows from/(used in) operating activities	5,610.58	(15.00)	944.36	246.18	1,299.69	2,523.68	372.95	238.72

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Operating cash flow from the Project SPVs for the year ended March 31, 2015

Particulars	Total	Elimination	IJDTPL	MITPL	IDAAIPL	ISDTPL	ITATPL	ITCTPL
A. Cash flow from operating activities								
Profit/(Loss) before tax	(1,261.43)	-	(130.29)	(25.87)	102.17	(987.96)	(147.56)	(71.92)
Adjustments to reconcile profit before tax to net cash flows								
Finance costs	4,138.79	-	877.59	248.88	481.35	1,246.83	429.93	854.21
Depreciation and amortisation expenses	4,253.79	-	157.76	124.97	928.19	2,026.86	94.02	921.99
Dividend received	(0.37)	-	-	-	(0.36)	(0.01)	-	-
Interest income on fixed deposits	(100.94)	-	(34.68)	-	(2.35)	(7.14)	(17.53)	(39.24)
Operating profit before working capital changes	7,029.84		870.38	347.98	1,509.00	2,278.58	358.86	1,665.04
Movement in working capital:								
Increase/(decrease) in trade and other payable	353.79	-	31.09	12.40	304.72	16.56	6.06	(17.04)
Increase/(decrease) in other liabilities	6.45	-	0.34	0.26	6.28	0.04	(0.86)	0.39
Increase/(decrease) in other financial liabilities	(1,639.18)	-	2.81	(103.55)	(43.32)	202.82	(8.34)	(1,689.60)
Increase/(decrease) in provisions	437.55	-	49.34	118.20	(291.17)	444.59	36.89	79.70
Decrease/(increase) in trade receivables	8.47	-	(3.91)	-	(0.19)	15.34	(2.77)	-
Decrease/(increase) in financials assets-loans	(1,298.58)	(451.20)	(0.04)	(14.63)	(47.08)	(785.74)	0.07	0.04
Decrease/(increase) in others financial assets	29.71	-	(0.64)	(8.49)	-	38.51	-	0.33
Decrease/(increase) in others assets	83.29	-	8.76	4.75	3.92	34.99	27.23	3.64
Cash generated from/(used in) operations	5,011.34	(451.20)	958.13	356.92	1,442.16	2,245.69	417.14	42.50
Direct taxes paid (net of refunds)	(13.35)	-	(2.98)	(8.90)	(28.67)	18.98	(3.78)	12.00
Net cash flows from/(used in) operating activities	4,997.99	(451.20)	955.15	348.02	1,413.49	2,264.67	413.36	54.50

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

IRB InvIT Fund
Operating cash flow from the Project SPVs for the year ended March 31, 2014

Particulars	Total	Elimination	IJDTPL	MITPL	IDAAIPL	ISDTPL	ITATPL	ITCTPL
A. Cash flow from operating activities								
Profit/(Loss) before tax	(451.52)		(72.58)	48.34	134.81	(716.81)	11.04	143.68
Adjustments to reconcile profit before tax to net cash flows								
Finance costs	3,474.18		368.82	265.26	510.43	1,316.03	233.07	780.57
Depreciation and amortisation expenses	3,563.94		40.18	108.55	858.02	1,835.70	24.67	696.82
Dividend received	(0.39)		-	-	-	(0.39)	-	-
Interest income on fixed deposits	(121.88)		(18.15)	-	(19.26)	(17.11)	(17.47)	(49.89)
Operating profit before working capital changes	6,464.33		318.27	422.15	1,484.00	2,417.42	251.31	1,571.18
Movement in working capital:								
Increase/(decrease) in trade and other payable	(443.20)	-	(2.31)	(3.76)	1.04	(41.88)	7.02	(403.31)
Increase/(decrease) in other liabilities	97.75	-	115.06	(0.71)	0.14	5.56	0.62	(22.92)
Increase/(decrease) in other financial liabilities	(1,393.13)	-	4.29	(80.79)	31.67	193.48	1.89	(1,543.67)
Increase/(decrease) in provisions	2.03	-	0.16	0.24	0.26	1.19	0.11	0.07
Decrease/(increase) in trade receivables	(6.92)	-	-	-	2.83	(11.58)	1.83	-
Decrease/(increase) in financials assets-loans	(39.88)	466.20	(0.19)	0.01	(42.27)	(465.79)	(0.09)	2.25
Decrease/(increase) in others financial assets	180.26	-	211.42	-	9.01	(39.84)	-	(0.33)
Decrease/(increase) in others assets	1,394.96	-	950.63	(6.67)	(20.11)	6.56	10.79	453.76
Cash generated from/(used in) operations	6,256.20	466.20	1,597.33	330.47	1,466.57	2,065.12	273.48	57.03
Direct taxes paid (net of refunds)	(7.60)		(3.38)	-	(2.58)	(5.32)	(2.87)	6.55
Net cash flows from/(used in) operating activities	6,248.60	466.20	1,593.95	330.47	1,463.99	2,059.80	270.61	63.58

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Ramesh Gupta
Partner
Membership No.: 102306

Vinod Kumar Menon
Chairman of the Board

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

Place: Mumbai
Date: March 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Project SPVs financial condition and results of operations together with their Combined Financial Statements as of and for the financial years 2014, 2015 and 2016, and for the nine months ended December 31, 2016, including the schedules and notes thereto and report thereon included on page 289 of this Final Offer Document. The Combined Financial Statements include the historical combined revenues, expenses and other financial information of the Project SPVs. The Combined Financial Statements are prepared in accordance with Ind AS, which differs in certain material respects with Indian GAAP, U.S. GAAP and International Financial Reporting Standards.

Since our registration, we have not had any corporate activity and therefore do not believe that a discussion of our results of operations would be meaningful. Accordingly, the following discussion includes a discussion and analysis of the financial condition and results of operations of the Project SPVs on a combined basis for the financial years 2014, 2015 and 2016 and for the nine months ended December 31, 2016.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section headed "Risk Factors" on page 17 of this Final Offer Document.

The Project SPVs financial years end on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

Overview

We are a registered infrastructure investment trust under the InvIT Regulations. We own, operate and maintain a portfolio of six toll-road assets in the Indian states of Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu. These toll roads are operated and maintained pursuant to concessions granted by the NHAI. We believe that, upon the listing of the Units on the Stock Exchanges, we will be the first listed infrastructure investment trust focused on toll-road assets in India.

Our Sponsor is IRB Infrastructure Developers Limited, one of the largest infrastructure development and construction companies in India in terms of net worth in the roads and highways sector according to the NHAI's annual prequalification for public private partnerships in national highway projects report for 2016. The Sponsor has been listed on the Stock Exchanges since 2008. Excluding the toll-road assets that have been transferred by the Sponsor and the other Selling Unitholders to the Trust pursuant to the Formation Transactions, as of December 31, 2016, the Sponsor had 16 road projects, of which eight were "operational", five were "under construction" and three were "under development". For more information, please see the section headed "Parties to the Trust – The Sponsor" on page 267 of this Final Offer Document.

Consequent to the Formation Transactions, on May 9, 2017, we acquired an initial portfolio comprising the Project SPVs, all of which were wholly owned by the Sponsor and its subsidiaries. For more information, please see the section headed "Background and Structure of the Trust — Formation Transactions" on page 123 of this Final Offer Document.

Factors affecting Results of Operations

The Project SPVs business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

The terms of the concession agreements and traffic volumes

BOT and DBFOT projects restrict the Project SPVs operational and financial flexibility. Toll fees are typically pre-determined with the relevant government entity and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation as specified in the concession agreements. Accordingly, a Project SPVs profitability is largely a function of how effectively it manages costs during the concession period. Significant costs during the concession period include operating and maintenance expenses such as periodic maintenance which is required to be performed as specified in the concession agreement. Periodic maintenance involves the repair of wear and tear of the roads and highways, including overlaying the surface of the roads and

highways, if required. For further details on the maintenance requirements for each of our projects, see the section headed "*The Trust's Business— Details of the Project SPVs and the Initial Road Assets*" in this Final Offer Document. Our inability to effectively manage such operating and maintenance expenses during the concession period may have a material adverse effect on our profitability, financial condition and results of operations.

The Project SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects. Projects undertaken on a BOT or DBFOT basis involve concession agreements that are long-term in nature, usually between 20 to 30 years. The agreed consideration for each of the Project SPVs' projects was based on forecasts of traffic volumes and expected revenues over the concession period. Any material shortfall between the actual traffic volume and the forecast traffic volume for a project could have a material adverse effect on their cash flows, results of operations and financial condition.

The Project SPVs' projects involve agreements that are long-term in nature. All long-term projects have inherent risks associated with them and involve variables that may not necessarily be within the Project SPVs' control. Accordingly, we may be exposed to a variety of operation and maintenance and other risks, including unanticipated cost increases and overruns, inability to negotiate satisfactory arrangements with third parties, and disagreements with third parties. In addition, the long-term nature of the Project SPVs' contracts may expose them to increased risk of unforeseen business and industry changes and developments which could have a material adverse effect on their business, financial condition and results of operations.

General economic conditions in India and the level of investment and activity in the infrastructure development sector

The Project SPVs derive almost all of their revenue from their toll-road operations. Demand for toll roads is primarily dependent on sustained economic development in the regions that they operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by the Government and State Governments for the roads and highways sector, as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is, therefore, linked to Government and State Government policies relating to private sector participation and sharing of risks and returns from such projects.

We believe that the Government's and State Governments' focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects should further result in large infrastructure projects in India. We believe that we are likely to benefit from the Government and State Governments making infrastructure development a policy priority, which may lead to corresponding significant investment in the roads and highways sector. Since the Project SPVs focus on the roads and highways sector, macroeconomic factors in India relating to this sector will have a significant impact on their prospects and results of operations. As the roads and highways sector is driven by increases in agriculture and manufacturing, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially and adversely impact the Project SPVs business and financial performance.

Project acquisitions

We plan to make significant investments in toll road assets so as to expand our portfolio over the next several years. Pursuant to the Deed of Right of First Offer and Right of First Refusal and the Future Asset Agreement, the Sponsor has provided us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are owned or which may be acquired or developed by the Sponsor or its existing or future subsidiaries in the future.

The success of our portfolio expansion is limited by the availability of, and competition for, suitable projects, by our financial resources, including our available cash and borrowing capacity, by our ability to integrate such acquired projects into our business and by other factors, some of which may be beyond our control. For more details, please see the section headed "*Risk Factors—Risks Related to Our Business and Industry—Our failure to extend the applicable concession agreement or our inability to identify and acquire new road assets that generate comparable or higher revenue or profits than the Project SPVs, may have a material adverse impact on our business, financial condition and results of operations*" in this Final Offer Document.

Competition

The Project SPVs operate in a competitive environment. The competition for toll road and other infrastructure projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of their competitors have greater financial resources, economies of scale and operating efficiencies than the Project SPVs do. There can be no assurance that they can effectively compete with their competitors in the future, and this failure to compete effectively may have a material adverse effect on the Project SPVs financial condition and results of operations.

Critical Accounting Policies

The preparation of financial statements in conformity with Ind AS, applicable accounting standards and the Companies Act requires our management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. By their nature, these judgments are subject to a degree of uncertainty. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

While all aspects of the Project SPVs Combined Financial Statements should be read and understood in assessing their current and expected financial condition and results, we believe that the following critical accounting policies warrant particular attention:

Intangible assets

As permitted under Ind AS, the group has elected to continue with the carrying value of its toll collection rights (which form part of its intangible assets), as recognised in the financial statements as at the date of transition to Ind AS and measured as per the previous GAAP.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the period in which the expenditure is incurred.

Toll Collection Rights

Toll collection rights including premium to NHAI are stated at cost, net of accumulated amortisation and impairment losses. Cost includes toll collection rights awarded by the grantor against construction service rendered by the Project SPV on a DBFOT basis - direct and indirect expenses on construction of roads, bridges, culverts, infrastructure and other assets at the toll plazas.

Toll collection rights are amortised over the period of the concession, using revenue based amortisation as per the exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the asset's economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Premium Obligation

As per their respective service concession agreements, ITCTPL and MITPL are obligated to pay fixed amounts of premium / negative grants to the NHAI. This premium / negative grants obligation has been treated as an intangible asset, given it is paid towards getting the right to earn revenue by constructing and operating the roads during the concession period. Hence, the total premium / negative grants payable as per the service concession agreement has been upfront capitalized at deemed cost of the obligation at the date of transition.

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation of toll equipments

Toll equipments are amortized on a straight line basis over the estimated useful economic life not exceeding seven years.

Premium Deferment

Premium Deferral (i.e. premium payable less paid after adjusting premium deferment) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under deferred premium obligation. Interest on premium deferral is charged to the statement of profit and loss.

Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Principal Components of Combined Statement of Profit and Loss

Income items

The Project SPVs income consists of revenue from operations and other income. Revenue from operations primarily consists of income from toll collection. Further, during the construction period of a project, the NHAI may ask the Project SPVs to carry out utility shifting work (which is incidental to the construction of the toll road and typically involves the shifting of utilities that are located at the construction site) or may award the Project SPVs additional scope of work, which is separately paid by the NHAI. Revenue from such utility shifting or change in scope contract and the sale of materials, among others, also forms part of the Project SPVs operating revenue. However, this is not significant as compared to toll revenue.

Other income includes interest income on bank deposits, interest on an income tax refund, interest unwinding on loan given, dividend income, gains on sales of property plant and equipment, gain on sales of investments and certain miscellaneous income. Other income also includes any gain on sales of investments and fixed assets.

Expense items

Expenses consist of (i) road work and site expenses, (ii) employee benefits expense and (iii) depreciation and amortisation expenses, (iv) finance cost, and (v) other expenses.

Road work and site expenses

Road work and site expenses include contract expenses relating to utility shifting or change in scope contracts, operation and maintenance expenses, road works expenses, cost of material sold, independent engineer fees, sub-contracting and security expenses, and site and other direct expenses.

Employee benefits expenses

Employee benefits expenses include salaries, wages and bonus paid to employees, contribution towards provident fund and other funds, gratuity expenses and staff welfare expenses.

Depreciation and amortisation

Depreciation and amortisation includes depreciation on property, plant and equipment and amortisation of intangible assets.

Finance costs

Finance costs include interest on loans from banks/financial institutions, interest loss on derivative contracts, interest on premium deferment, interest on loan from group companies, other borrowing costs, interest unwinding on loan taken and interest unwinding on premium obligations.

Other expenses

Other expenses include various administration costs such as power and fuel costs, rent, rates and taxes, water charges, repairs and maintenance, travel and conveyance expenses, vehicle expenses, printing and stationary expenses, director sitting fees, advertisement expenses, legal and professional expenses, payments to the SPVs auditor, bank charges, insurance and other miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to the Project SPVs results of operations for the periods indicated:

	Financial year ended March 31,			For the nine months ended December 31,	
	2014	**2015**	**2016**	**2015**	**2016**
			(Rs. in Millions)		
Income					
Revenue from operations	7,452.04	9,002.52	9,867.23	7,310.87	7,349.93
Other income	172.88	161.06	171.09	129.50	161.19
Total income	**7,624.92**	**9,163.58**	**10,038.32**	**7,440.37**	**7,511.12**
Expenses					
Road work and site expenses	479.83	1,426.39	1,283.76	1,006.22	1,012.48
Employee benefits expenses	159.64	174.35	209.34	152.58	157.14
Finance costs	3,755.94	4,448.40	4,348.17	3,289.93	3,097.91
Depreciation and amortisation expenses	3,563.94	4,253.79	4,675.77	3,513.80	3,203.83
Other expenses	117.09	122.08	111.92	83.43	93.84
Total expenses	**8,076.44**	**10,425.01**	**10,628.96**	**8,045.96**	**7,565.20**
Profit/(loss) before tax	**(451.52)**	**(1,261.43)**	**(590.64)**	**(605.59)**	**(54.08)**
Tax expenses					
Current tax	67.41	20.82	46.59	23.94	72.00
Tax adjustment for earlier years	6.50	0.16	0.93	-	4.41
Deferred tax	(50.01)	(44.63)	125.47	-	-
Total tax expenses	**23.90**	**(23.65)**	**172.99**	**23.94**	**76.41**
Profit/(loss) after tax	**(475.42)**	**(1,237.78)**	**(763.63)**	**(629.53)**	**(130.49)**
Re-measurement gains/(losses) on defined benefit plans	1.47	(0.12)	(0.72)	(0.29)	0.96
Total comprehensive income/(loss) for the year	**(473.95)**	**(1,237.90)**	**(764.35)**	**(629.82)**	**(129.53)**

Nine months ended December 2016 Compared to Nine months ended December 2015

Income

Revenue from operations

Revenue from operations increased by Rs. 39.06 million, or 0.53%, from Rs. 7,310.87 million for the nine months ended December 2015 to Rs. 7,349.93 million for the nine months ended December 2016.

Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection at all our toll roads from November 9, 2016 until December 2, 2016. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization (the "**NHAI Circulars**").

The Project SPVs have claimed compensation from the NHAI for toll losses during this period in an aggregate amount of Rs. 512.08 million, which claim amount has been recognized as revenues for the nine-months ended December 31, 2016. The NHAI has paid the Project SPVs an amount of Rs. 80.05 million as compensation prior to December 31, 2016 and the remaining amount of Rs. 432.03 million has been accounted for as a receivable as of December 31, 2016. We have also received a part of this amount from the NHAI post– December 31, 2016. However, there can be no assurance that the entire amount recognized as a receivable will be paid to the Project SPVs and we may be required to write-off this amount in part or in full in our profit and loss accounts in the future.

The Project SPVs have also claimed to the NHAI that they are eligible for an extension in the concession period for the same number of days during which there was temporary suspension of toll collection. The Project SPVs have also made an application to the NHAI for adjustment of premium payable in an amount of Rs. 174.93 million, as compensation for loss in toll revenue. The NHAI Circulars term this suspension of toll collection as a force majeure event and specify reimbursement of costs based on certain guidelines. The extension of the concession period and the adjustment of premium payable have not been specifically identified as reimbursements in the NHAI Circulars. There is no assurance that the Project SPVs will get any extension of concession period or adjustment of premium payable.

Due to this, income from toll collections decreased by Rs. 457.70 million, or 6.43%, from Rs. 7,118.60 million for nine months ended December 2015 to Rs. 6,660.90 million for the nine months ended December 2016. Income from toll collections represented 95.68% and 88.68% of our total income for nine months ended December 2015 and December 2016, respectively.

We set out below the primary reasons for the increase or decrease in revenue from operations for each of our Project SPVs, which contributed to the increase in our combined revenue from operations.

Revenue from operations as set out below is not comparable due to the temporary suspension of toll by the NHAI at all our toll roads from November 09, 2016 to December 02, 2016 due to demonetisation.

ISDTPL

Revenue from operations for ISDTPL decreased by Rs. 131.42 million, or 5.15%, from Rs. 2,550.77 million for the nine months ended December 31, 2015 to Rs. 2,419.35 million for the nine months ended December 31, 2016, primarily on account of temporary suspension of toll collection as directed by the Government of India in November 2016. The decrease in revenue was also partially offset by the recognition of the full amount of compensation claimed from the NHAI for toll losses incurred during the suspension of toll collection.

ITCTPL

Revenue from operations for ITCTPL increased by Rs. 71.80 million, or 4.75%, from Rs. 1,512.26 million for the nine months ended December 31, 2015 to Rs.1,584.06 million for the nine months ended December 31, 2016. Whilst the toll revenue was lower primarily on account of temporary suspension of toll collection as directed by the Government of India in November 2016, the overall revenue from operations increased due to higher contract revenue from utility shifting as well as revenue recognition of compensation amounts expected from NHAI for the temporary suspension of toll collection.

IDAAIPL

Revenue from operations for IDAAIPL increased by Rs. 129.60 million, or 9.02%, from Rs. 1,436.96 million for the nine months ended December 31, 2015 to Rs. 1,566.56 million for the nine months ended December 31, 2016. Whilst the toll revenue was lower primarily on account of temporary suspension of toll collection as directed by the Government of India in November 2016, the overall revenue from operations increased due to revenue recognition of compensation amounts expected from NHAI in relation to the temporary suspension of toll collection.

IJDTPL

Revenue from operations for IJDTPL decreased by Rs. 149.75 million, or 14.24%, from Rs. 1,051.46 million for the nine months ended December 31, 2015 to 901.71 million for the nine months ended December 31, 2016 primarily on account of temporary suspension of toll collection as directed by the Government of India in

November 2016. The decrease in revenue was also partially offset by the recognition of the full amount of compensation claimed from the NHAI for toll losses incurred during the suspension of toll collection.

MITPL

Revenue from operations for MITPL increased by Rs.68.84 million, or 16.54%, from Rs. 416.08 million for the nine months ended December 31, 2015 to Rs. 484.92 million for the nine months ended December 31, 2016. This increase in revenue is due to traffic growth during the period and due to revenue recognition of compensation amounts expected from NHAI for the temporary suspension of toll collection.

ITATPL

Revenue from operations for ITATPL increased by Rs. 49.98 million, or 14.56%, from Rs. 343.34 million for the nine months ended December 31, 2015 to Rs. 393.32 million for the nine months ended December 31, 2016. This increase in revenue is due to revision in tariff and traffic growth during the period and revenue recognition of compensation amounts expected from NHAI for the temporary suspension of toll collection.

For the nine months ended December 31, 2016, revenue from other operating income increased by Rs. 496.76 million, or 25.83 times, from Rs. 192.27 million for the nine months ended December 31, 2015 to Rs. 689.03 million for the nine months ended December 31, 2016. Increase in other operating income is primarily due to compensation claimed by the Project SPVs Rs. 512.08 millions as per the concession agreement with NHAI due to the temporary suspension of toll collection as directed by the Government of India in November 2016.

Other income

Other income increased by Rs. 31.69 million, or 24.47%, from Rs. 129.50 million for the nine months ended December 31, 2015 to Rs. 161.19 million for the nine months ended December 31, 2016 primarily due to an increase in profit on sale of investments and an increase in interest unwinding on loan given to associate/sister concerns, which was partially offset by a decrease in interest income on bank deposits. Other income represented 1.74% and 2.15% of our total income for nine months ended December 31, 2015 and 2016, respectively.

Profit on sale of investments increased by Rs. 10.95 million, or 16.67 times, from Rs. 6.57 million for the nine months ended December 31, 2015 to Rs. 17.52 million for the nine months ended December 31, 2016 as a result of an increase in the sale of our investments in mutual funds during the nine months ended December 31, 2016 as compared to nine months ended December 31, 2015. In addition, interest unwinding on loans given to associate/sister concerns also increased by Rs. 33.46 million, or 85.01%, from Rs. 39.36 million in nine months ended December 31, 2015 to Rs. 72.82 million in the nine months ended December 31, 2016. This increase was partially offset by a decrease in interest income on bank deposits of Rs. 9.12 million, or 12.13%, for the nine months ended December 31, 2016.

Expenses

Our total expenses decreased by Rs. 480.76 million, or 5.98%, from Rs. 8,045.96 million for the nine months ended December 31, 2015 to Rs. 7,565.20 million for the nine months ended December 31, 2016 primarily due to a decrease in amortisation expenses and finance costs. Our total expenses, expressed as a percentage of our total income, were 108.14% and 100.72% for the nine months ended December 31, 2015 and 2016, respectively.

Road work and site expenses

Road work and site expenses increased by Rs. 6.26 million, or 0.62%, from Rs. 1,006.22 million for the nine months ended December 31, 2015 to Rs. 1,012.48 million for the nine months ended December 31, 2016, primarily due to an increase in operation and maintenance expenses. Road work and site expenses, expressed as a percentage of our total income, decreased from 13.52% for the nine months ended December 31, 2015 to 13.48% for the nine months ended December 31, 2016.

Contract expenses (utility shifting or change in scope contract) decreased by Rs. 158.92 million, or 93.39%, from Rs. 170.16 million for the nine months ended December 31, 2015 to Rs. 11.24 million for the nine months ended December 31, 2016 primarily due to completion of utility shifting work in the Jaipur–Deoli NH 12 Project which was carried out in the nine months ended December 31, 2015. Contract expenses (utility shifting contract),

expressed as a percentage of our total income, decreased from 2.29% for the nine months ended December 31, 2015 to 0.15% for the nine months ended December 31, 2016.

Operation and maintenance expenses increased by Rs. 135.08 million, or 18.68%, from Rs. 723.22 million for the nine months ended December 31, 2015 to Rs. 858.30 million for the nine months ended December 31, 2016 due to additional maintenance activities undertaken during the temporary suspension of toll collection as directed by the Government of India in November 2016, such as the refurbishing of toll plazas. Operation and maintenance expenses, expressed as a percentage of our total income, increased from 9.72% for the nine months ended December 31, 2015 to 11.43% for the nine months ended December 31, 2016.

Cost of materials sold increased by Rs. 18.80 million, from Rs. 9.48 million for the nine months ended December 31, 2015 to Rs. 28.28 million for the nine months ended December 31, 2016, primarily due to a higher volume of trading sale in the nine months ended December 31, 2016.

Expenses relating to the fees of independent engineers under our concession agreements with the NHAI decreased from Rs. 4.50 million for the nine months ended December 31, 2015 to Rs. 2.50 million for the nine months ended December 31, 2016.

Sub-contracting expenses increased by Rs. 5.94 million, or 9.43% from Rs. 62.97 million for the nine months ended December 31, 2015 to Rs. 68.91 million for the nine months ended December 31, 2016 due to additional manpower being sub-contracted in the nine months ended December 31, 2016 and an increase in sub- contracting costs in the nine months ended December 31, 2016.

Site and other direct expenses, relating primarily to temporary contract labour and miscellaneous site expenses, increased by Rs. 7.36 million, or 20.51% from Rs. 35.89 million for the nine months ended December 31, 2015 to Rs. 43.25 million for the nine months ended December 31, 2016 since additional maintenance activities such as refurbishing the toll plazas were carried out during the temporary suspension of toll collection as directed the Government of India in November 2016. This led to higher site and other direct expenses for the nine months ended December 31, 2016.

Employee benefits expenses

Employee benefits expenses increased by Rs. 4.56 million, or 2.99%, from Rs. 152.58 million for the nine months ended December 31, 2015 to Rs. 157.14 million for the nine months ended December 31, 2016, primarily due to increases in salaries, wages and bonus. Salaries, wages and bonus increased by Rs. 4.70 million, or 3.73%, from Rs. 125.88 million for the nine months ended December 31, 2015 to Rs. 130.58 million for the nine months ended December 31, 2016, primarily due to the recruitment of additional personnel for our projects as well as regular salary increments. Employee benefits expenses, expressed as a percentage of our total income increased from 2.05% for the nine months ended December 31, 2015 to 2.09% for the nine months ended December 31, 2016.

Depreciation and amortization

Depreciation and amortization costs decreased by Rs. 309.97 million, or 8.82%, from Rs. 3,513.80 million for the nine months ended December 31, 2015 to Rs. 3,203.83 million for the nine months ended December 31, 2016 due to a decrease in amortisation of intangible assets as a result of a decrease in revenues from toll collection during the period due to the temporary suspension of toll collection as directed by the Government of India in November 2016. Depreciation and amortization costs, expressed as a percentage of our total income, decreased from 47.23% for the nine months ended December 31, 2015 to 42.65% for the nine months ended December 31, 2016.

Finance costs

Finance costs decreased by Rs. 192.02 million, or 5.84%, from Rs. 3,289.93 million for the nine months ended December 31, 2015 to Rs. 3,097.91 million for the nine months ended December 31, 2016. There was a decrease in interest on borrowings from banks and financial institutions by Rs. 228.22 million, or 7.92%, from Rs. 2,881.56 million for the nine months ended December 31, 2015 to Rs. 2,653.34 million for the nine months ended December 31, 2016, due to decreases in interest on loan from banks and financial institutions owing to principal repayments as well as reduction in borrowings costs. In addition, our other borrowing costs increased from Rs. 30.00 million in the nine months ended December 31, 2015 to Rs. 31.10 million in the nine months ended December 31, 2016.

Interest on premium deferments increased by Rs. 38.90 million, or 47.12%, from Rs. 82.56 million for the nine months ended December 31, 2015 to Rs. 121.46 million for the nine months ended December 31, 2016 due to the effect of compounding on the interest on premium deferment. Interest unwinding on loans taken from associate/sister concerns increased by Rs. 24.33 million, or 10.04%, from Rs. 242.36 million for the nine months ended December 31, 2015 to Rs. 266.69 million for the nine months ended December 31, 2016 due to the effect of compounding on the interest unwinding on loans taken. Finance costs, expressed as a percentage of our total revenue, decreased from 44.22% for the nine months ended December 31, 2015 to 41.24% for the nine months ended December 31, 2016.

Other expenses

Other expenses increased by Rs. 10.41 million, or 12.48%, from Rs. 83.43 million for the nine months ended December 31, 2015 to Rs. 93.84 million for the nine months ended December 31, 2016. Other expenses, expressed as a percentage of our total income, increased from 1.12% for the nine months ended December 31, 2015 to 1.25% for the nine months ended December 31, 2016.

Loss before tax

As a result of the foregoing, loss before tax decreased by Rs. 551.51 million from Rs. 605.59 million for the nine months ended December 31, 2015 to Rs. 54.08 million for the nine months ended December 31, 2016.

Tax expenses

We recorded a net tax expense of Rs. 76.41 million for the nine months ended December 31, 2016 compared with a net tax expense of Rs. 23.94 million for the nine months ended December 31, 2015 due to current tax provision. Current tax increased by Rs. 48.06 million, from Rs. 23.94 million for the nine months ended December 31, 2015 to Rs. 72.00 million for the nine months ended December 31, 2016 due to an increase in profit in some of the taxpaying Project SPV's. Tax adjustment for earlier years was Rs. 4.41 million for nine months ended December 31, 2016.

Loss after tax

Loss after tax decreased by Rs. 499.04 million from Rs. 629.53 million for the nine months ended December 31, 2015 to Rs. 130.49 million for the nine months ended December 31, 2016.

Financial Year 2016 Compared to Financial Year 2015

Income

Revenue from operations

Revenue from operations increased by Rs. 864.71 million, or 9.61%, from Rs. 9,002.52 million for the financial year 2015 to Rs. 9,867.23 million for the financial year 2016.

Income from toll collections increased by Rs. 739.51 million, or 8.30%, from Rs. 8,908.83 million for the financial year 2015 to Rs. 9,648.34 million for the financial year 2016. Income from toll collections represented 97.22% and 96.12% of our total income for the financial years 2015 and 2016, respectively.

We set out below the primary reasons for the increase/decrease in revenue from operations for each of our Project SPVs, which contributed to the increase in our combined revenue from operations.

ISDTPL

Revenue from operations for ISDTPL increased by Rs. 270.94 million, or 8.46%, from Rs. 3,203.91 million for the financial year 2015 to Rs. 3,474.85 million for the financial year 2016. The total tollable traffic count for ISDTPL increased from 9,179,969 in financial year 2015 to 9,922,832 in financial year 2016, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2016, on account of inflation in accordance with the formula set out in the concession agreement for this project. The traffic growth for the project over the years is attributed to, amongst others, the increase in

the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Surat–Dahisar Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 1. Surat–Dahisar NH 8 Project*".

ITCTPL

Revenue from operations for ITCTPL increased by Rs. 185.34 million, or 10.06%, from Rs. 1,842.86 million for the financial year 2015 to Rs. 2,028.20 million for the financial year 2016. The total tollable traffic count for ITCTPL increased from 5,180,274 in financial year 2015 to 5,815,893 in financial year 2016, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2016, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Tumkur–Chitradurga Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 2. Tumkur–Chitradurga NH 4 Project*".

IDAAIPL

Revenue from operations for IDAAIPL increased by Rs. 76.18 million, or 4.09%, from Rs. 1,862.60 million for the financial year 2015 to Rs. 1,938.78 million for the financial year 2016. The total tollable traffic count for IDAAIPL increased from 8,407,477 in financial year 2015 to 9,033,563 in financial year 2016, which led to an increase in income from toll collection for this project. In addition, we decreased the tariff for this project in financial year 2016, on account of negative inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Bharuch–Surat Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 3. Bharuch–Surat NH 8 Project*".

IJDTPL

Revenue from operations for IJDTPL increased by Rs. 343.16 million, or 33.40%, from Rs. 1,027.31 million for the financial year 2015 to Rs. 1,370.47 million for the financial year 2016. The total tollable traffic count for IJDTPL increased from 2,654,011 in financial year 2015 to 3,255,179 in financial year 2016, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2016, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Jaipur–Deoli Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 4. Jaipur–Deoli NH 12 Project*".

MITPL

Revenue from operations for MITPL decreased by Rs. 5.19 million, or 0.89%, from Rs. 585.95 million for the financial year 2015 to Rs. 580.76 million for the financial year 2016. The total tollable traffic count for MITPL increased from 6,856,557 in financial year 2015 to 7,909,146 in financial year 2016. The total tollable traffic for financial year 2016 was impacted by the suspension of toll collection for a period of 15 days due to floods in Tamil Nadu in December 2015. Further, there was an overall decrease in our revenue from operations for MITPL due to a negative revision in the tariff rates for the project in financial year 2016, on account of negative inflation.

Traffic growth for the project over the years is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Omalur–Salem–Namakkal Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 5. Omalur–Salem–Namakkal NH 7 Project*".

ITATPL

Revenue from operations for ITATPL decreased by Rs. 5.72 million, or 1.19%, from Rs. 479.89 million for the financial year 2015 to Rs. 474.17 million for the financial year 2016. The total tollable traffic count for ITATPL increased from 2,799,886 in financial year 2015 to 3,030,457 in financial year 2016, which led to an increase in income from toll collection for this project. Traffic growth for the project over the years is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Talegaon–Amravati Toll Revenue and O&M Cost Projection Report)* While there was an increase in the revenue from toll collection for ITATPL for financial year 2016 compared to financial year 2015, revenue from operations decreased slightly on account of a decline in contract revenues in financial year 2016 compared to financial year 2015. For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 6. Talegaon–Amravati NH 6 Project*".

For the financial year 2016, other operating income increased by Rs. 125.20 million, or 133.63%, from Rs. 93.69 million in 2015 to Rs. 218.89 million in 2016, primarily due to an increase in contract revenue from various utility shifting or change in scope contracts with the NHAI in financial year 2016.

Other income

Other income increased by Rs. 10.03 million, or 6.23%, from Rs. 161.06 million for the financial year 2015 to Rs. 171.09 million for the financial year 2016 primarily due to an increase in profit on sale of investments and an increase in interest unwinding on loan given, which was partially offset by a decrease in interest income on bank deposits. Other income represented 1.76% and 1.70% of our total income for the financial years 2015 and 2016, respectively.

Profit on sale of investments increased by Rs. 9.15 million, or 214.79%, from Rs. 4.26 million for the financial year 2015 to Rs. 13.41 million for the financial year 2016 as a result of an increase in the sale of our investments in mutual funds during the financial year 2016, as compared to financial year 2015. In addition, interest unwinding on loan given also increased by Rs. 5.17 million, or 10.98%, from Rs. 47.07 million in the financial year 2015 to Rs. 52.24 million in the financial year 2016. This increase was partially offset by a decrease in interest income on bank deposits of Rs. 5.24 million, or 5.19%, for the financial year 2016.

Expenses

Our total expenses increased by Rs. 203.95 million, or 1.96%, from Rs. 10,425.01 million for the financial year 2015 to Rs. 10,628.96 million for the financial year 2016 primarily due to an increase in amortisation expenses and finance costs. Our total expenses, expressed as a percentage of our total income, were 113.77% and 105.88% for the financial year 2015 and 2016, respectively.

Road work and site expenses

Road work and site expenses decreased by Rs. 142.63 million, or 10.00%, from Rs. 1,426.39 million for the financial year 2015 to Rs. 1,283.76 million for the financial year 2016, primarily due to a decrease in operation and maintenance expenses. In financial year 2015, we incurred major resurfacing expenses in relation to the Bharuch–Surat NH 8 Project, which were not incurred in financial year 2016. Road work and site expenses, expressed as a percentage of our total income, decreased from 15.57% for the financial year 2015 to 12.79% for the financial year 2016.

Contract expenses (utility shifting or change in scope contract) increased by Rs. 146.42 million, or 435.90%, from Rs. 33.59 million for the financial year 2015 to Rs. 180.01 million for the financial year 2016 primarily due to utility shifting work in the Jaipur–Deoli NH 12 Project which was carried out in financial year 2016. Contract expenses (utility shifting contract), expressed as a percentage of our total income, increased from 0.37% for the financial year 2015 to 1.79% for the financial year 2016.

Operation and maintenance expenses decreased by Rs. 266.28 million, or 21.90%, from Rs. 1,215.96 million for the financial year 2015 to Rs. 949.68 million for the financial year 2016. In financial year 2015, we incurred operation and maintenance expenses in relation to major maintenance work for the Bharuch–Surat NH 8 Project which was not incurred in financial year 2016. Operation and maintenance expenses, expressed as a percentage of our total income, decreased from 13.27% for the financial year 2015 to 9.46% for the financial year 2016.

Cost of materials sold decreased by Rs. 16.32 million, or 39.13%, from Rs. 41.71 million for the financial year 2015 to Rs. 25.39 million for the financial year 2016, primarily due to a lower volume of trading sale in financial year 2016.

Expenses relating to the fees of independent engineers under our concession agreements with the NHAI decreased from Rs. 9.63 million for the financial year 2015 to Rs. 4.83 million for the financial year 2016.

Sub-contracting expenses increased by Rs. 9.46 million, or 14.25% from Rs. 66.39 million for the financial year 2015 to Rs. 75.85 million for the financial year 2016 due to additional manpower being sub-contracted in financial year 2016 and inflation driven rise in sub-contracting costs in financial year 2016.

Site and other direct expenses, relating primarily to temporary contract labour and miscellaneous site expenses, decreased by Rs. 11.11 million, or 18.80% from Rs. 59.11 million for the financial year 2015 to Rs. 48.00 million for the financial year 2016 since major maintenance activity was carried out on the Bharuch–Surat NH 8 Project in financial year 2015, which led to higher site and other direct expenses in financial year 2015.

Employee benefits expenses

Employee benefits expenses increased by Rs. 34.99 million, or 20.07%, from Rs. 174.35 million for the financial year 2015 to Rs. 209.34 million for the financial year 2016, primarily due to increases in salaries, wages and bonus. Salaries, wages and bonus increased by Rs. 32.69 million, or 23.30%, from Rs. 140.30 million for the financial year 2015 to Rs. 172.99 million for the financial year 2016, primarily due to the recruitment of additional personnel for our projects as well as regular salary increments. Employee benefits expenses, expressed as a percentage of our total income, increased from 1.90% and 2.09% for the financial year 2015 and 2016, respectively.

Depreciation and amortization

Depreciation and amortization costs increased by Rs. 421.98 million, or 9.92%, from Rs. 4,253.79 million for the financial year 2015 to Rs. 4,675.77 million for the financial year 2016 due to an increase in amortisation of intangible assets as a result of increase in revenues from toll collection. Depreciation and amortization costs, expressed as a percentage of our total income for the financial years 2015 and 2016, increased from 46.42% for the financial year 2015 to 46.58% for the financial year 2016.

Finance costs

Finance costs decreased by Rs. 100.23 million, or 2.25%, from Rs. 4,448.40 million for the financial year 2015 to Rs. 4,348.17 million for the financial year 2016. There was a decrease in interest on borrowings from banks and financial institutions by Rs. 225.71 million, or 5.61%, from Rs. 4,025.54 million for the financial year 2015 to Rs. 3,799.83 million for the financial year 2016, due to decreases in interest on loan from banks and financial institutions. In addition, our other borrowing costs also decreased from Rs. 64.34 million in financial year 2015 to Rs. 6.60 million in financial year 2016.

Interest on premium deferments increased by Rs. 76.01 million, or 200.03%, from Rs. 38.00 million for the financial year 2015 to Rs. 114.01 million for the financial year 2016 due to the effect of compounding on the interest on premium deferment. Interest unwinding on loans taken increased by Rs. 111.09 million, or 46.00%, from Rs. 241.50 million for the financial year 2015 to Rs. 352.59 million for the financial year 2016 due to the effect of compounding on the interest unwinding on loans taken. Interest unwinding on premium obligations decreased by Rs. 2.05 million, or 54.52%, from Rs. 3.76 million for the financial year 2015 to Rs. 1.71 million for the financial year 2016 due to the effect of compounding on the interest unwinding on premium obligations. Finance costs, expressed as a percentage of our total revenue, decreased from 48.54% for the financial year 2015 to 43.32% for the financial year 2016.

Other expenses

Other expenses decreased by Rs. 10.16 million, or 8.32%, from Rs. 122.08 million for the financial year 2015 to Rs. 111.92 million for the financial year 2016. Other expenses, expressed as a percentage of our total income, decreased from 1.33% for the financial year 2015 to 1.11% for the financial year 2016.

Loss before tax

As a result of the foregoing, loss before tax decreased by Rs. 670.79 million from Rs. 1,261.43 million for the financial year 2015 to Rs. 590.64 million for the financial year 2016.

Tax expenses

We recorded a net tax expense of Rs. 172.99 million for the financial year 2016 compared with a net tax credit of Rs. 23.65 million for the financial year 2015 due to the reversal of MAT credit. Current tax increased by Rs.

25.77 million, or 123.78%, from Rs. 20.82 million for the financial year 2015 to Rs. 46.59 million for the financial year 2016, and deferred tax credit decreased by Rs. 170.10 million from a credit of Rs. 44.63 million for the financial year 2015 to a debit of Rs. 125.47 million for the financial year 2016. Tax adjustment for earlier years also increased from Rs. 0.16 million for the financial year 2015 to Rs.0.93 million for the financial year 2016 primarily due to the reversal of MAT credit.

Loss after tax

Loss after tax decreased by Rs. 474.15 million from Rs. 1,237.78 million for the financial year 2015 to Rs. 763.63 million for the financial year 2016.

Financial Year 2015 Compared to Financial Year 2014

Income

Revenue from operations

Revenue from operations increased by Rs. 1,550.48 million, or 20.81%, from Rs. 7,452.04 million for the financial year 2014 to Rs. 9,002.52 million for the financial year 2015.

Income from toll collections increased by Rs. 1,707.58 million, or 23.71%, from Rs. 7,201.25 million for the financial year 2014 to Rs. 8,908.83 million for the financial year 2015 primarily due to toll collections from the Jaipur–Deoli NH 12 Project and Talegaon–Amravati NH 6 Project in the full period in financial year 2015 as against partial toll collections in those projects in financial year 2014. Income from toll collections represented 94.44% and 97.22% of our total income for the financial years 2014 and 2015, respectively.

We set out below the primary reasons for the increase/decrease in revenue from operations for each of our Project SPVs, which contributed to the increase in our combined revenue from operations.

ISDTPL

Revenue from operations for ISDTPL increased by Rs. 242.87 million, or 8.20%, from Rs. 2,961.04 million for the financial year 2014 to Rs. 3,203.91 million for the financial year 2015. The total tollable traffic count for ISDTPL increased from 7,930,029 in financial year 2014 to 9,179,969 in financial year 2015, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2015, on account of inflation in accordance with the formula set out in the concession agreement for this project. The traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Surat–Dahisar Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 1. Surat–Dahisar NH 8 Project*".

ITCTPL

Revenue from operations for ITCTPL increased by Rs. 202.02 million, or 12.31%, from Rs. 1,640.84 million for the financial year 2014 to Rs. 1,842.86 million for the financial year 2015. The total tollable traffic count for ITCTPL increased from 4,634,329 in financial year 2014 to 5,180,274 in financial year 2015, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2015, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Tumkur–Chitradurga Toll Revenue and O&M Cost Projection Report)* For further details

in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 2. Tumkur–Chitradurga NH 4 Project*".

IDAAIPL

Revenue from operations for IDAAIPL increased by Rs. 182.03 million, or 10.83%, from Rs. 1,680.57 million for the financial year 2014 to Rs. 1,862.60 million for the financial year 2015. The total tollable traffic count for IDAAIPL increased from 8,142,801 in financial year 2014 to 8,407,477 in financial year 2015, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2015, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project over the years is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Bharuch–Surat Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 3. Bharuch–Surat NH 8 Project*".

IJDTPL

Revenue from operations for IJDTPL increased by Rs. 663.97 million, or 182.74%, from Rs. 363.34 million for the financial year 2014 to Rs. 1,027.31 million for the financial year 2015. We commenced generating income from toll collection from IJDTPL on partial length from September 2013 and full tolling commenced in May 2014. The total tollable traffic count for IJDTPL increased from 1,311,115 in financial year 2014 to 2,654,011 in financial year 2015, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2015, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project is attributed to, amongst others, the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Jaipur–Deoli Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business - Details of the Project SPVs and the Initial Road Assets – 4. Jaipur–Deoli NH 12 Project*".

MITPL

Revenue from operations for MITPL increased by Rs. 111.13 million, or 23.40%, from Rs. 474.82 million for the financial year 2014 to Rs. 585.95 million for the financial year 2015. The total tollable traffic count for MITPL increased from 4,963,655 in financial year 2014 to 6,856,557 in financial year 2015, which led to an increase in income from toll collection for this project. In addition, we increased the tariff for this project in financial year 2015, on account of inflation in accordance with the formula set out in the concession agreement for this project. Traffic growth for the project is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Omalur–Salem–Namakkal Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 5. Omalur– Salem–Namakkal NH 7 Project*".

ITATPL

Revenue from operations for ITATPL increased by Rs. 148.47 million, or 44.80%, from Rs. 331.43 million for the financial year 2014 to Rs. 479.89 million for the financial year 2015. We commenced generating income from toll collection from ITATPL on partial length from April 2013 and full tolling commenced in April 2014. The total tollable traffic count for ITATPL increased from 2,673,260 in financial year 2014 to 2,799,886 in financial year 2015, which led to an increase in income from toll collection for this project. Traffic growth for the project is attributed to the increase in the number of vehicles and vehicle utilization as a result of GDP growth, rising agricultural output and increasing per capita income. *(Source: Talegaon–Amravati Toll Revenue and O&M Cost Projection Report)* For further details in relation to this project, please see "*The Trust's Business – Details of the Project SPVs and the Initial Road Assets – 6. Talegaon–Amravati NH 6 Project*".

For the financial year 2014, other operating income decreased by Rs. 157.10 million, or 62.64%, from Rs. 250.79 million in 2014 to Rs. 93.69 million in 2015, primarily due to a decrease in contract revenue from a utility shifting/change in scope contact with the NHAI in relation to the Jaipur–Deoli NH 12 Project.

Other income

Other income decreased by Rs. 11.82 million, or 6.84%, from Rs. 172.88 million for the financial year 2014 to Rs. 161.06 million for the financial year 2015 primarily due to a decrease in income from bank deposits. Other income represented 2.27% and 1.76% of our total income for the financial years 2014 and 2015, respectively.

Interest income on bank deposits decreased by Rs. 20.80 million, or 17.09%, from Rs. 121.68 million for the financial year 2014 to Rs. 100.88 million for the financial year 2015 as a result of a reduction in the rate of interest on our bank deposits in financial year 2015. This decrease was partially offset by a Rs. 2.61 million increase in profit on sale of investments relating primarily to mutual funds, and a Rs. 2.28 million increase in other miscellaneous non-operating income for the financial year 2015.

Expenses

Our total expenses increased by Rs. 2,348.57 million, or 29.08%, from Rs. 8,076.44 million for the financial year 2014 to Rs. 10,425.01 million for the financial year 2015 primarily due to an increase in road work and site expenses, finance costs and depreciation and amortisation expenses. Our total expenses, expressed as a percentage of our total income, were 105.92% and 113.77% for the financial year 2014 and 2015, respectively.

Road work and site expenses

Road work and site expenses increased by Rs. 946.56 million, or 197.27%, from Rs. 479.83 million for the financial year 2014 to Rs. 1,426.39 million for the financial year 2015 primarily due to road maintenance expenses as a result of an increase in major maintenance expenditure in the Bharuch–Surat NH 8 Project. Road work and site expenses, expressed as a percentage of our total income, increased from 6.29% for the financial year 2014 to 15.57% for the financial year 2015.

Contract expenses (utility shifting or change in scope contract) decreased by Rs. 124.09 million, or 78.70%, from Rs. 33.59 million for the financial year 2015 to Rs. 157.68 million for the financial year 2014 due to a change of scope work in the Jaipur–Deoli NH 12 Project which led to contract expenses in financial year 2014.

Operation and maintenance expenses increased by Rs. 1,060.02 million, or 679.76%, from Rs. 155.94 million for the financial year 2014 to Rs. 1,215.96 million for the financial year 2015 due to provision for major maintenance expenditures for the Jaipur–Deoli NH 12 Project, the Tumkur–Chitradurga NH 4 Project and the Talegaon–Amravati NH 6 Project, which were created on completion of these projects in financial year 2015.

Cost of materials sold decreased by Rs. 30.32 million, or 42.09%, from Rs. 72.03 million for the financial year 2014 to Rs. 41.71 million for the financial year 2015 primarily due to a decrease in the level of trading sales in financial year 2015.

Expenses relating to the fees of independent engineers under our concession agreements with the NHAI were Rs. 9.63 million for the financial year 2015. The Project SPVs had no expenses relating to independent engineer fees in the financial year 2014.

Sub-contracting expenses increased by Rs. 11.61 million, or 21.19% from Rs. 54.78 million for the financial year 2014 to Rs. 66.39 million for the financial year 2015 due to the new projects (the Jaipur–Deoli NH 12 Project and the Talegaon–Amravati NH 6 Project) became operational for the full year in financial year 2015.

Site and other direct expenses, relating primarily to temporary contract labour and miscellaneous site expenses, increased by Rs. 20.73 million, or 54.01% from Rs. 38.38 million for the financial year 2014 to Rs. 59.11 million for the financial year 2015 due to the new projects (the Jaipur–Deoli NH 12 Project and the Talegaon– Amravati NH 6) becoming operational for the full year in financial year 2015.

Employee benefits expenses

Employee benefits expenses increased by Rs. 14.71 million, or 9.21%, from Rs. 159.64 million for the financial year 2014 to Rs. 174.35 million for the financial year 2015, primarily due to increases in salaries, wages and bonus. Salaries, wages and bonus increased by Rs. 12.38 million, or 9.68%, from Rs. 127.92 million for the financial year 2014 to Rs. 140.30 million for the financial year 2015, primarily due to the recruitment of additional personnel for our projects as well as regular salary increments. Employee benefits expenses, expressed as a percentage of our total income, remained relatively steady at 2.09% and 1.90% for the financial year 2014 and 2015, respectively.

Depreciation and amortization expenses

Depreciation and amortization expenses increased by Rs. 689.85 million, or 19.36%, from Rs. 3,563.94 million for the financial year 2014 to Rs. 4,253.79 million for the financial year 2015 due to an increase in amortisation of intangible assets, primarily as a result of an increase in toll collection. Depreciation and amortization costs, expressed as a percentage of our total income for the financial years 2014 and 2015, decreased from 46.74% for the financial year 2014 to 46.42% for the financial year 2015.

Finance costs

Finance costs increased by Rs. 692.46 million, or 18.44%, from Rs. 3,755.94 million for the financial year 2014 to Rs. 4,448.40 million for the financial year 2015, primarily due to an increase in interest on borrowings from banks and financial institutions of Rs. 670.07 million, or 19.97%, from Rs. 3,355.47 million for the financial year 2014 to Rs. 4,025.54 million for the financial year 2015. Interest on borrowings from banks and financial institutions increased due to finance costs in relation to the new operational projects i.e. the Jaipur–Deoli NH 12 Project and the Talegaon–Amravati NH 6 Project, which were charged to the income statement for the full year in financial year 2015. Interest unwinding on loans taken decreased by Rs. 19.58 million, or 7.50%, from Rs. 261.08 million for the financial year 2014 to Rs. 241.50 million for the financial year 2015 due to the unwinding of retention money. There was a decrease in interest loss on derivative contracts by Rs. 41.14 million, or 35.88%, from Rs. 114.66 million for the financial year 2014 to Rs. 73.52 million for the financial year 2015. Finance costs, expressed as a percentage of our total income, increased from 49.26% for the financial year 2014 to 48.54% for the financial year 2015.

Other expenses

Other expenses increased by Rs. 4.99 million, or 4.26%, from Rs. 117.09 million for the financial year 2014 to Rs. 122.08 million for the financial year 2015. Other expenses, expressed as a percentage of our total income, decreased from 1.54% for the financial year 2014 to 1.33% for the financial year 2015.

Loss before tax

As a result of the foregoing, loss before tax increased by Rs. 809.91 million from Rs. 451.52 million for the financial year 2014 to Rs. 1,261.43 million for the financial year 2015.

Tax expenses

We recorded a net tax credit of Rs. 23.65 million for the financial year 2015, compared with a net tax expense of Rs. 23.90 million for the financial year 2014. Current tax decreased by Rs. 46.59 million, or 69.11%, from Rs. 67.41 million for the financial year 2014 to Rs. 20.82 million for the financial year 2015, and deferred tax credit decreased by Rs. 5.38 million from Rs. 50.01 million for the financial year 2014 to Rs. 44.63 million for the financial year 2015. Tax adjustment for earlier years also decreased from Rs. 6.50 million for the financial year 2014 to Rs.0.16 million for the financial year 2015.

Loss after tax

Loss after tax increased by Rs. 762.36 million from Rs. 475.42 million for the financial year 2014 to Rs. 1,237.78 million for the financial year 2015.

Liquidity and Capital Resources

The Project SPVs operate in a capital intensive industry and their principal liquidity requirements have been to finance their capital expenditures. To fund these costs, they have relied on equity contributions, short term and long term borrowings, advances and grants from the NHAI and cash from operating activities.

The Project SPVs funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. Their short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances, receipts from our operations and working capital loans. Their long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Project SPVs and repayment of long-term debt under our credit facilities. Sources of funding for our long-term

liquidity requirements include loans, equity issuances or debt issues. Our principal uses of cash have been, and are expected to continue to be, construction, development, implementation and maintenance costs of our BOT projects.

Cash Flows

The following table sets forth certain information relating to the Project SPVs cash flows on a combined basis for the periods indicated:

	Financial year ended March 31,			For the nine months ended December 31,	
	2014	2015	2016	2015	2016
			(Rs. in millions)		
Net cash flow from operating activities	6,248.60	4,997.99	5,610.58	3,949.01	5,188.04
Net cash from/(used in) investing activities	(4,540.19)	(265.89)	(371.96)	(488.29)	(306.14)
Net cash from/(used in) financing activities	(2,717.78)	(4,633.43)	(5,483.25)	(3,728.45)	(4,983.96)
Cash and cash equivalents at the end of the year	725.37	824.04	579.41	556.31	477.35

Operating activities

Net cash flows from operating activities for the nine months ended December 31, 2016 was Rs. 5,188.04 million, while loss before tax was Rs. 54.08 million. The adjustments were primarily attributable to a decrease in other financial liabilities of Rs. 1,037.94 million due to premium payment to the NHAI and a decrease in financials assets-loans of Rs. 443.65 million due to decrease in loans to related parties. Furthermore, we experienced an increase in trade receivables of Rs. 435.81 million due to claims with NHAI for temporary suspension of toll collection as directed by the Government of India in November 2016. These changes were offset in part by an increase in provisions of Rs. 395.20 million, primarily for resurfacing/major maintenance expenses.

Net cash flows from operating activities for the nine months ended December 31, 2015 was Rs. 3,949.01 million, while loss before tax was Rs. 605.59 million. The adjustments were primarily attributable to a decrease in other financial liabilities of Rs. 1,165.76 million due to premium payment to the NHAI and a increase in financials assets-loans of Rs. 568.38 million due to increase in loans to related parties. Furthermore, we experienced a decrease in trade payables of Rs. 334.75 million. These changes were offset in part by an increase in provisions of Rs. 330.70 million, primarily for resurfacing/major maintenance expenses.

Net cash flows from operating activities for the financial year 2016 was Rs. 5,610.58 million, while loss before tax was Rs. 590.64 million. The adjustments were primarily attributable to a decrease in other financial liabilities of Rs. 1,520.94 million due to premium payment to the NHAI and an increase in financials assets- loans of Rs. 702.34 million due to loans to related parties. Furthermore, we experienced a decrease in other liabilities of Rs. 108.94 million due to repayment of certain related-party creditors for capital expenditure and a decrease in trade payables of Rs. 295.42 million. These changes were offset in part by an increase in provisions of Rs. 358.11 million, primarily for resurfacing and major maintenance expenses.

Net cash flows from operating activities for the financial year 2015 was Rs. 4,997.99 million, while loss before tax was Rs. 1,261.43 million. The adjustments were primarily attributable to a decrease in other financial liabilities of Rs. 1,639.18 million due to the increase in current maturities of loans, an increase in financial assets-loans of Rs. 1,298.58 million due to the increase in loans to related parties, an increase in provisions of Rs. 437.55 million due to resurfacing expenses. These changes were offset in part by an increase in trade payables of Rs. 353.79 million and a decrease in other assets of Rs. 83.29 million.

Net cash flows from operating activities for the financial year 2014 was Rs. 6,248.60 million, while loss before tax was Rs. 451.52 million. The adjustments were primarily attributable to a decrease in other financial liabilities of Rs. 1,393.13 million due to premium payments to the NHAI, and a decrease in trade payables. These changes were offset in part by a decrease in other financial assets of Rs. 180.26 million.

Investing activities

Net cash flows used in investing activities for the nine months ended December 31, 2016 was Rs. 306.14 million, primarily relating to an increase in purchase of fixed assets including capital work in progress and capital advances

(net of grant received) of Rs. 173.54 million, which was offset in part by an increase in interest received of Rs. 66.31 million.

Net cash flows used in investing activities for the nine months ended December 31, 2015 was Rs. 488.29 million, primarily relating to an increase in the purchase of fixed assets including capital work in progress and capital advances (net of grant received) of Rs. 390.10 million, which was offset in part by an increase in interest received of Rs. 87.18 million.

Net cash flows used in investing activities for the financial year 2016 was Rs. 371.96 million, primarily relating to an increase in purchase of fixed assets including capital work in progress and capital advances (net of grant received) of Rs. 432.33 million, which was offset in part by an increase in interest received of Rs. 99.09 million.

Net cash flows used in investing activities for the financial year 2015 was Rs. 265.89 million, primarily relating to an increase in the purchase of fixed assets including working capital in progress and capital advances (net of grant received) of Rs. 384.23 million and an increase in interest received of Rs. 89.43 million.

Net cash flows used in investing activities for the financial year 2014 was Rs. 4,540.19 million, primarily relating to an increase in our purchase of fixed assets including capital work in progress and capital advances (net of grant received) of Rs. 5,130.54 million, which was offset in part by an increase in the purchase/proceeds from maturity/redemption of financial instruments of Rs. 432.07 million and an increase in interest received of Rs. 132.55 million.

Financing activities

Net cash flows used in financing activities for the nine months ended December 31, 2016 was Rs. 4,983.96 million, primarily resulting from an increase in finance costs of Rs. 2,574.86 million and repayment of long- term borrowings of Rs. 2,409.10 million.

Net cash flows used in financing activities for the nine months ended December 31, 2015 was Rs. 3,728.45 million, primarily resulting from an increase in finance costs of Rs. 2,839.54 million and repayment of long- term borrowings of Rs. 888.91 million.

Net cash flows used in financing activities for the financial year 2016 was Rs. 5,483.25 million, primarily resulting from an increase in finance costs of Rs. 3,876.02 million and repayment of long-term borrowings of Rs. 1,607.23 million.

Net cash flows used in financing activities for the financial year 2015 was Rs. 4,633.43 million, primarily resulting from an increase in finance costs of Rs. 4,095.11 million and repayment of long-term borrowings of Rs. 597.12 million.

Net cash used in financing activities for the financial year 2014 was Rs. 2,717.78 million, primarily resulting from an increase in finance costs of Rs. 3,463.95 million.

Capital Expenses

The Project SPVs capital expenditures have historically been principally for the construction and maintenance of the Initial Road Assets. In the financial years 2014, 2015 2016 and nine months ended December 31, 2016, their capital expenditures were Rs. 4,541.70 million, Rs. 461.20 million, Rs.192.76 million, Rs.11.55 million respectively.

The Project SPVs have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and equity contributions to fund its capital expenditures. Infrastructure projects are typically capital intensive and require high levels of debt financing. Our available financial resources for implementing and maintaining these projects, based on our internal studies and estimates, may be inadequate and any project may face cost overruns. The Project SPVs have in the past been able to arrange for debt financing for their projects on acceptable terms at the Project SPV level, but there can be no assurance that going forward the Project SPVs will be able to arrange for debt financing on acceptable terms or at all. For more information, see the section headed "*Financial Indebtedness*" in this Final Offer Document.

The Investment Manager confirms that the Trust has sufficient working capital to fulfil its requirements for a period of at least 12 months from the date of listing of the Units.

Indebtedness

The following table provides the types and amounts of the Project SPVs outstanding indebtedness as of December 31, 2016 (in accordance with Ind-AS):

	As of December 31, 2016
	(Rs.in millions)
Long-term borrowings (including current maturities):	
Term loans from banks	
Secured	29,402.58
Unsecured	-
Loans from others	
Secured	
Loans from financial institutions	4,577.92
Loans Non-convertible debentures.	1,146.51
Unsecured	
Deferred Premium Obligation	1,889.41
Loan from a related party	-
Total long-term borrowings	37,016.42
Short-term borrowings:	
Loans from banks	
Secured	-
Unsecured	-
Loans from others	
Secured	
Loans from financial institutions	-
Loans Non-convertible debentures	-
Unsecured	
Loan from a related party	6,877.01
Total short-term borrowings	6,877.01
Total borrowings	**43,893.43**
Secured	35,127.01
Unsecured	8,766.42

As of December 31, 2016, the Project SPVs had total borrowings aggregating to Rs. 43,893.43 million (comprising unsecured loans of Rs. 8,766.42 million and secured loans of Rs. 35,127.01 million). Most of the Project SPVs financing arrangements are secured by their movable and immovable assets, including a charge on their equipment as well as on their intangible assets relating to toll collection rights under the various projects. In addition, ISDTPL and IDAAIPL have given bank guarantees for the debt service reserve account for the financing of their projects.

For further details regarding the loans to which we are a party, including their terms and interest rates, see the section headed "*Financial Indebtedness*" in this Final Offer Document.

Interest coverage ratio

The Project SPVs interest coverage ratio (equal to the total of cash profit after tax and finance costs divided by finance costs. Cash profit after tax is equal to Profit after tax adjusted against the sum of MAT credit entitlement, deferred tax and depreciation/amortization) as of March 31, 2014, 2015, 2016 and as of December 31, 2015 and December 31, 2016 was 1.81, 1.67¸ 1.93, 1.88 and 1.99, respectively.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of December 31 2016, aggregated by type of contractual obligation:

	As of December 31, 2016

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(Rs. in millions)		
Borrowings	43,893.43	10,609.29	12,501.10	6,741.34	14,041.70
Other financial liabilities	67,994.55	3,006.43	7,859.92	2,097.76	55,030.44
Trade payables	127.05	127.05	-	-	-
Total Contractual Obligations	**112,015.03**	**13,742.77**	**20,361.02**	**8,839.10**	**69,072.14**

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of December 31, 2016:

Particulars	As of December 31, 2016
	(Rs. in millions)
NHAI claim for shortfall in revenue share	328.91
Total	**328.91**

As of December 31, 2016, ITCTPL and IJDTPL had significant forex indebtedness and had entered into certain derivative contracts of interest rate swaps to reduce the risk of interest rate fluctuations. As of December 31, 2016, the aggregate nominal amount of such interest rate swaps was US$ 96.28 million (Rs. 6,542.50 million). For further information, see the Project SPVs Combined Financial Statements included on page 289 in this Final Offer Document. In addition, as of December 31, 2016, the Project SPVs unhedged foreign currency exposure was US$ 102.53 million (Rs. 6,967.68 million) in respect of external commercial borrowing and US$ 0.97 million (Rs. 66.21 million) in respect of interest on external commercial borrowing.

There are no other off-balance sheet arrangements that have or are reasonably likely to have an adverse effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Transactions with Related Parties

The Project SPVs have in the course of their business entered into various transactions with related parties. These transactions include operation and maintenance charges paid for operation and maintenance activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to various Sponsor entities in similar businesses.

For further information on the Project SPVs related party transactions under Accounting Standard 24, please refer to the section headed "*Related Party Transactions*" in this Final Offer Document.

Significant Post-Balance Sheet Events

Except as disclosed in this Final Offer Document, neither we nor the Investment Manager are aware of any circumstances that have arisen since December 31, 2016, that materially and adversely affect, or are likely to affect, the Trusts or the Project SPVs operations or profitability, the value of the Trusts or the Project SPVs respective assets, or the Trusts or the Project SPVs ability to pay their respective liabilities within the next 12 months.

The Trust and the Investment Manager confirm that there has been no material change in the contingent liabilities since December 31, 2016, being the date of the latest financial information included by way of the Combined Financial Statements.

The Trust and the Investment Manager confirm that there has been no material change in the capital and other commitments since December 31, 2016, being the date of the latest financial information included by way of the Combined Financial Statements.

Quantitative and Qualitative Disclosure about Market Risk

Interest rate risk

As the infrastructure development and construction business is capital intensive, the Project SPVs are exposed to interest rate risk. Interest rates for borrowings have been volatile in India in recent periods. The Project SPVs infrastructure development and construction projects were funded to a large extent by debt and increases in interest expense could have an adverse effect on their results of operations and financial condition. The Project SPVs current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of December 31, 2016, the majority of the Project SPVs total indebtedness was subject to variable rates. Although from time to time we may engage in interest rate hedging transactions or exercise any rights available to us under these financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Foreign currency exchange rate risk

The Project SPVs have entered into certain interest and principal swap transactions with respect to their external commercial borrowings whereby adverse movements in international interest rates in the U.S. dollar may adversely impact their results of operations. Similarly in respect of the principal swaps any depreciation of the Rupee against the U.S. dollar may impact them adversely. From time to time we may make purchases, payment for which is required to be made primarily in U.S. dollars. Accordingly, our operating and financial results would be negatively affected when the Rupee depreciates against the U.S. dollar and interest rates in U.S. dollar increase. In addition, we may in the future enter into financing arrangements for foreign currency borrowings. We cannot assure you that we will be able to effectively mitigate the adverse impact of currency fluctuations and increases in international interest rates on our results of operation.

Quality of income

The majority of our income on a consolidated basis is from the collection of toll. This is based on actual receipts by each of the Project SPVs. There are no management estimates or judgement involved in the recognition of our revenues. For further information please see the sections titled "*Factors Affecting Results of Operations*", "*Critical Accounting Policies*", "*Principal Components of Combined Statement of Profit and Loss*" as well as the discussions on our results of operations as set out in this section.

FINANCIAL INDEBTEDNESS

The following is a summary of the indebtedness of the Project SPVs, together with a brief description of certain material covenants of the relevant financing agreements. For additional details in relation to the Investors should also refer to the sections entitled "Use of Proceeds" and "Financial Statements", on pages 81 and 289, respectively.

The Project SPVs have primarily availed loans, for financing, in part, the project costs in relation to the construction and development of their respective underlying road infrastructure asset. Certain Project SPVs have availed further financing, as necessary, for refinancing existing loans or with respect to the repayment obligations under previously availed loans.

Set forth below is a brief summary of the aggregate borrowings of the Project SPVs (in accordance with Ind-AS), on a standalone basis, as of December 31, 2016:

Category of Borrowing	Aggregate Amount (Rs. in Millions)	Outstanding Amount as on December 31, 2016 (Rs. in Millions)
IDAAIPL		
Term Loans		
Secured	12,109.50	2,831.84
Unsecured	3,697.51	3,697.51
Total	**15,807.01**	**6,529.35**
IJDTPL		
Term Loans		
Secured	9,000.00	9,439.13
Unsecured	4,463.27	4,463.27
Total	**13,463.27**	**13,902.40**
ISDTPL		
Term Loans		
Secured	16,037.00	7,420.69
Unsecured	2,932.55	2,932.55
Total	**18,969.55**	**10,353.24**
ITATPL		
Term Loans		
Secured	4,750.00	3,765.00
Unsecured	2,559.55	2,559.55
Total	**7,309.55**	**6,324.55**
ITCTPL		
Term Loans		
Secured	8,310.00	9,608.53
Unsecured	2,653.80	2,653.80
Total	**10,963.80**	**12,262.33**
MITPL		
Term Loans		
Secured	2,270.00	2,061.81
Total	**2,270.00**	**2,061.81**

Principal Terms of the Borrowings availed by the Project SPVs

1. **Interest and commissions:** In terms of the loans availed by the Project SPVs, the interest rate is a base rate specified by the lender plus applicable spread, if any, per annum. The applicable spread varies among different loans. The rate of interest upon non-convertible debentures is at a fixed rate per annum.

2. **Maturity and Repayment:** The final maturity period of the loans availed by the Project SPVs ranges from September 2019 to March 2026. These loans are repayable in accordance with the repayment schedule specified in the relevant financing agreements, which typically prescribe monthly instalments for rupee

loans, semi-annual instalments for the foreign currency loan and monthly instalments with respect to the non-convertible debentures.

3. **Security:** In terms of borrowings where security needs to be created, the Project SPVs are typically required to create:

   a. A first charge by way of hypothecation of all Project SPV's movables, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, excluding the project assets;

   b. A first ranking charge over all accounts of the Project SPV, including, *inter alia*, the escrow account, trust and retention account, DSR account and the sub-accounts that may be opened in accordance with the facility agreement/debenture trust deed and the supplementary escrow agreement, or any of the other project agreements and all funds from time to time deposited therein, the receivables and authorised investments or other securities for the purpose of being applied to the extent of the waterfall of priority specified in the concession agreement;

   c. A first charge on the Project SPVs intangibles, including but not limited to goodwill and uncalled capital, present and future, excluding the project assets;

   d. A first ranking *pari passu* charge over all of the Project SPV's immovable assets, both present and future, if any;

   e. A substitution agreement, as may be executed between the NHAI, the Project SPV and its respective lenders, whereby the NHAI may substitute the Project SPV by a selectee of its respective lenders, for the purpose of securing the payment of lender dues;

   f. A state support agreement, more specifically with respect to ISDTPL;

   g. A pledge of a certain specified percentage of the equity shares of the Project SPVs that were held by the Sponsor (directly or indirectly) prior to the Formation Transactions, more specifically:

      i. a pledge of 100% of the equity shares of IDAAIPL (previously, collectively held by the Sponsor, Aryan Toll Road Private Limited, ATR Infrastructure Private Limited and Ideal Road Builders Private Limited) in favour of IDAAIPL's lenders;

      ii. a pledge of 51% of the equity shares of IJDTPL (previously, collectively held by the Sponsor and the Project Manager) in favour of IJDTPL's lenders;

      iii. a pledge of 100% of the equity shares of ISDTPL (previously, held by the Sponsor) in favour of ISDTPL's lenders;

      iv. a pledge of 51% of the equity shares of ITATPL (previously, held by the Sponsor and the Project Manager) in favour of ITATPL's lenders;

      v. a pledge of 51% of the equity shares of ITCTPL (previously, held by the Sponsor) in favour of ITCTPL's lenders; and

      vi. a pledge of 51% of the equity shares of MITPL (previously, held by the Sponsor) in favour of MITPL's lenders.

   h. An irrevocable and unconditional corporate guarantee from the Sponsor and/or certain other members of the Sponsor group to meet shortfall between outstanding amount of obligations and termination payments received from NHAI in case of termination of the concession agreements; and

   i. A personal guarantee from the Sponsor's directors/promoters, more specifically:

      i. A personal guarantee from Mr. Virendra D. Mhaiskar, Mrs. Deepali Mhaiskar, Mrs. Sudha Mhaiskar and all the directors of IDAAIPL in favour of IDAAIPL's lenders; and

ii. A personal guarantee from Mr. Virendra D. Mhaiskar and Mrs. Deepali Mhaiskar in favour of ISDTPL's lenders.

j. Assignment on *pari passu* basis by way of hypothecation of all toll receivables, cash flows and revenue and other project documents;

k. The right, title and interest of the Project SPV by way of first charge in, to and under all the applicable permits, insurance policies and uncalled capital of the Project SPV; and

l. The right, title and interest of the Project SPV by way of first charge in, to and under (a) the project documents/project agreements and (b) the guarantees, other performance warranties, indemnities and security that may be furnished in favour of the Project SPV by various contractors.

4. **Covenants:** Borrowing arrangements entered into by the Project SPVs contain certain restrictive conditions and covenants restricting certain corporate actions and the respective Project SPV is required to take the prior approval of the lender before carrying out such activities. Each of the Project SPVs are also required to adhere to certain financial covenants, which include but are not limited to, maintaining a prescribed debt to equity ratio during the currency of the loan and maintaining a minimum debt service coverage ratio during certain periods.

Further, a Project SPV is required to intimate and/or obtain prior written permission of its lenders, *inter alia*, in the following instances:

a. Effecting any change in the nature or scope of the project or any change in the financing plan;

b. Effecting any change in capital structure (including shareholding pattern);

c. Raising any equity or preference share capital;

d. Making any capital expenditure other than permitted investments;

e. Making any dividend payments to the Trust or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;

f. Creation of any security interest in any of the secured property;

g. Incurrence of any other indebtedness, including the issue of debentures other than permitted indebtedness;

h. Entering into any partnership, profit-sharing or royalty agreement;

i. Removal of any person exercising substantial powers of management over the affairs of the Project SPVs in case of an event of default;

j. Amending the constitutional documents of the Project SPVs;

k. Undertaking of any new project or making of any investment or taking any assets on lease;

l. Providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person, (other than in the ordinary course of business);

m. Repay or prepay any subordinated loan or loans brought in as equity taken by the Project SPVs from the Sponsor;

n. Create any subsidiary or permit the Project SPV to become a subsidiary;

o. Undertake or permit any scheme of arrangement or compromise with its creditors or shareholders; and

p. Change in the composition of the board of directors of the Project SPV.

5. **Events of Default:** Borrowing arrangements entered into by the Project SPVs contain standard events of default, including:

   a. Non-payment of principal amount by the Project SPV;

   b. Non-payment of interest, additional interest, liquidated damages, free or other amount by the Project SPV;

   c. Default by the borrower in creation of security interest to the satisfaction of the lenders within the period stipulated;

   d. Default or breach in the performance of any covenants and/or covenants under the agreement by the Project SPV;

   e. Misrepresentation made by the Project SPV under the agreement or any financing document provided in connection with the loan;

   f. Sale, disposal or creation of any charge or encumbrance on any of the land, building, structures or plant and machinery of the Project SPVs in breach of any of the provisions of the relevant project agreements, without prior written approval of the relevant lenders;

   g. Undertaking any action for reorganization of the Project SPV without the approval of the relevant lenders;

   h. Default in performance or observance of any covenant, condition, warranty or provision contained in any other financing agreement entered into by the Project SPV;

   i. Failure on the part of the Project SPV to maintain adequate insurances in accordance with the terms of the transaction documents;

   j. The Project SPV ceasing or threatening to cease to carry on its business or giving notice of its intention to do so;

   k. The Project SPV abandoning its project;

   l. Violation or breach of any environmental, health and safety standards requirement;

   m. The Project SPV ceasing or threatening to cease to carry on its business or giving notice of its intention to do so or it becoming unlawful for the borrower to carry on its business; and

   n. Failure of the Sponsor to perform its obligations towards ISDTPL and/or the project, including breach of undertakings provided by the Sponsor and failure of breach has continued for 30 days.

The descriptions above are indicative, and there may be additional terms and conditions with respect to security, financial or other covenants and events of default under the various borrowing arrangements entered into by the Project SPVs. The Project SPVs are required to ensure that the aforementioned events of default and other events of default, as specified under the various documents and agreements entered into by such Project SPV for the purpose of availing of loans, are not triggered.

Consents from the Lenders of the Project SPVs

The Project SPVs have received consents from their respective lenders to undertake the various activities that are proposed by way of the Formation Transactions and the investment by the Trust in the Project SPVs by way of an issue of debt, including but not limited to a change in management and disposal of Sponsor's shareholding in the Project SPVs to the Trust, temporary release of pledge of the equity shares of the Project SPVs, release of corporate guarantees provided by the Sponsor and certain members of the Sponsor group, release of personal guarantees provided by the directors/promoters of the Sponsor, availing debt financing from the Trust out of the proceeds of the Issue to repay the subordinate debt advanced by the Sponsor to the Project SPVs and replace it with debt financing from the Trust and the creation of a subordinate charge with respect to the Secured Trust

Financing. For additional details, see "*Use of Proceeds*" and "*Background and Structure of the Trust*" on page 81 and page 116, respectively.

Set forth below is a brief summary of the status of the lender's consents with respect to Project SPVs:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
IDAAIPL				
1.	Union Bank of India	Common rupee loan agreement dated November 15, 2006, as amended by an amendment dated August 28, 2012	Union Bank of India has *vide* its letter dated July 15, 2016 consented to: 1. change in management and disposal of existing promoter shareholding to the Trust; 2. temporary release of pledge of shares for the limited purpose of transfer to the Trust; 3. release of the corporate guarantees provided by the Sponsor, Ideal Road Builders Private Limited, ATRPL and ATRIPL; 4. release of personal guarantees; and 5. waiver of prepayment penalty for 50% prepayment of the outstanding debt.	Union Bank of India's consent is subject to the following conditions: • the Trust shall re-pledge the shares as stipulated within 30 days from the pledge release date pending which 1% penal interest on the outstanding amount shall be charged; • reset of rate of interest at UBI base rate + 0.20% (floating) at present 9.85% per annum with effect from July 1, 2016 to June 30, 2017 is subject to similar approval from other banks; • one time upfront processing charges of Rs. 0.5 million plus applicable taxes to be paid for the review and modification; • in case IDAAIPL pays higher rate of interest/ charges/ commission to any other financing bank/financial institution in the consortium, the same shall be paid to Union Bank of India; • all other terms and conditions stipulated by other financing bank/financial institution shall also apply "mutatis mutandis" for the share of credit facilities availed from Union Bank of India;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• the Trust shall replace all existing termination payment, shortfall guarantees and undertakings given by the Sponsor in respect of this facility; and • the Trust will also provide guarantees to the lenders as a sponsor to the project, including guarantees and shortfall undertakings.
2.	Bank of India		Bank of India has *vide* its letter dated January 1, 2016 consented to the following: 1. change in shareholding and management; 2. temporary release of pledge of 51% share to transfer to the Trust; and 3. release of corporate guarantee and replacing the existing undertakings and termination shortfall guarantees of the Sponsor with guarantees and undertakings of the Sponsor.	Bank of India's consent is subject to the following conditions: • Bank of India security not getting diluted and all other lenders according similar approval; • the Sponsor holding 15% of the Units of the Trust so issued; • approval by NHAI allowing change in management and transfer of shareholding; • IDAAIPL to undertake that the shares shall be re-pledged by the Trust within 30 days from the date of release of pledge. Non-compliance of the same will attract penal interest of 1% p.a. for delay in period beyond the 30 days period allowed from the date of release of pledged shares; • IDAAIPL to pay 50% of the existing debt amount without prepayment penalty before release of corporate guarantee and change in shareholding; • availability of guarantee of the Trust; • recovery of modification fee of Rs. 1.00 million plus service tax;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• any other condition suggested by the Law Department (HO) after studying the scheme of change in shareholding and management to safeguard the interest of the Bank of India to be also adhered to; and • all lenders providing approval regarding change in shareholding and management release of guarantee and temporary release of pledge.
3.	Canara Bank		Canara Bank has *vide* its letter dated September 14, 2016 consented to the following: 1. change in management of IDAAIPL by way of transfer of entire shareholding of the Sponsor to the Trust; 2. temporary release of shares pledged to Canara Bank for the limited purpose of transfer to the Trust; 3. substitution of the existing personal/corporate guarantee with a guarantee from the Trust. The proposed guarantee in substitution has been based on an estimated total net worth upon completion of the Issue and listing of Units of the Trust; 4. waiver of the prepayment penalty for the prepayment of the term loan in part/full out of the Issue	Canara Bank's consent is subject to the following conditions: • an undertaking from IDAAIPL/ Sponsor to clear off 50% of the liability outstanding on the date of clearance upon successful completion of the Issue/listing of Units of the Trust; • an undertaking from IDAAIPL for re-pledge of entire released shares within 30 days of release by the Trust. Any delay will attract penalty of 1% p.a.; • other lenders providing similar permissions; • release of existing guarantees (both personal guarantee and corporate guarantee) to be effected only upon completion of the Issue and the listing of the Units of the Trust and the clearance of 50% of the liability outstanding on the date of clearance and execution of guarantee by the Trust and the

			Proceeds; and 5. reduction of the collateral security i.e. pledge of shares from 90% to 51% has been permitted by Canara Bank's sanctioning authority. Such reduction is awaiting sanction by other lenders in the consortium. The collateral security is proposed to be replaced by the shareholding of the Trust in IDAAIPL ranking *pari passu* amongst the consortium lenders.	pledge of shares by the Trust; • an undertaking from IDAAIPL/ Trust for repayment of 50% of the liability upon completion of the Issue, out of the Issue Proceeds; • an undertaking from IDAAIPL/ Sponsor/ Trust that all the conditions stipulated by NHAI *vide* their letter dated November 9, 2015 will be complied with; • a suitable undertaking for re-pledge of shares by the Trust upon the release of the shares held by the Sponsor; • re-pledge of shares by the Trust to be completed within 30 days. Penal interest of 1% per annum on the outstanding liability will be charged for any delay; • Indenture of Trust with no onerous clauses which are detrimental to the interest of Canara Bank to be submitted. The Indenture of Trust shall not have any clause restricting the pledge of shares/creation of security in favour of Canara Bank; • management of the Trust should be from the IRB group; • all existing promoter undertakings shall be replaced with undertakings by the Trust; • the rate of interest should not be lower than the rate of interest stipulated by the leader/ other member banks; • the reset is to be discussed in the ensuing consortium meeting and if the decision on reset of the rate of interest is higher than what is permitted by Canara

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				Bank, higher rate of interest shall be collected by Canara Bank from the effective date; • guidelines regarding lending under consortium banking arrangement including submission of due diligence report on half yearly basis should be complied with; • IDAAIPL to confirm that all regulatory guidelines of SEBI have been complied with; and • all the other existing terms and conditions of the sanction letters dated March 25, 2006, July 19, 2012 and June 13, 2016 shall remain unchanged.
4.	Corporation Bank		Corporation Bank has *vide* its letter dated September 28, 2016 consented to the following: 1. change in management and transfer of existing promoter shareholding to the Trust;	Corporation Bank's consent is subject to the following conditions: • similar approval being obtained from other consortium member banks; • no dilution in security; • obtaining necessary approvals/ permissions from SEBI, NHAI or other statutory authorities as per the extant guidelines; • obtaining undertaking from IDAAIPL to clear 50% of the outstanding liability upon successful completion of the Issue and listing of the Units; • execution of the guarantee agreement by the Trust; and

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			2. temporary release of pledge of 100% shares for transfer to the Trust and re-pledge of 51% shareholding of the Trust within 30 days of pledge release date pending which 1% penal interest on the outstanding shall be charged for any delay beyond 30 days periods allowed from the date of release of the pledged share subject to similar approval from other consortium member bank; 3. release of corporate guarantee and replace the existing undertaking and termination shortfall guarantees of the Sponsor, Ideal Road Builders Private Limited, ATRPL and ATRIPL with guarantee and undertaking of the Trust , subject to similar approval from other consortium member banks; and 4. Waiver of prepayment penalty of 50% prepayment of the outstanding debt, subject to similar approval from other consortium member banks.	• release of corporate guarantee to be effected only upon the completion of the Issue/ listing of the Units of the Trust and clearance of 50% of Corporation Bank's outstanding liability and execution of the guarantee agreement by the Trust.
5.	Indian Bank		Indian Bank has *vide* its letter dated September 12, 2016, consented to the following:	Indian Bank's consent is subject to the following conditions:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			1. review of the account at finer rate of interest at MCLR (1 year) 9.45% + 0.40% i.e. 9.85%; 2. reduction of pledge of shares from existing 100% to 51%; 3. temporary release of pledge of shares for the limited purpose of transfer to the Trust; 4. change in management and transfer of shareholding of the Sponsor in IDAAIPL to the Trust; and 5. waiver of prepayment penalty for prepayment of 50% of the term loan out of the Issue Proceeds.	• approval for release of corporate guarantee /undertaking / personal guarantee will be taken up on only after completion of pledge of 51% of shares by the Trust; and • rate of interest not being lower than that of other member banks.
6.	Indian Overseas Bank		Indian Overseas Bank has *vide* its letter dated December 27, 2016, consented to the following: 1. change in management of IDAAIPL by way of transfer of entire shareholding of the Sponsor to the Trust; 2. temporary release of shares pledged to the Indian Overseas Bank for transfer to the Trust; and 3. concessional interest rate in line with the lead bank at 9.85% up till June 30, 2017. .	Indian Overseas Bank's consent is subject to the following conditions: • an undertaking from IDAAIPL for re-pledge of entire released shares within 30 days from the date of release by the Trust. Penal interest of 1% per annum on the outstanding liability will be charged for any delay; • obtaining similar approvals from all other lenders in the consortium; • modification charges of Rs. 1.00 million to be collected; • an undertaking from IDAAIPL/ Trust for repayment of 50% of the liability upon completion of the Issue and out of the Issue Proceeds;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• an undertaking from IDAAIPL, the Sponsor or the Trust that all the conditions stipulated by NHAI *vide* its letter dated November 9, 2015, will be complied with; • at the time of reset of interest rate, IDAAIPL to ensure that the rate of interest of the Indian Overseas Bank is not less than any of the other consortium lenders. If the rate of interest charged by any other lenders is more than the rate of interest charged by Indian Overseas Bank, the higher rate will be applicable for the exposure from the effective date; • Indenture of Trust without any onerous clauses which are detrimental to the interest of Indian Overseas Bank to be submitted and without any clauses restricting the pledge of shares/creation of security in favour of Indian Overseas Bank; • management of the Trust should be from the IRB Group; • all existing promoter undertakings to be replaced with the undertakings by the Trust; • confirmation from IDAAIPL that all the regulatory guidelines of SEBI have been complied with;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• all other terms and conditions stipulated by the lead bank and other members of the consortium will be applicable *mutatis mutandis*; • waiver of prepayment penalty for the prepayment of the term loan has not been permitted; • release of personal guarantees and corporate guarantee of various companies has not been permitted; • all Indian Overseas Bank's approvals are subject to similar approvals from all other consortium lenders; and • all other existing terms and conditions shall remain unchanged.
7.	India Infrastructure Finance Company Limited	Takeout agreement dated August 28, 2012, read with amendment dated August 28, 2012, to the common rupee loan agreement dated November 15, 2006	India Infrastructure Finance Company Limited has *vide* its letter dated November 4, 2016, consented to the following: 1. change in management control of IDAAIPL from the Sponsor to the Trust; 2. transfer of shareholding in IDAAIPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 100% shares of IDAAIPL and re-pledge 51% shares by the Trust;	India Infrastructure Finance Company Limited's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking to the effect the transfer of shares from the Sponsor to the Trust and that upon such transfer, the Trust will pledge shares in favour of lenders by executing necessary pledge documents; • neither the Sponsor nor the Trust will create any encumbrance over these released shares; • the released shares shall be re-pledged in favour of lenders within 30 days from the date of release failing which penal interest at the rate of 1% per annum shall be charged; • other consortium lenders approving the same stake transfer;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. availment of debt financing by IDAAIPL from the Trust, if any, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of the existing outstanding senior debt in IDAAIPL with payment of applicable prepayment premium on such debt amounts getting prepaid and such prepayment shall happen from the proceeds of the debt financing from the Trust; 6. release of personal guarantees and corporate guarantees of the Sponsor and its other associate companies and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and	• at least 50% debt in each of the India Infrastructure Finance Company Limited funded Project SPVs being reduced from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the IDAAIPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • the debt financing from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sponsor sub-debt/loans by debt financing raised from the Trust; • Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to Trust and the latter's subsequent listing; • IDAAIPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to IDAAIPL;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			7. release of sponsor undertakings of the Sponsor and its associate companies and replacement of the same by undertakings from the Trust.	• modification charges of Rs. 0.2 million plus applicable taxes to be payable to India Infrastructure Finance Company Limited; and • all other conditions governing the loan shall remain the same.
IJDTPL				
1.	ICICI Bank Limited	ECB facility agreement dated June 30, 2011 and amendment agreement dated August 5, 2011 to the common loan agreement dated March 19, 2010	ICICI Bank Limited *vide* its letter dated November 9, 2016, has consented to: 1. transfer of 100% of the promoter/sponsor shareholding in the IJDTPL held by the Sponsor and its other group companies to the Trust post-successful Issue; 2. change in management control of IJDTPL from the Sponsor to the Trust; 3. temporary release of pledge of 51% shares post-successful Issue of the Trust; 4. debt prepayment of at least 50% of the existing outstanding senior debt in the IJDTPL without payment of any prepayment premium on such debt amounts getting prepaid;	ICICI Bank Limited's consent is subject to the following conditions: • shares being re-pledged in favour of the lenders within 30 days from the date of the release; • prepayment of the existing outstanding senior debt shall happen from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of lenders in all respects including with respect to the servicing of the debt from the escrow accounts of IJDTPL, creation of any charge and termination payments from NHAI. Returns / interest servicing / redemption of the loans from the Trust shall be subject to the compliance with restricted payment test specified in the financing agreements; • release of shares shall be done only post (i) successful Issue and (ii) execution of an undertaking by the Sponsor and Trust to the satisfaction of the lenders to effect the transfer of shares from the Sponsor to Trust and that upon such transfer the Trust will pledge shares to the security trustee of the lenders by executing necessary pledge documents;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			5. availment of debt financing by the IJDTPL from the Trust which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of sponsor undertaking of the Sponsor and replacement of the same by undertakings from the Trust.	• neither IJDTPL nor the Trust will create any encumbrance over the released shares; • continuation of the sponsor undertaking and corporate guarantee provided by the Sponsor until execution of sponsor undertaking and corporate guarantee by the Trust, re-creation of pledge of 51% shares of IJDTPL by the Trust and subject to the debt reduction, each to the satisfaction of the lenders; • other consortium members providing similar approvals; • at least 50% debt due to be reduced from the proceeds of the loans raised from the Trust; • subject to the regulatory guidelines, prepayment of 50% the ECB facility from the Trust funds. Balance ECB facility to be replaced by proportionate rupee term loan limits originally sanctioned, net of scheduled repayments till date. Any exchange loss on prepayment of ECB facility to be met out of funds raised by the Trust; • The debt financing from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions are met; • Replacement of existing sponsor sub-debt/ loans by debt/ loans raised from the Trust;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• The Sponsor informing NHAI about the stake transfer, post transfer of stake from the Sponsor to the Trust and the subsequent listing of the Trust's Units; and • IJDTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to the Sponsor.
2.	IDFC Bank Limited	Common rupee loan agreement dated March 19, 2010, read with the deed of assignment and transfer dated February 9, 2011 and amendment agreement dated August 5, 2011	IDFC Bank Limited *vide* its letter dated September 23, 2016 has consented to: 1. change in management control of IJDTPL from the Sponsor to the Trust; 2. transfer of 100% promoter shareholding in IJDTPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The share shall be re-pledged in favour of the lenders within 60 days from the date of release;	IDFC Bank Limited's consent is subject to the following conditions: • release of pledged shares is subject to execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares to IDFC Bank by executing necessary pledge documents. Neither the Sponsor nor the Trust will create any encumbrance over the released shares; • other lenders forming part of the consortium approving the same stake transfer; • at least 50% debt in each Project SPV funded by IDFC Bank being reduced from the proceeds of the loans raised from the Trust;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. availment of debt financing by IJDTPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/ substitute the existing loans from the sponsor and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of the existing outstanding senior debt in IJDTPL without payment of any prepayment premium on such debt amounts getting prepaid. Such prepayment shall happen from the proceeds of the loans raised from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from	• all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the IJDTPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements • the loan from the Trust being subordinated to the senior lenders and to be paid out if restricted payment conditions are met; • replacement of the existing sponsor sub-debt/loans by debt financing raised from the Trust; • Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; and • IJDTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to IJDTPL.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			the consortium; and 7. release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	
3.	Canara Bank		Canara Bank has *vide* its letter dated September 14, 2016 consented to the following: 1. change in management of IJDTPL by way of transfer of entire shareholding of the Sponsor to the Trust; 2. temporary release of shares pledged to Canara Bank for transfer to the Trust; 3. substitution of the existing personal/ corporate guarantee with a guarantee from the Trust which has been approximately estimated by Canara Bank in view of completion of the Issue and listing of the Units of the Trust; 4. waiver of the prepayment penalty for the prepayment of the term loan in part/ full out of the Issue Proceeds; and 5. reset of interest rate by way of continuation of the existing rate of interest.	Canara Bank's consent is subject to the following conditions: • an undertaking from the IJDTPL/ Sponsor to clear off 50% of the liability outstanding on the date of clearance upon successful completion of the Issue/listing of Units of the Trust; • an undertaking from IJDTPL for re-pledge of entire released shares within 30 days of release by the Trust. Any delay will attract penalty at 1% per annum; • the rate of interest should not be lower than the rate of interest charged by other lenders. In case the consortium decides a higher rate of interest that that proposed in the letter, Canara Bank may charge such higher rate of interest; • other lenders providing similar permissions;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• release of existing guarantees (both personal guarantee and corporate guarantee) to be effected only upon completion of the Issue and the listing of the Units of the Trust and clearance of 50% of the liability outstanding on the date of clearance and execution of guarantee by the Trust and the pledge of shares by the Trust; • an undertaking to be submitted from IJDTPL/ Trust for repayment of 50% of the liability upon completion of the Issue, out of the Issue Proceeds; • an undertaking from IJDTPL/ Sponsor/ Trust that all the conditions stipulated by NHAI *vide* their letter dated November 9, 2015 will be complied with; • suitable undertaking to be submitted for re-pledge of shares by the Trust upon the release of the shares held by the Sponsor; • re-pledge of shares by the Trust to be completed within 30 days. Penalty of 1% per annum on the outstanding liability will be charged for any delay; • Indenture of Trust with no onerous clauses which are detrimental to the interest of the bank to be submitted. The Indenture of Trust shall not have any clause restricting the pledge of shares/creation of security in favour of Canara Bank;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• management of the Trust should be from the IRB group; • all existing promoter undertakings shall be replaced with undertaking by the Trust; • the rate of interest should not be lower than the rate of interest stipulated by the leader/other member banks; • the reset is to be discussed in the ensuing consortium meeting and if the decision on reset of the rate of interest is higher than what is permitted by Canara Bank, higher rate of interest shall be collected by Canara Bank from the effective date; • guidelines regarding lending under consortium banking arrangement including submission of due diligence report on half yearly basis should be complied with; • IJDTPL to confirm that all regulatory guidelines of SEBI have been complied with; and • all the other existing terms and conditions of the sanction letters dated March 18, 2010 and January 19, 2016 shall remain unchanged.
4.	Bank of Baroda		Bank of Baroda has *vide* its letter dated November 30, 2016, consented to the following:	Bank of Baroda's consent is subject to the following conditions:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			1. change in the management and transfer of existing promoter shareholding to the Trust sponsored by the Sponsor; 2. temporary release of pledge of 51% shares to transfer to the Trust (shares will be pledged once transferred to the Trust); 3. release of corporate guarantees/ personal guarantees/ undertakings of the Sponsor/promoters and to accept guarantee/shortfall undertaking from the Trust; and 4. waiver of prepayment penalty for any prepayment made to the lenders out of the Issue Proceeds.	• release of shares is subject to the execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares of IDFC Bank by executing necessary pledge documents; • neither the Sponsor nor the Trust will create any encumbrance over these released shares; • upon completion of transfer of shares formalities, the shares will be re-pledged by the Trust in favour of the lenders. The entire process should be completed within 30 days; • at least 50% debt in each of the IDFC Bank-funded Project SPVs being reduced from the proceeds of the debt financing raised from the Trust; • the debt financing from the Trust being subordinated to the senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sub-debt / loans by loans / debt raised from the Trust; • the Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; • IJDTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to IJDTPL;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• all conditions stipulated by the lead bank shall be applicable and all other consortium members approve the said modifications; and • maintenance and operations of roads must remain with the Sponsor.
5.	Union Bank of India		Union Bank of India has *vide* its letter dated September 29, 2016 consented to: 1. change in management and disposal of existing promoter shareholding to the Trust; 2. temporary release of pledge of shares of 51% to the Trust and re-pledge of 51% shareholding of the Trust; 3. release of the corporate guarantee provided by the Sponsor; 4. waiver of prepayment penalty for 50% prepayment of the outstanding debt; and 5. transfer of shareholding of the IJDTPL to the Trust.	Union Bank of India's consent is subject to the following conditions: • the term loan repayment to continue as per the existing/ present repayment schedule; • in case IJDTPL pays a higher rate of interest/ charges/ commission to any other financing bank/financial institution in the consortium, the same shall be paid to Union Bank of India; • all other terms and conditions stipulated by other financing bank/financial institution shall also apply "mutatis mutandis" for the share of credit facilities availed from Union Bank of India; • IJDTPL to give an undertaking that the shares shall be re-pledged to the extent of 51% by the Trust within 30 days from the pledge release date, pending which penal interest of 1% of the outstanding amount shall be recovered;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• corporate guarantee of the Sponsor to be replaced with an unconditional and irrevocable guarantee from the Trust for any shortfall in termination payment in the form of termination payment shortfall guarantee • IJDTPL to submit the copies of sanction letters from other banks in the consortium for comparison of sanction terms; • processing charges of Rs. 50,000 per annum along with service tax to be paid for the review;IJDTPL to submit revival letter for documents executed; and • all other terms and conditions stipulated earlier shall continue.
6.	India Infrastructure Finance Company Limited		India Infrastructure Finance Company Limited has *vide* its letter dated November 4, 2016, consented to the following: 1. change in management control of IJDTPL from the Sponsor to the Trust; 2. transfer of shareholding in IJDTPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares of the company for transfer to the Trust;	India Infrastructure Finance Company Limited's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking to the effect the transfer of shares from the Sponsor to the Trust and that upon such transfer, the Trust will pledge shares in favour of lenders by executing necessary pledge documents; • the released shares shall be re-pledged in favour of lenders within 30 days from the date of release failing which 1% per annum penal interest shall be charged;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. availment of debt financing by IJDTPL from the Trust which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of the existing outstanding senior debt in IJDTPL with payment of applicable prepayment premium on such debt amounts getting prepaid; 6. release of personal guarantees and corporate guarantees of the Sponsor and its other associate companies and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	• all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the IJDTPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • debt prepayment of at least 50% of the existing outstanding senior debt in IJDTPL shall happen from the proceeds of the loans raised from the Trust; • neither the Sponsor nor the Trust will create any encumbrance over these released shares; • other consortium lenders approving the same stake transfer; • at least 50% debt in each of the India Infrastructure Finance Company Limited - funded Project SPVs being reduced from the proceeds of the loans raised from the Trust; • the debt financing from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sponsor sub-debt/loans by debt financing raised from the Trust;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to Trust and the latter's subsequent listing; • IJDTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to IJDTPL; • all other terms and conditions governing the loan shall remain the same; and • modification charges of Rs. 0.2 million plus applicable taxes to be payable to India Infrastructure Finance Company Limited.
ISDTPL				
1.	Bank of India	Common rupee loan agreement dated January 29, 2009	Bank of India has *vide* its letter dated January 1, 2016 and February 23, 2017 consented to: 1. change in shareholding and management; 2. temporary release of pledge of 51% share to transfer to the Trust; and 3. release of corporate guarantee and replacing the existing undertakings and termination shortfall guarantees of the Sponsor with guarantees and undertakings of the Trust.	Bank of India's consent is subject to the following conditions: • Bank of India security not getting diluted; • the Sponsor holding 15% of the Units of Trust so issued; • approval by NHAI allowing change in management and transfer of shareholding; • ISDTPL to undertake that the shares shall be re-pledged by the Trust within 30 days from the date of release of pledge. Non-compliance of the same will attract penal interest of 1% per annum for delay in period beyond the 30 days period allowed from the date of release of pledged shares;

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				• ISDTPL to pay 50% of existing debt amount without prepayment penalty before release of corporate guarantee and change in shareholding; • availability of guarantee of Trust; • recovery of modification fee of Rs. 1.50 million plus service tax; • any other condition suggested by the Law Department (HO) after studying the scheme of change in Shareholding and management to safeguard the interest of the Bank of India to be also adhered to; and • all lenders to provide approval regarding change in shareholding and management release of guarantee and temporary release of pledge.
2.	Andhra Bank		Andhra Bank has *vide* its letter dated October 26, 2016, consented to the following: 1. change in management by way of transfer of entire shareholding of the Sponsor to the Trust; 2. temporary release of pledge of 51% of shares and approval for 30 days' time for re-pledge of shares by the Trust from the date of release of pledge;	Andhra Bank's consent is subject to the following conditions: • ISDTPL / the Sponsor / the Trust shall submit the following undertakings: (a) repayment of 50% of the liability upon completion of the Issue, out of the Issue Proceeds; (b) re-pledge of shares by the Trust upon release of shares held by the Sponsor within 30 days and penal interest shall be changed at the rate of 1% per annum for any delay; and (c) all conditions stipulated by NHAI *vide* their letter dated November 9, 2015 shall be complied with; • release of existing

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			3. substitution of the existing personal/corporate guarantee with a guarantee from the Trust. The proposed guarantee in substitution has been based on an estimated total net worth upon completion of the Issue and listing of Units of the Trust; and 4. waiver of prepayment penalty for prepayment of term loan in full/part out of the Issue Proceeds.	guarantees (both personal and corporate) to be effected only upon completion /listing of Issue, clearance of 50% of the liability outstanding on the date of clearance and execution of guarantee by the Trust and pledge of shares by the Trust; • Indenture of Trust with no onerous clause which are detrimental to the interest of the lenders to be submitted. The Indenture of Trust shall not have any clause restricting the pledge of shares/ creation of security in favour of the lenders; • management of the Trust should be from the IRB group; • all existing promoter undertakings to be replaced with undertaking by the Trust; • ISDTPL to confirm that all regulatory guidelines of SEBI have been complied with; • ISDTPL shall ensure that legal opinion is obtained with regard to dilution of security, transfer of shareholding from the Sponsor to the Trust; • similar approvals/ permissions being provided by other lenders; • all other superior conditions stipulated by leader bank/ other member banks are also applicable; and • all other terms and conditions of previous sanction/approvals shall remain unaltered.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
3.	Indian Bank		Indian Bank has *vide* its letter dated September 12, 2016, consented to the following: 1. review of the account at finer rate of interest at MCLR (1 year) 9.45% + 0.30% i.e. 9.75%; 2. reduction of pledge of shares from existing 90% to 51%; 3. temporary release of pledged shares for transfer to the Trust; 4. change in management and transfer of shareholding of the IRB Group in ISDTPL to the Trust; and 5. waiver of prepayment penalty for prepayment of 50% of the term loan out of the Issue Proceeds.	Indian Bank's consent is subject to the following conditions: • approval for release of corporate guarantee / undertaking / personal guarantee will be taken up on only after completion of pledge of 51% of shares by the Trust; and • rate of interest not being lower than that of other member banks.
ITATPL				
1.	Bank of Baroda	Common rupee loan agreement dated March 31, 2010.	Bank of Baroda has *vide* its letter dated November 30, 2016, consented to the following: 1. change in the management and transfer of existing promoter shareholding to the Trust sponsored by the Sponsor; 2. temporary release of pledge of 51% shares to transfer to the Trust (shares will be pledged once transferred to the Trust);	Bank of Baroda's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares of IDFC Bank by executing necessary pledge documents. • neither the Sponsor nor the Trust will create any encumbrance over these released shares;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			3. release of corporate guarantees/ personal guarantees/undertakings of the Sponsor/promoters and to accept guarantee/shortfall undertaking from the Trust; and 4. waiver of prepayment penalty for any prepayment made to the lenders out of the Issue Proceeds.	• upon completion of transfer of shares formalities, the shares will be re-pledged by the Trust in favour of the lenders. The entire process should be completed within 30 days; • at least 50% debt in each of the IDFC Bank-funded Project SPVs being reduced from the proceeds of the debt raised from the Trust; • the debt from the Trust being subordinated to the senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sub-debt from the Sponsor by debt raised from the Trust; • the Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; • ITATPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITATPL; • all conditions stipulated by the lead bank shall be applicable and all other consortium members approve the said modifications; and • maintenance and operations of roads must remain with the Sponsor.
2.	Canara Bank		Canara Bank has *vide* its letter dated September 14, 2016 consented to the following:	Canara Bank's consent is subject to the following conditions:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			1. change in management of ITATPL by way of transfer of entire shareholding of the Sponsor to the Trust; 2. temporary release of shares pledged to Canara Bank for transfer to the Trust; 3. substitution of the existing personal/corporate guarantee with a guarantee from the Trust. The proposed guarantee in substitution has been based on an estimated total net worth upon completion of the Issue and listing of Units of the Trust; and 4. waiver of the prepayment penalty for the prepayment of the term loan in part/full out of the Issue Proceeds.	• an undertaking from the ITATPL/Sponsor to clear off 50% of the liability outstanding on the date of clearance upon successful completion of the Issue/listing of Units of the Trust; • an undertaking from ITATPL for re-pledge of entire released shares within 30 days of release by the Trust. Any delay will attract a penalty at 1% per annum; • other lenders providing similar permissions; • release of existing guarantees (both personal guarantee and corporate guarantee) to be effected only upon completion of the Issue and the listing of the Units of the Trust and clearance of 50% of the liability outstanding on the date of clearance and execution of guarantee by the Trust and the pledge of shares by the Trust; • an undertaking to be submitted from ITATPL/Trust for repayment of 50% of the liability upon completion of the Issue, out of the Issue Proceeds; • an undertaking from ITATPL/ Sponsor/ Trust that all the conditions stipulated by NHAI vide their letter dated November 9, 2015 will be complied with; • suitable undertaking to be submitted for re-pledge of shares by the Trust upon the release of the shares held by the Sponsor;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• re-pledge of shares by the Trust to be completed within 30 days. Penal interest of 1% per annum on the outstanding liability will be charged for any delay; • Indenture of Trust with no onerous clauses which are detrimental to the interest of the bank to be submitted. The Indenture of Trust shall not have any clause restricting the pledge of shares/creation of security in favour of Canara Bank; • management of the Trust should be from the IRB group; • all existing promoter undertakings to be replaced with undertaking by the Trust; • the rate of interest should not be lower than the rate of interest stipulated by the leader/other member banks; • the reset is to be discussed in the ensuing consortium meeting and if the decision on reset of the rate of interest is higher than what is permitted by Canara Bank, higher rate of interest shall be collected by Canara Bank from the effective date; • guidelines regarding lending under consortium banking arrangement including submission of due diligence report on half yearly basis should be complied with; • ITATPL to confirm that all regulatory guidelines of SEBI have been complied with; and

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• all the other existing terms and conditions of the sanction letter dated March 29, 2010 shall remain unchanged.
3.	Union Bank of India		Union Bank of India has *vide* its letter dated September 29, 2016 consented to: 1. change in management and disposal of existing promoter shareholding to the Trust; 2. temporary release of pledge of shares of 51% to the Trust and re-pledge of 51% shareholding of the Trust; 3. release of the corporate guarantee provided by the Sponsor; and 4. waiver of prepayment penalty for 50% prepayment of the outstanding debt; and 5. transfer of shareholding of ITATPL to the Trust.	Union Bank of India's consent is subject to the following conditions: • the term loan repayment to continue as per the existing/ present repayment schedule; • in case ITATPL pays higher rate of interest/charges/commission to any other financing bank/FI in the consortium, the same shall be paid to Union Bank of India also. • all other terms and conditions stipulated by other financing banks/ financial institutions shall also apply "mutatis mutandis" for the share of credit facilities availed from Union Bank of India; • ITATPL to give an undertaking that the shares shall be re-pledged to the extent of 51% by the Trust within 30 days from the date of release of pledge, pending which penal interest of 1% of the outstanding shall be recovered; • Provision of an unconditional and irrevocable guarantee from the Trust for any shortfall in termination payment in the form of termination payment shortfall guarantee

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• ITATPL to submit the copies of sanction letters from other banks in the consortium for comparison of sanction terms; • processing charges of Rs. 50,000 per annum along with service tax to be paid for the review; • ITATPL to submit revival letter towards documents executed in relation to the loan facility; • inspection to be carried out; and • all other terms and conditions stipulated earlier shall continue.
4.	IDFC Bank Limited		IDFC Bank Limited *vide* its letter dated September 23, 2016 has consented to: 1. change in management control of ITATPL from the Sponsor to the Trust; 2. transfer of 100% promoter shareholding in ITATPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The share shall be re-pledged in favour of the lenders within 60 days from the date of release; 4. availment of debt financing by ITATPL from the Trust, which may be in the form of loans, debentures,	IDFC Bank Limited's consent is subject to the following conditions: • release of pledged shares is subject to execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares to IDFC Bank by executing necessary pledge documents; • neither the Sponsor nor the Trust will create any encumbrance over the released shares; • other consortium lenders approving the same stake transfer; • at least 50% debt in each Project SPV funded by IDFC Bank being reduced from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			deposits or a combination thereof, as permitted under applicable law to refinance/ substitute the existing loans to the sponsor and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of existing outstanding senior debt in ITATPL without payment of any prepayment premium on such debt amounts getting prepaid. Such prepayment shall happen from the proceeds of the loans raised from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	to servicing of the debt from escrow accounts of ITATPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • the loan from the Trust being subordinated to the senior lenders and to be paid out if restricted payment conditions are met; • replacement of the existing sponsor sub-debt/loans by debt financing raised from the Trust; • Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; and • ITATPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITATPL.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
5.	India Infrastructure Finance Company Limited	Deed of assignment and transfer dated February 9, 2011	India Infrastructure Finance Company Limited has *vide* its letter dated November 4, 2016, consented to the following: 1. change in management control of ITATPL from the Sponsor to the Trust; 2. transfer of shareholding in ITATPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares of the company; 4. availment of debt financing by ITATPL from the Trust which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust. 5. Debt prepayment of at least 50% of the existing outstanding senior debt in ITATPL with payment of applicable prepayment premium on such debt amounts getting prepaid;	India Infrastructure Finance Company Limited's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking to the effect the transfer of shares from the Sponsor to the Trust and that upon such transfer, the Trust will pledge shares in favour of lenders by executing necessary pledge documents; • the released shares shall be re-pledged in favour of lenders within 30 days from the date of release failing which penal interest at the rate of 1% shall be charged; • neither the Sponsor nor the Trust will create any encumbrance over these released shares; • other consortium lenders approving the same stake transfer; • at least 50% debt in each of the India Infrastructure Finance Company Limited funded Project SPVs being reduced from the proceeds of the loans raised from the Trust; • the debt financing from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sponsor sub-debt/loans by loans/debt raised from the Trust; • Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to Trust and the latter subsequent listing;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			6. Release of personal guarantees and corporate guarantees of the Sponsor and its other associate companies and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. Release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	• ITATPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITATPL; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the ITATPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • debt prepayment of the existing outstanding senior debt in ITATPL shall happen from the proceeds of the loans raised from the Trust; • modification charges of Rs. 0.1 million plus applicable taxes to be payable to India Infrastructure Finance Company Limited; and • all other terms and conditions governing the loan shall remain the same.
ITCTPL				
1.	Bank of Baroda		Bank of Baroda has *vide* its letter dated November 30, 2016, consented to the following: 1. change in the management and transfer of existing promoter shareholding to the Trust sponsored by the Sponsor;	Bank of Baroda's consent is subject to the following conditions:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
		Common rupee loan agreement dated February 3, 2011, Supplemental agreement dated July 12, 2012 , Amendment agreement dated August 5, 2011 and Deed of assignment and transfer dated July 12, 2012 for IIFCL	2. temporary release of pledge of 51% shares to transfer to the Trust (shares will be pledged once transferred to the Trust); 3. release of corporate guarantees/ personal guarantees/undertakings of the Sponsor/promoters and to accept guarantee/shortfall undertaking from the Trust; and 4. waiver of prepayment penalty for any prepayment made to the lenders out of the Issue Proceeds.	• release of shares is subject to the execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares to IDFC Bank by executing necessary pledge documents. Neither the Sponsor nor the Trust will create any encumbrance over these released shares; • upon completion of transfer of shares formalities, the shares will be re-pledged by the Trust in favour of the lenders. The entire process should be completed within 30 days; • at least 50% debt in each of the IDFC Bank-funded Project SPVs being reduced from the proceeds of the debt raised from the Trust; • the debt from the Trust being subordinated to the senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sub-debt from the Sponsor by debt raised from the Trust; • the Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; • ITCTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITCTPL;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• all conditions stipulated by the lead bank shall be applicable and all other consortium members approve the said modifications; and • maintenance and operations of roads must remain with the Sponsor.
2.	IDBI Bank Limited		IDBI Bank Limited *vide* its letter dated February 13, 2017, has consented to: 1. change in management control of ITCTPL from the Sponsor to the Trust; 2. transfer of 100% promoter shareholding in ITCTPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The share shall be re-pledged in favour of the lenders within 30 days from the date of release; 4. availment of debt financing by ITCTPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/ substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of existing	IDBI Bank Limited's consent is subject to the following conditions: • providing guarantee support by the Trust to its lenders as sponsor of the project; • release of pledged shares is subject to execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge 51% shares in favour of IDBI Bank/security trustee within 30 days' time. • neither the Sponsor nor the Trust will create any encumbrance over the released shares; • other lenders forming part of the consortium approving the same stake transfer; • submission of compliance certificate issued by the Investment Manager/ Project Manager, in relation to the project, to be shared with the lenders; • any appointment/ removal of Investment Manager/ Project Manager shall be done in consultation with the lenders only;

			outstanding senior debt in ITCTPL without payment of any prepayment premium on such debt amounts getting prepaid. Such prepayment shall happen from the proceeds of the loans raised from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium. The Trust guarantees for meeting shortfall in debt servicing for Tumkur-Chitradurga projects; and 7. Release of undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	• the Trust complying with various provisions of applicable law and restrictions (including ceiling on borrowing and deferred payments) prescribed under the InvIT Regulations; • at least 50% debt in ITCTPL being reduced from the proceeds of the loans raised from the Trust; • All debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of ITCTPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements • the loan from the Trust being subordinated to the senior lenders and to be paid out if restricted payment conditions are met; • replacement of the existing sponsor sub-debt/loans by the debt financing from the Trust; • the Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; and • ITCTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITCTPL.
3.	IDFC Bank Limited		IDFC Bank Limited *vide* its letter dated September 23, 2016 has consented to:	IDFC Bank Limited's consent is subject to the following conditions: • release of pledged shares is

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			1. change in management control of ITCTPL from the Sponsor to the Trust; 2. transfer of 100% promoter shareholding in ITCTPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The share shall be re-pledged in favour of the lenders within 60 days from the date of release; 4. availment of debt financing by ITCTPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/ substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of existing outstanding senior debt in ITCTPL without payment of any prepayment premium on such debt amounts getting prepaid. Such prepayment shall happen from the proceeds of the loans	subject to execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge shares to IDFC Bank by executing necessary pledge documents; • neither the Sponsor nor the Trust will create any encumbrance over the released shares; • other lenders forming part of the consortium approving the same stake transfer; • at least 50% debt in each Project SPV being funded by IDFC Bank being reduced from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of ITCTPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • the loan from the Trust being subordinated to the senior lenders and to be paid out if restricted payment conditions are met; • replacement of the existing sponsor sub-debt/loans by debt financing raised from the Trust;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			raised from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium. The Trust guarantees for meeting shortfall in debt servicing for Tumkur-Chitradurga projects; and 7. Release of undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	• Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; and • ITCTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITCTPL.
4.	India Infrastructure Finance Company Limited		India Infrastructure Finance Company Limited has *vide* its letter dated November 4, 2016, consented to the following: 1. change in management control of ITCTPL from the Sponsor to the Trust; 2. transfer of 100% shareholding in ITCTPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares of the company; 4. availment of debt financing by ITCTPL from the Trust which may be in the form of loans, debentures, deposits or a	India Infrastructure Finance Company Limited's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking to the effect the transfer of shares from the Sponsor to the Trust and that upon such transfer, the Trust will pledge shares in favour of lenders by executing necessary pledge documents; • the released shares shall be re-pledged in favour of lenders within 30 days from the date of release failing which penal interest at the rate of 1% shall be charged; • neither the Sponsor nor the Trust will create any encumbrance over these released shares;

			combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of the existing outstanding senior debt in ITCTPL with payment of applicable prepayment premium on such debt amounts getting prepaid and such prepayment shall happen from the proceeds of the loans raised from the Trust; 6. release of personal guarantees and corporate guarantees of the Sponsor and its other associate companies and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	• other consortium lenders approving the same stake transfer; • at least 50% debt in each of the India Infrastructure Finance Company Limited funded Project SPVs being reduced from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the ITCTPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • the loan from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions are met; • replacement of existing sponsor sub-debt/loans by loans/debt raised from the Trust; • Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to Trust and the latter subsequent listing; • ITCTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to ITCTPL; • modification charges of Rs. 0.2 million plus applicable taxes to be payable to India Infrastructure Finance Company Limited; and • all other terms and

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				conditions governing the loan shall remain the same.
5.	ICICI Bank Limited	ECB facility agreement dated June 29, 2011 and amendment agreement dated August 5, 2011 to the common rupee loan agreement dated February 3, 2011	ICICI Bank Limited *vide* its letter dated November 9, 2016, has consented to: 1. change in management control of ITCTPL from the Sponsor to the Trust, post-successful Issue; 2. transfer of 100% shareholding of ITCTPL held by the Sponsor and its other group companies to the Trust, post-successful Issue; 3. temporary release of pledge of 51% shares post successful Issue of the Trust; 4. debt prepayment of at least 50% of the existing outstanding senior debt in ITCTPL without payment of any prepayment premium on such debt amounts getting prepaid; 5. availment of debt financing by ITCTPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/substitute the existing sponsor loans and replace the same entirely with such debt financing from the	ICICI Bank Limited's consent is subject to the following conditions: • shares being re-pledged in favour of the lenders within 30 days from the date of the release; • prepayment of the existing outstanding senior debt shall happen from the proceeds of the loans raised from the Trust; • release of shares shall be done only post (i) successful Issue and (ii) execution of an undertaking by the Sponsor and Trust to the satisfaction of the lenders to effect the transfer of shares from the Sponsor to Trust and that upon such transfer the Trust will pledge shares to the security trustee of lenders by executing necessary pledge documents; • neither ITCTPL nor the Trust will create any encumbrance over the released shares, except as provided in the consent letter dated November 9, 2016; • continuation of the sponsor undertaking and corporate guarantee provided by the Sponsor until execution of sponsor undertaking and corporate guarantee by the Trust and subject to the debt reduction, each to the satisfaction of the lenders; • other consortium members providing similar NoC;

			Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of sponsor undertaking of the Sponsor and replacement of the same by undertakings from the Trust.	• at least 50% debt due to be reduced from the proceeds of the loans raised from the Trust; • prepayment of 50% the ECB facility from the Trust funds. Balance ECB facility to be replaced by proportionate rupee term loan limits originally sanctioned, net of scheduled repayments till date. Any exchange loss on prepayment of ECB facility to be met out of funds raised by the Trust; • the loan from the Trust being subordinated to senior lenders and to be paid out if the restricted payment conditions; • replacement of existing sponsor sub-debt/ loans by debt/ loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of the ITCTPL and with respect to the creation of any charge and termination payments from NHAI. Returns / interest servicing / redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing agreements; • the Trust shall also replace project specific sponsor guarantees/support for meeting shortfall in debt servicing for ITCTPL;- • the Sponsor informing NHAI about the stake transfer, post transfer of stake from the Sponsor to the Trust and the subsequent

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				listing of the Units; and • ITCTPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to the Sponsor.
MITPL				
1.	IDFC Bank Limited	Rupee loan agreement dated September 17, 2013	IDFC Bank Limited *vide* its letter dated September 23, 2016 has consented to: 1. change in management control/ sponsor of MITPL from the Sponsor to the Trust ; 2. transfer of 100% promoter/sponsor shareholding in MITPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The shares shall be re-pledged in favour of the lenders within 60 days from the date of release; 4. availment of debt financing by MITPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law to refinance/ substitute the existing sponsor loans and replace the same entirely with such debt financing from the Trust; 5. debt prepayment of at least 50% of existing outstanding senior debt	IDFC Bank Limited's consent is subject to the following conditions: • release of pledged shares is subject to execution of an undertaking to effect the transfer of shares from the Sponsor the Trust, and that upon such transfer, the Trust will pledge shares to IDFC Bank by executing necessary pledge documents. • neither, the Sponsor nor the Trust will create any encumbrance over the released shares; • other lenders forming part of the consortium approving the same stake transfer; • at least 50% debt in each Project SPV funded by IDFC Bank being reduced from the proceeds of the loans raised from the Trust; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including with respect to servicing of the debt from escrow accounts of MITPL and with respect to the creation of any charge. Returns/ interest servicing/ redemption of such loans from the Trust shall be subject to compliance with restricted payments tests specified in the financing
2.	IDFC Bank Limited	Rupee loan agreement dated November 17, 2006.		

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			in MITPL without payment of any prepayment premium on such debt amounts getting prepaid. Such prepayment shall happen from the proceeds of the loans raised from the Trust; 6. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium; and 7. release of undertakings of the Sponsor and replacement of the same by undertakings from the Trust.	agreements; • the loan from the Trust being subordinated to the senior lenders and to be paid out if restricted payment conditions are met; • the Sponsor shall use the proceeds of the Trust to completely prepay the outstanding sub-debt availed from IDFC Bank Limited of approximately Rs. 130 million; • replacement of existing sponsor sub-debt / loans by loans / debt raised from the Trust; • Sponsor informing NHAI about the stake transfer, post-transfer of stake from Sponsor to the Trust and the latter's subsequent listing; and • MITPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015.
3.	India Infradebt Limited	Debenture trust deed dated September 4, 2015	India Infradebt Limited has *vide* its letter dated October 17, 2016 has consented to: 1. change in management control of MITPL from the Sponsor to the Trust; 2. transfer of promoter/sponsor shareholding in MITPL held by the Sponsor and its other group companies to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust;	India Infradebt Limited's consent is subject to the following conditions: • release of shares is subject to the execution of an undertaking from the Sponsor and the Trust to the effect the transfer of shares from the Sponsor to the Trust and that upon such transfer, the Trust will pledge shares to the benefit of the lenders by executing the necessary pledge documents within 60 days of release of pledge by the lenders. Any delay in the pledge of shares beyond 60 days, an additional interest rate of 1% per annum shall be levied from the expiry of timeline till the time the pledge is created;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. availing of debt financing by MITPL from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law and to be used for (a) refinancing/substituting the existing Sponsor loans and replacing the same entirely with such debt financing from the Trust; and (b) partially/fully repaying the existing senior lender debt except the debt provided by India Infradebt Limited; 5. release of corporate guarantees of the Sponsor and replacement of the same by guarantee from the Trust for meeting any shortfall in termination payment for securing the project term loan availed from the consortium. This guarantee shall be provided upfront before the release of existing guarantees; and	• neither the Sponsor nor the Trust will create any encumbrance over the released shares; • the released shares shall be pledged in favour of the lenders within 60 days from the date of release of pledge; • other consortium lenders providing similar approvals for transfer of stake and temporary release of pledge of shares; • all debt financing from the Trust will be subordinate to the existing loans of banks in all respects including servicing of the debt from escrow accounts of MITPL and the security provided. Servicing of such loans from the Trust shall be subject to compliance with the restricted payment conditions specified in the financing agreements for MITPL; • the Sponsor informing NHAI about the stake transfer subsequent to transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; • any borrowing from the Trust to repay the existing senior lenders or any repayment of existing senior lenders shall not affect the rights of India Infradebt Limited under the tripartite agreement and the financing agreements;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			6. release of sponsor undertakings of the Sponsor and replacement of the same by undertakings from the Trust. These undertakings shall be provided upfront before the release of the existing undertakings.	• MITPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to MITPL; • MITPL complying with all the regulations and applicable laws; and • execution of undertakings / guarantees by the Trust in such form acceptable to India Infradebt Limited.
4.	IDFC Infra Debt Fund Limited		IDFC Infra Debt Fund Limited has *vide* its letter dated October 17, 2016 consented to: 1. change in management control of MITPL from the Sponsor to the Trust; 2. transfer of 100% promoter/sponsor shareholding in MITPL held by the Sponsor to the Trust; 3. temporary release of pledge of 51% shares for transfer to the Trust. The shares shall be re-pledged in favour of IDFC Infra Debt Fund Limited/ lenders within 60 days from the date of release;	IDFC Infra Debt Fund Limited's consent is subject to the following conditions: • all debt financing from the trust will be subordinate to the existing debt of IDFC Infra Debt Fund Limited in all respects including with respect to servicing of the debt from the escrow accounts of MITPL and with respect to creation of any charge. Returns / interest servicing / redemption of such debt financing from the Trust shall be subject to the compliance with the restricted payment test specified in the financing agreements for MITPL; • release of shares shall be subject to the execution of an undertaking to effect the transfer of shares from the Sponsor to the Trust, and that upon such transfer, the Trust will pledge atleast 51% shares to IDFC Infra Debt Fund Limited by executing necessary pledge documents;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. availing debt assistance from the Trust. This assistance may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law and used for (a) refinancing/substituting the existing sponsor debt and replacing the same entirely with such debt financing from the Trust and (b) partially / fully repaying the existing senior lender debt except the debt provided by IDFC Infra Debt Fund Limited; and 5. release of corporate guarantees / sponsor undertakings of the Sponsor and replacement of the same by corporate guarantees/ sponsor undertakings from the Trust. These guarantees/ undertakings shall be provided upfront before release of existing guarantees/undertakings.	• neither the Sponsor nor the Trust shall create any encumbrance over the released shares; • other consortium lenders providing similar approvals for transfer of stake and temporary release of pledge of shares; • the Trust loan/ debt financing being subordinate to senior lenders including the debt from IDFC Infra Debt Fund Limited and to be paid out only if the restricted payment conditions are met; • replacement of the existing sponsor sub-debt/ loans by the debt financing from the Trust; • the Sponsor informing NHAI about the stake transfer post transfer of stake from the Sponsor to the Trust and the latter's subsequent listing; • MITPL being in compliance with the concession agreement and NHAI letter dated November 9, 2015 addressed to MITPL; • MITPL complying with all the regulations and applicable laws; • any borrowing from the Trust to repay the existing senior lenders or any repayment of existing senior lenders shall not affect the rights of IDFC Infra Debt Fund Limited under the tripartite agreement and the financing agreements;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• execution of undertakings/ guarantees by the Trust in such form acceptable to IDFC Infra Debt Fund Limited; and • any favourable terms given to the other lenders by MITPL shall also be available to IDFC Infra Debt Fund Limited.

SECTION VII – LEGAL AND OTHER INFORMATION

MATERIAL LITIGATION AND REGULATORY ACTION

Except as stated in this section, there is no material litigation or regulatory action, whether pending or completed in the five years immediately preceding the date hereof, against (i) the Trust, the Sponsor, the Investment Manager, the Project Manager, the Trustee, and (ii) the Associates of the Trust, the Sponsor, the Project Manager and the Investment Manager. Further, except as stated in this section, there is no material litigation involving the Project SPVs. "Associate" shall have the meaning ascribed to such term in the InvIT Regulations.

Material litigations and regulatory actions, whether pending or completed in the five years immediately preceding the date hereof, against the Trust, the Sponsor, the Project Manager, the Investment Manager and their respective Associates, have been disclosed in the following manner:

a) civil proceedings, whether threatened or actual, against the aforesaid entities, which involve an amount of Rs. 20 million or more (to the extent that such an amount is determinable), or in which the amount is not determinable but where the proceeding is considered material by such entity have been individually disclosed;

b) all criminal proceedings against the aforesaid entities have been individually disclosed;

c) all regulatory actions against the aforesaid entities have been disclosed; and

d) notices received by such entities, which involve an amount of Rs. 20 million or more (to the extent such an amount is determinable), but are yet to result in the initiation of any legal proceedings as on the date hereof, have been disclosed individually.

Due to the nature and extent of their operations, the aforesaid entities may be involved in proceedings, both threatened and actual, which individually involve an amount less than Rs. 20 million (to the extent that such an amount is determinable) or in which the amount is not determinable but where the proceeding is not considered material by such entity, such proceedings have not been disclosed. All terms defined in a particular litigation are for that particular litigation only.

Further, due to the nature and extent of their operations, the Sponsor, the Project Entities, the Project SPVs and the Project Manager, are and may be routinely required to file complaints and/or register first information reports against various persons, on account of such persons, inter alia, refusing to pay toll, causing injury to the employees or contract labour of such entities and damage to the properties of such entities, which have been not been disclosed. Additionally, there have been various criminal complaints, compensation claims and first information reports filed against the employees and contract labour of the Sponsor, the Project Entities, the Project SPVs and the Project Manager, wherein such entities themselves are not impleaded, which have been not been disclosed.

With respect to the Trustee, all litigation and regulatory actions, whether pending or completed in the five years immediately preceding the date hereof, that the Trustee has determined to be material have been disclosed.

A. Material Litigation and Regulatory Action against the Trust and its Associates

There are no litigations or regulatory actions, whether pending or completed, against the Trust and its Associates, in the preceding five years.

The details of the material litigation and regulatory action against the Trust, the Sponsor, the Investment Manager, the Project Manager or any of their Associates, and the Trustee, have been individually disclosed, as applicable. The term "Associates" shall have the meaning ascribed to such term in the InvIT Regulations.

B. Material Litigation and Regulatory Action involving the Project SPVs

I. IDAAIPL

Taxation Proceedings

There is one indirect tax proceeding pending against IDAAIPL, which involves an aggregate amount of Rs. 9.37 million.

II. IJDTPL

Pending Criminal Litigation against IJDTPL

1. Pradeep Sogani, Shankar Lal Sharma and certain others (collectively the "**Complainants**") have lodged 10 first information reports against Virendra Mahiskar, Managing Director, IRB Infrastructure Developers Limited, Vivek Chouhan (the project manager and the authorised signatroy of the Sponsor) and certain others (collectively the "**Accused**") with the Chaksu Police Station. The aforesaid first information reports were lodged on the alleged ground that there was delay in the release of payments on the part of the Accused towards the purchase of various materials from the Complainants. The matter is currently pending.

2. Pradeep Sogani (the "**Applicant**") has filed an application for temporary injunction before the Court of Metropolitan Magistrate, Chaksu against Virendra Mahiskar, Managing Director, IRB Infrastructure Developers Limited, Vivek Chouhan (the project manager and the authorised signatroy of the Sponsor) and certain others (the "**Respondents**") seeking a temporary prohibition restricting the Respondents from using and selling the material and machinery kept in the project office in Chaksu, Jaipur till the time the payments aggregating to an amount of Rs. 21.05 million along with interest for the same are made to the Applicant and certain other firms which had supplied material to the Respondent. The matter is currently pending.

Pending Civil Litigation against IJDTPL

1. Mr. Sitaram Sharma and Mr. Jagdish (the "**Petitioners**") had filed a complaint with the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) against IJDTPL and others (collectively the "**Respondents**"). The Petitioners have alleged that the Respondents had illegally encroached upon the Petitioners' land situated at Chaksu, Jaipur and had made it unfit for the purpose of agriculture by placing iron rods, machines, cement and other material on the said land. The complaint was dismissed at the stage of cognizance by the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) *vide* its order. The aggrieved Petitioners filed a revision petition before the Additional Session Judge, Jaipur Metropolitan, seeking that the order passed by the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) be dismissed *inter alia* on the alleged grounds that (a) the court had ignored the facts regarding encroachment established by the Petitioner and had added facts on its own whim, (b) the court had committed error of law and (c) the order had not been passed on merits after taking into consideration the facts and evidence available on record and was against the principles of natural justice. Additional Session Judge, Jaipur Metropolitan, passed an order accepting the revision petition filed by the Petitioners and has further dismissed the order passed by the Metropolitan Magistrate, Jaipur Metropolitan (Chaksu) and the matter is remanded to the trial court to decide the same on merits. The matter is currently pending.

2. Jagannath University (the "**Petitioner**") had filed a writ petition before the Rajasthan High Court against the project manager of IJDTPL and certain others (the "**Respondent**") seeking that the Respondents be directed to issue monthly pass to the buses/ vehicles of the Petitioner for the toll fee of Rs. 215 per month as per the notification dated April 8, 2013 and (b) any other appropriate relief in favour of the Petitioner which the court deems fit. The said relief has been sought on the alleged grounds that the Respondents had previously issued a monthly pass of a higher denomination without taking into consideration the non-commercial nature of the vehicles of the Petitioner, which was in violation of Clause 3 of the notification dated April 8, 2013. Further, the Petitioner has also filed a stay application before the Rajasthan High Court seeking that during the pendency of the writ petition, the Respondents be directed to permit the vehicles of the Petitioner on the toll fee of Rs. 215 per month. The project manager of IJDTPL has filed its reply denying the averments made by the Petitioner. The matter is currently pending.

III. ISDTPL

Pending Civil Litigation against ISDTPL

1. Mr. Vasantrai Harilal Gohil and Mr. Vijay Vasantrai Gohil (the **"Plaintiffs"**) have filed a special civil suit before the Court of the Civil Judge (Senior Division) at Vasai, against the Sponsor, certain directors of the Sponsor and the Project Manager and certain employees of the Sponsor. The Plaintiffs have alleged that on January 5, 2011, certain employees of the Sponsor acted violently and forcefully with them when they could not provide a money change at the toll plaza at Khanivade, Taluka Vasai. The Plaintiffs have alleged that they were chased, threatened and beaten by the employees of the Sponsor which resulted in serious injuries. The Plaintiffs have sought a direction that the Sponsor and its directors be directed to pay the medical expenses of Rs. 0.5 million incurred by the Plaintiffs along with damages of Rs. 50 million with interest. The Plaintiffs have also sought a direction from the court requiring the Sponsor and the directors to disclose on oath, their respective movable and immovable property and to record charge of Rs. 50.5 million over such property until the decretal amount is paid. The Plaintiffs have filed an application for adding ISDTPL as a necessary party in the suit. The ISDTPL, its directors and employees have filed their reply in the matter. The matter is currently pending.

2. Jimmy Gonsalves and another (the "**Petitioners**") have filed a public interest litigation before the High Court of Bombay against the MoRTH, NHAI, ISDTPL and Ideal Road Builders Private Limited and certain others (the "**Respondents**"). The Petitioners have inter alia alleged that commuters are facing hardship and inconvenience due to traffic at Varsova Creek bridge and that ISDTPL has denied its duty to build a new bridge on Varsova Creek, and have sought inter alia, that MoRTH be directed to take steps for the construction of a third bridge on Varsova Creek and that all vehicles travelling from Khaniwade toll on NH-8 and Ghodbunder Road toll on the state highway be exempt from toll till the completion of said new bridge. ISDTPL and Ideal Road Builders Private Limited are yet to file their respective replies in this matter. The matter is currently pending.

Pending Regulatory Action involving ISDTPL

1. ISDTPL has received certain notices from NHAI alleging short recovery of revenue share (annual traffic count) for the period between the years 2009 and 2013 and as per the latest notice a payment of Rs. 328.91 million was demanded from ISDTPL. Subsequently, an assessment was carried out by an independent engineer appointed by NHAI and the liability of ISDTPL was assessed to the extent of Rs. 8.38 million. While ISDTPL has paid such amount under protest, it has invoked concilliation proceedings for an amicable settlement under the relevant provisions of the concession agreement entered into between ISDTPL and NHAI. The matter is currently pending.

IV. ITCTPL

Completed Civil Litigation against ITCTPL

1. ITCTPL (**"Claimant")** had initiated an arbitration proceeding against NHAI (**"Respondent")** with respect to six laning of Tumkur-Chitradurga section of NH-4 in the state of Karnataka **("Project")**. The statement of claim was filed by the Claimant, claiming an amount of Rs. 170.89 million as on July 31, 2014 on account of losses incurred by the Claimant due to evasion of toll by the vehicles on the said route along with interest. The Claimant had established some temporary toll booth to collect toll from the toll evaders. However, the Respondent had concluded that the toll booths were illegally placed and instructed their closure. The Claimant filed an application withdrawing all claims made by the Claimant except the claim of arbitration costs. The arbitral tribunal has passed an award awarding nil amount against all the claims made by the claimant except arbitration costs amounting to Rs. 0.6 million.

V. MITPL

Pending Civil Litigation against MITPL

1. Certain colleges in Salem (the **"Petitioners"**) have filed 25 writ petitions before the High Court of Madras, against MITPL and others (collectively the **"Respondents"**) alleging the legality of act of collecting entry fee at increased rates from college buses. The Petitioners have sought the directions against Respondents to collect entry fee at toll plaza for educational institution vehicles at par with that of school buses. An

order was passed by the High Court of Madras, which took into consideration various petitions filed against MITPL regarding the abovementioned issue and held that the discounted rates were only applicable to school buses carrying school students and not to college buses. However, the High Court of Madras passed an order granting an interim stay and ordered MITPL to collect entry fee from the college buses of the Petitioners at par with the rates applicable to school buses. The matter is currently pending.

Completed Civil Litigation against MITPL

1. The High Court of Madras passed an order dismissing the writ filed by B. Sivaram and others ("**Petitioners**") against NHAI, MITPL, Project Director of the Project Implementation Unit and the Regional Officer of the Ministry of Shipping, Road Transport and Highways ("**Respondents**") on the ground that the said petition was withdrawn by the Petitioners. The Petitioners had *inter alia* sought for (a) a writ of certiorari or mandamus or any other appropriate order to be issued calling for the records maintained by the NHAI in relation to the notification dated May 8, 2009 published in the leading dailies and quash the same, and (b) an order of injunction restraining MITPL from any further construction of toll plazas pending the disposal of the writ petition.

2. The High Court of Madras passed an order dismissing the writ petition filed by E. Gopal ("**Petitioner**") against the Chairman of NHAI, MITPL, Secretary of Ministry of Shipping, Road, Transport and Highways, Project Director of NHAI and District Collector of Sale ("**Respondents**") on the ground that the said petition was withdrawn by the Petitioners. The Petitioners had sought for a writ of mandamus to be issued restraining the Respondents from collecting toll on the ground of it being illegal and unjust causing unnecessary hardships to the vehicle owners.

3. The High Court of Madras passed an order dismissing the writ petition filed by K Rakkianna Gounder ("**Petitioner**") against NHAI, the Project Director of the Project Implementation Unit, the Regional Officer of Ministry of Shipping, Road Transport and Highways and the Managing Director of MITPL ("**Respondents**") on the ground that the said petition was withdrawn by the Petitioner. The said petition was filed by the Petitioner seeking *inter alia* (a) the grant of an interim injunction restraining MITPL from collecting fees at toll plaza located at Kottagoundampati, Salem District, (b) calling for the records maintained by the NHAI pertaining to the notification dated May 8, 2009 published in leading dailies and quash the same, and (c) relocation of the toll plaza located at Kottagoundampati, Salem District. The said relief has been sought *inter alia* on the alleged grounds that (a) MITPL was awarded a contract to establish a toll plaza only between Salem to Namakkal and (b) the construction of the bridge by MITPL cost below Rs. 50 million and therefore cannot collect fees for use of the said bridge as per the National Highways (Rate of Fees) Rules, 1997.

4. The High Court of Madras passed an order dismissing writ petition filed by P Ammasi ("**Petitioner**") against NHAI, the Project Director of the Project Implementation Unit, the Regional Officer of Ministry of Shipping, Road Transport and Highways and the Managing Director of MITPL ("**Respondents**") on the ground that the said petition was withdrawn by the Petitioner. The said petition was filed by the Petitioner seeking that the notification dated May 8, 2009 made by the NHAI and published in leading dailies be quashed and set aside and the toll plaza be relocated. The said relief has been sought *inter alia* on the alleged grounds that (a) MITPL was awarded a contract to establish a toll plaza only between Salem to Namakkal and (b) the construction of the bridge by MITPL cost below Rs. 50 million and therefore cannot collect fees for use of the said bridge as per the National Highways (Rate of Fees) Rules, 1997.

5. Mr. A. Thamizharasu and Salem District Bus Owners Association (collectively the **"Petitioners"**) have filed two writ petitions before the High Court of Madras against MITPL and others. The Petitioners have contended that the four lane of 180.000 km to 199.200 km of Thambipadi to Salem section on NH7 has been implemented by NHAI except the construction of the flyover at Omalur Junction. MITPL was awarded to implement the project between 207.050 km to 248.625 km of Salem to Namakkal section on NH7 under BOT scheme. MITPL was establishing a toll plaza at Kottagoundampatti at 191.800 km of Thambipadi to Salem section on NH7. The Petitioners have alleged that as per the concession agreement, MITPL could establish a toll plaza only between Salem to Namakkal section and not at 191.800 km at Kottagoundampatti, which is the project executed by NHAI. The Petitioners have sought direction that MITPL shall be restricted from setting up toll plaza at Kottagoundampatti at 191.800 km. MITPL had filed its reply in the matter. The High Court of Madras has *vide* its order disposed both writ petitions.

Taxation Proceedings

There is one direct tax proceedings pending against MITPL, which involves an aggregate amount of Rs. 9.46 million.

C. Material Litigation and Regulatory Action against the Sponsor and the directors, promoters and Associates of the Sponsor

Material Litigation and Regulatory Action against the Sponsor

Pending Civil Litigation against the Sponsor

1. Shaikh Rafiq and certain others (the "**Petitioners**") have filed a writ petition before the Aurangabad Bench of the High Court of Bombay against the District Collector (Beed), the Sponsor and certain others (the "**Respondents**"). The Petitioners have *inter alia* alleged that a proposed change to the existing alignment of the proposed road-widening of the Solapur-Aurangabad highway, which passes through the Petitioners' villages, would cause direct loss and hardship to the Petitioners. The Petitioners have sought that the Respondents be restrained from proceeding further with any changes in the existing alignment of the aforesaid road-widening project. The Sponsor has filed its reply in this matter. The matter is currently pending.

2. Panditrao Chausalkar and another (the "**Petitioners**") have filed a writ petition before the Aurangabad Bench of the High Court of Bombay against the Collector (Beed), the Sponsor and certain others (the "**Respondents**"). The Petitioner is seeking *inter alia* (a) a writ of mandamus or any other appropriate writ of like nature be passed to quash or set aside the order passed by the Deputy Collector (Beed); (b) that the Respondents be directed to implement the alignment of the road as finalized vide notification for NH-21 dated August 23, 2013 in respect of NH-211 passing through Chausala; and (c) that the Respondents be restrained from acquiring the lands belonging to the Petitioners pending hearing and final disposal of the aforementioned writ petition filed by the Petitioners before the Aurangabad Bench of the High Court of Bombay. The said relief has been sought on *inter alia* the alleged ground that the Respondents had not followed the due process of law to take the land belonging to the Petitioners. The matter is currently pending.

   For details in relation to certain additional civil proceedings involving the Sponsor and certain other parties, please see "-*Pending Civil Litigation against ISDTPL* " and "-*Pending Civil Litigation against the Project Manager* ".

Completed Civil Litigation against the Sponsor

1. The Central Empowered Committee (constituted by the Supreme Court of India) *vide* its letter dismissed the application filed by Aravind Krishna Rao Pai and others ("**Applicants**") against the Union of India, the Sponsor and others ("**Respondents**") upon its withdrawal by the Applicants. The aforesaid application was filed by the Applicants with respect to the execution of the works of Goa-Karnataka border-Kundapur section of NH-66 in the State of Karnataka as a part of the NHDP.

2. The Nagpur Bench of the High Court of Bombay *vide* a common order passed by a two judge bench disposed (a) a writ petition filed by Anil Bonde before the Nagpur Bench of the High Court of Bombay against the Sponsor and others, and (b) a writ petition filed by Pramod Wankhade and Sunil Dhote before the Nagpur Bench of the High Court of Bombay against the Sponsor and others. The aforesaid petitions had alleged that the levy of toll was illegal, harsh and arbitrary, and sought that the existing as well as the proposed site of the toll plaza be changed.

3. The Nagpur Bench of the High Court of Bombay *vide* an order disposed the public interest litigation filed by Pramod Wankhade and Sunil Dhote (the "**Petitioners**") against the Sponsor and others ("**Respondents**"). The Petitioners had alleged that a certain toll tax booth on NH-6 constructed by the Respondents was causing inconvenience and loss to the public and had prayed that the said toll plaza construction be declared illegal and contrary to the National Highways Fee (Determination of Rates and Collection) Rules, 2008.

4. The High Court of Bombay *vide* an order dismissed the public interest litigation filed by Pravin Dadasaheb

Indulkar ("**Petitioner**") against the State of Maharashtra, Kolhapur Municipal Corporation, Collector of Kolhapur, Maharashtra State Road Development Corporation and the Sponsor ("**Respondents**"). The Petitioner had *inter alia* sought an injunction restraining the Respondents from constructing roads within the city limits and directing the Respondents to shift the service lines before the construction of roads.

Completed Criminal Litigation against the Sponsor

1. The Inspector of Legal Metrology, Amravati (Division 3) ("**Complainant**") had filed a complaint before the Court of Chief Judicial Magistrate (First Class), Amravati, against the Sponsor and certain current and former directors of the Sponsor and the Project Manager and seven directors of Rajdeep Info Techno Private Limited (together "**Accused Persons**") for contravention of Rule 21 and 22 of the Maharashtra Legal Metrology (Enforcement) Rules, 2011 (the "**Rules**"). The Complainant had inspected the premises of the Project Manager in District Amravati and seized 10 automatic electronic "in-motion weigh bridges" for road vehicle weighing in motion (axle load weighing) with digital indication of series "SWIM-20" weighing indicators of make "Rajdeep Wim". The Judicial Magistrate (First Class), Amravati *vide* its order dismissed the complaint on the grounds of non-prosecution and non-appearance of the Complainant.

Pending Regulatory Action involving the Sponsor

1. SEBI's Integrated Surveillance Department, *vide* an e-mail (the "**SEBI E-mail**"), advised the Sponsor to provide certain information under Section 11 of the SEBI Act. The SEBI E-mail referred to an announcement made by the Sponsor to the stock exchanges pertaining to the receipt of a letter of award from NHAI for the project of four-laning of Kaithal to Rajasthan section of NH 152/65. The SEBI E-Mail requested for the (i) names, designations, PAN numbers, addresses and DIN of the persons in the Sponsor who were, directly or indirectly, aware of the aforesaid announcement made to the stock exchanges; and (ii) names, designations, PAN numbers, addresses and DIN, of the dependents of the persons mentioned at point (i) above. The Sponsor *vide* its e-mail provided the said information as required by SEBI through the SEBI E-mail. No further communication has been received in this regard.

2. The RoC, Maharashtra at Mumbai issued a show cause notice to the Sponsor and certain of its directors in relation to the alleged violation of Section 211, read with Clause 3(xi) (c) Part-II of Schedule VI, of the Companies Act, 1956. The aforesaid notice alleged that the Sponsor had shown the receipt of interest from long term investment of Rs. 266.78 million under schedule of income and had not shown the tax deduction at source in the profit and loss account of the balance sheets as at March 31, 2011. The Sponsor replied to the aforesaid notice denying the above allegations and stated that it had fully complied with the above mentioned provisions by providing the required information. No further communication has been received in this regard.

3. The RoC, Maharashtra at Mumbai *vide* its letter to the Sponsor, sought comments/clarification and explanations in relation to a complaint by Sadashivrao Mandlik regarding alleged corrupt practices adopted by the Sponsor in relation to the award of the IRB Kolhapur Project. The Sponsor replied to the aforesaid letter and stated that the claims and contentions raised by the complainant were uncorroborated and misleading. No further communication has been received in this regard.

4. The RoC, Maharashtra at Mumbai *vide* its letter to the Sponsor, sought comments/ clarifications and explanations in relation to the complaint filed by Mr. Sanjay Dave regarding the alleged violation of Section 123 (3) of the Companies Act, 2013. The aforesaid notice alleged that the Sponsor had declared interim dividend for financial year 2014-15 after the end of the financial year. The Sponsor replied to the aforesaid letter clarifying that the Sponsor had fully complied with the above mentioned provisions by providing the required information. No further communication has been received in this regard.

5. The RoC, Maharashtra at Mumbai *vide* its letter to the Sponsor sought information under Section 234 of the Companies Act, 1956 with respect to its balance sheet as at March 31, 2011, details along with documentary evidence with respect to the loans given by the Sponsor to certain of its wholly owned subsidiaries along with terms and conditions, details of compliance of Section 299, 300 and 301 of the Companies Act, 1956, and information relating to the initial public offer of the Sponsor. The Sponsor submitted the aforesaid information. No further communication has been received in this regard.

6. The RoC, Maharashtra at Mumbai *vide* its letter to the Sponsor called for information under Section 234 of the Companies Act, 1956, with respect to its balance sheet as at March 31, 2008, certificates from banks/

financial institutions to prove repayment of loans, status of certain complaints as per statement of investor grievance report, details regarding compliance of Section 78 of the Companies Act, 1956, details of related party transactions with private limited companies as provided in initial public offer utilization statement, and compliance with AS-18 and Section 297 of the Companies Act, 1956. The Sponsor submitted the aforesaid information.

7. SEBI, *vide* its letter had sought comments from the Sponsor in relation to a complaint that it had received, which alleged that the Sponsor had carried out certain sub-standard work in Kolhapur and had adopted illegal and corrupt practices to be awarded the said project. The Sponsor replied to SEBI *vide* a letter and submitted that the allegations were uncorroborated and misleading. No further communication has been received in this regard.

8. NHAI has issued a notice to the Sponsor asking to pay damages of Rs. 30,485 in relation to the toll plaza Krishnavaram. The Sponsor has replied *vide* its letter. As on date, no legal proceedings have been initiated in relation to the aforesaid notice.

9. National Stock Exchange *vide* its letter to the Sponsor sought explanation in relation to the alleged non-compliance with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Sponsor has replied to the said letter. No further communication has been received in this regard.

Completed Regulatory Action involving the Sponsor

1. Employee's Provident Fund Organization, Ministry of Labour and Employment **("EPFO")** issued a notice to Mr. Basil Sebastain and Mr. Sagar Patel, as the employees of the Sponsor **("Recipients")** in relation to the payment of outstanding provident fund dues of Rs. 0.29 million along with an additional interest at 12% per annum, in respect of M/s. Pawar & Associates **("Complainant")**. The Recipients sent their reply *vide* letter to the Recovery Officer and Assistant Provident Fund Commissioner, Pune. Further, another notice was issued by EPFO to the Recipients directing them to make the payment within seven days, failing which legal proceedings would be initiated against them for realization of the above mentioned amount. Further, pursuant to a letter dated March 1, 2014, the Sponsor has responded to the Recovery Officer and Assistant PF Commissioner that the Sponsor is only a notional stakeholder in the joint venture between Elsamex-Shinde-IRB and therefore, the Sponsor has no documents in respect of M/s Pawar & Associates. The Sponsor has requested the Recovery Officer and Assistant PF Commissioner to approach the other party for recovery of dues. The Recovery Officer and Assistant PF Commissioner has *vide* its letter informed that the outstanding dues have been recovered.

Other Matters

Lee Pomeranc Limited has sent a notice on behalf of US Television to the Sponsor demanding 83,340 pound sterling towards payment of charges in relation to the alleged advertisement contract dated September 16, 2010. The Sponsor has replied through its advocate and challenged the existence of the contract and stated *inter alia* that it is barred by the limitation period.

Material Litigation and Regulatory Action against the Associates of the Sponsor

For details in relation to the litigation and regulatory action against the Project Entities, please see "- *Litigation and Regulatory Action against the Project Entities*".

I. Aryan Hospitality Private Limited ("AHPL")

Pending Civil Litigation against AHPL

1. Mr. Jaykumar Govindrao Nikam and others (the "**Plaintiffs**") have filed a suit before the Civil Judge, Senior Division, Kolhapur against Aryan praying for a permanent injunction against AHPL restraining them from encroachment and carrying out any construction on the property of the Plaintiffs along with directing AHPL to remove the construction from the property of the Plaintiffs. The Plaintiffs have alleged that AHPL had started illegal construction on the self-acquired property of the Plaintiffs, over which AHPL has no rights. AHPL has filed its reply. The Plaintiff had also filed an application before the Joint Civil Judge, Junior Division, Kolhapur, seeking an amendment of the plaint. AHPL has filed its reply. The Joint

Civil Judge, Junior Division, Kolhapur has allowed the Plaintiffs application for amendment of the plaint. Accordingly the Plaintiff has amended its plaint to add the prayer of possession of the suit property. The matter is currently pending.

Completed Civil Litigation against AHPL

1. Jaykumar Govindrao Nikam and eight others (the "**Petitioners**") had filed a writ petition before the High Court of Bombay against AHPL challenging the order ("**Order**") passed by the Joint Civil Judge, Junior Division at Kolhapur thereby rejecting the Petitioners application for condonation of delay in filing of review application on *inter alia* the alleged grounds that the Order passed is an ex parte order and in violation of principles of natural justice. The High Court of Bombay has *vide* its order dismissed the said petition.

II. IRB Goa Tollway Private Limited ("IGTPL")

Pending Civil Litigation against IGTPL

1. IGTPL (**"Claimant")** initiated arbitration proceedings against NHAI (**"Respondent")** for wrongful termination of contract by the Respondent with respect to Goa/Karnataka to Panaji-Goa section of NH-4A in the State of Goa. The Claimant filed the statement of claim claiming an amount of approximately Rs. 2,671.2 million towards 150% of adjusted equity of Rs. 1,780.8 million arising out of termination of contract on account of the Respondent. Further, the Claimant claimed an amount of Rs. 47.1 million for damages on account of delay in fulfilment of conditions of the contract and an interest on the above amounts. The Respondent has filed its reply. Further, the Claimant has filed an application under Section 23 of the Arbitration and Conciliation Act, 1996 before the arbitral tribunal for reduction of the amounts claimed to the tune of Rs. 2,120.7 million claimed from the Respondent on the grounds of miscalculation, and have sought to replace certain pages of the statement of claim due to such change. The arbitral tribunal in its order indicated that one more meeting of the arbitral tribunal would take place to finalise the award. The arbitral tribunal after hearing the statement of defence of the Respondent passed an award allowing the claims for *inter alia* the (a) amount of approximately Rs. 1,963.80 million towards 50% of adjusted equity of Rs. 1,309.20 million arising out of termination of contract on account of the Respondent, (b) an amount of Rs. 47.1 million for damages on account of delay in fulfilment of the conditions of the contract and (c) interest on the above amounts. The aggregate amount involved is Rs. 3,039.80 million. The NHAI has filed a petition before the High Court of Delhi for setting aside the award passed by the arbitral tribunal and stay of the operations of the award. IGTPL has filed its reply in the matter. The matter is currently pending.

III. IRB Sindhudurg Airport Private Limited ("ISAPL")

Completed Civil Litigation against ISAPL

1. Bhoomi Bachav Kriti Samiti and Chandravadan Balkrishna (the **"Petitioners")** have filed a public interest litigation before the High Court of Bombay against ISAPL and others (collectively the **"Respondents"**). The Petitioners have alleged that State of Maharashtra, one of the Respondents, had acquired certain land for public purposes but had not used the same accordingly and leased it to ISAPL for a period of 95 years for construction and operation of a Greenfield Airport which according to Policy on Airport Infrastructure of India could not be allowed on that land. The Petitioners have sought directions to provide basic amenities and opportunities of employment to the people affected by the project. The High Court of Bombay passed an order asking the Respondents to take a decision with regard to providing temporary access to the acquired property for the inhabitants of the village. Further, the High Court of Bombay *vide* its order, directed the Superintendent of Land Records, Sindhudurg, to carry out a survey and demarcate the land leased to ISAPL. ISAPL has filed its reply in the matter. One of the Petitioners, Chandravadan Balkrishna, has filed a rejoinder in the High Court of Bombay alleging the discrepancies in the work of survey. The High Court of Bombay has *vide* its order disposed of the public interest litigation.

IV. VCR Toll Services Private Limited ("VTSPL")

Pending Civil Litigation against VTSPL

1. VTSPL (the "**Petitioner**") has filed a writ petition before the High Court of Bombay against the Executive Engineer of the Public Works Project Division, Public Works Department and others (the "**Respondents**")

challenging the notification dated May 26, 2015 whereby the Petitioners are completely prevented from collection of toll at Indori Toll Plaza at Vadgaon Chakan Shikrapur Road. The Petitoner has *inter alia* sought (a) that the notification dated May 26, 2015 be quashed and set aside and (b) that the operation of the notification dated May 26, 2015 and letter dated May 29, 2015 be stayed pending the disposal of the petition. The matter is currently pending.

2. VTSPL (the "**Petitioner**") has filed a writ petition before the High Court of Bombay against the Executive Engineer of the Public Works Project Division, Public Works Department and another (the "**Respondents**") challenging the orders dated September 14, 2012 and November 29, 2010 preventing the Petitioners from collecting the toll at the Talegaon Chakan state highway. The Petitioner *inter alia* sought that (a) the orders dated September 14, 2012 and November 29, 2010 be quashed and set aside and (b) the operation, implementation and execution of the orders dated September 14, 2012 and November 29, 2010 be stayed pending the final disposal of the writ petition. The matter is currently pending.

Material Litigation and Regulation Action against the Sponsor's Promoters

Pending Criminal Litigation against the Sponsor's Promoters

1. In 2009, pursuant to a complaint filed by a social worker and right to information activist ("**RTI Activist**"), a case was registered at Lonavala City police station against Mr. Virendra D. Mhaiskar (the promoter, chairman and managing director of the Sponsor), Mr. Deepak D. Gadgil (Head Realty, Airport and Hospitality of the Sponsor) and certain others, alleging illegal purchase of governmental land in village Pimploli and village Ozarde, Taluka Maval, District Pune on the basis of fake and forged documents. We understand that on January 13, 2010, the RTI Activist was murdered by unknown persons and the investigation of the murder case of the RTI Activist was subsequently transferred from local police to the Central Bureau of Investigation ("**CBI**"). We further understand that during the ongoing murder investigation, a closure report filed by the police in relation to the illegal land purchase case and such closure report was accepted by the Judicial Magistrate, First Class Vadgaon Maval, District Pune in December 2011. The CBI has issued multiple notices to Mr. Mhaiskar, along with Mr. Gadgil and Mr. Jayant D. Dangre, a former employee of the Project Manager, asking for documents and information and personal appearance for questioning in connection with the investigation of the murder of the RTI Activist. We understand, based on publicly available information, that pursuant to a criminal writ petition filed before the Bombay High Court, it was ordered on August 8, 2014 that the matter relating to the land acquisition be reinvestigated by the CBI in light of the murder investigation. We understand, based on publicly available information, that the CBI filed a closure report dated August 11, 2014 (the "**Closure Report**") before the Judicial Magistrate, First Class Vadgaon Maval, District Pune after conducting its investigation against Mr. Deepak D. Gadgil, Mr. Virendra D. Mhaiskar and certain others; such Closure Report stated that there was no prosecutable definite, direct or circumstantial evidence against any of the accused and recommended that the investigation be closed due to insufficient evidence; such Closure Report is pending acceptance or rejection before the Judicial Magistrate, First Class Vadgaon Maval, District Pune and the matter has been transferred from the Judicial Magistrate, First Class Vadgaon Maval, District Pune to the Sessions Court, Pune. We also understand, based on publicly available information, that a relative of the deceased had challenged the Closure Report in the Bombay High Court and as the CBI decided to further investigate this matter, the petition was disposed of. Officers from the CBI visited the Sponsor's offices and certain other locations on January 5, 2015 in connection with the illegal land purchase reinvestigation ordered by the Bombay High Court (as specified above). The Sponsor has also submitted certain documents and other items, including personal documents of its promoter, chairman and managing director that the CBI officers had required during their visit to the Sponsor's offices. We understand, based on recent media reports, that the CBI continues to investigate the murder case for which the Closure Report is currently pending for acceptance (as mentioned above), and that certain police officers involved in the investigation of the complaint have been recently charged. We understand from the Sponsor that in April 2016, the CBI requested certain additional documents which have been provided.

For details in relation to an additional criminal proceedings involving one of the Sponsor's promoters, namely Mr. Virendra D. Mhaiskar, and certain other parties, please see "- *Material Litigation against the Project Entities – Pending Litigation against IRBPL*" and "- *Pending Criminal Litigation against IJDTPL*".

For details in relation to an additional civil proceedings involving the Sponsor's promoters, please see "- *Pending Civil Litigation against ISDTPL*".

Completed Criminal Litigation against the Sponsor's Promoters

For details in relation to an additional completed criminal litigation involving the Sponsor's promoters, please see "-*Completed Criminal Litigation against the Sponsor*".

Material Litigation and Regulation Action against the Sponsor's Directors

For details in relation to the litigation and regulatory action against the directors of the Sponsor, who are also its promoters, please see "- *Litigation and Regulatory Action against the Sponsor's Promoters*"

Pending Criminal Litigation against the Sponsor's Directors

For details in relation to the pending criminal litigation against the directors of the Sponsor, who are also its promoters, please see "- *Pending Criminal Litigation against the Sponsor's Promoters*"

Pending Civil Litigation against the Sponsor's Directors

For details in relation to an additional civil proceeding involving the Sponsor's directors, please see "- *Pending Civil Litigation against ISDTPL*".

Completed Criminal Litigation against the Sponsor's Directors

For details in relation to the criminal proceedings involving the Sponsor's directors, please see "-*Completed Criminal Litigation against the Sponsor*".

Pending Regulatory Action involving the Sponsor's Directors

The RoC, Gujarat, had issued a show cause notice to M/s Karnavati Club Limited ("**KCL**"), Mr. Sunil Talati and certain others to show why no legal action should be initiated against KCL and every officer of KCL in default, for the alleged violation of the provisions of the Companies Act, 1956 *inter alia* Section 255 and Section 256 of the Companies Act, 1956. The notice states that KCL had passed a resolution which was in contravention of the provisions of Section 255 and Section 256 of the Companies Act, 1956 whereby the KCL is required to retire 1/3rd of its directors on a rotational basis every year in an annual general meeting, whereas KCL has made such appointments for 3 or 6 years. KCL has replied to the notice. During Mr. Sunil Talati's tenure as a director of KCL, he also received show cause notices from the RoC, Gujarat and the Ministry of Corporate Affairs for alleged default under sections 9, 29, 14, 187, 209, 224, 221, 217, 211, 268 and 217 of the Companies Act, 1956. Replies have been filed against such notices.

Taxation Proceedings involving M/s Sang-deep Acid-Chem Private Limited ("SACPL") (an entity in which the one of the Sponsor's Directors, namely Sandeep J. Shah holds more than fifteen percent of the paid-up equity share capital)

There are five direct and indirect tax proceedings pending against M/s Sang-deep Acid-Chem Private Limited, which involve an aggregate amount of Rs. 25.86 million. In one direct tax appeal involving an amount of Rs. 1.43 million, the appeal is closed in SACPL's favour. In the other four proceedings, appeals have either been filed or admitted.

Material Litigation and Regulatory Action against the Project Entities

Set forth below are details of the material litigation and regulatory action against the Project Entities

I. Aryan Toll Road Private Limited ("ATRPL")

Taxation Proceedings

There is 1 (one) direct tax proceedings pending against ATRPL, which involves an aggregate amount of Rs. 2.60 million.

Other Matters

For details in relation to other notices involving ATRPL, please see other matters under "-*Pending Regulatory Action involving the Project Manager*".

II. ATR Infrastructure Private Limited ("ATRIPL")

Pending Civil Litigation against ATRIPL

1. Mr. Kishore Dyanoba Shevkari (the "**Petitioner**") has filed a writ petition before the High Court of Bombay, against ATRIPL and others. The Petitioner has claimed that due to widening of Pune –Nashik National Highway, an existing water outlet meant for drawing out surplus water was affected and the water was getting accumulated in the service road and in the premises of the Petitioner. The Petitioner further contended that there was substantial accumulation of water because of which the public was unable to use the service road and there was an apprehension of spreading of diseases due to accumulation of water. The Petitioner claimed that no appropriate actions had been taken by the authorities and sought a direction that arrangements for draining of the sewage and natural water on both sides of the Pune – Nashik National Highway should be provided by ATRIPL and the other respondents. ATRIPL has filed its reply in the matter. The matter is currently pending.

Other Matters

Gram Panchayat, Chandoli has issued a property tax demand notice to Modern Road Makers Private Limited in relation to Pune-Nasik Highway toll plaza. ATRIPL has replied to the notice stating that the property tax is not applicable on the toll plaza. As on date, no legal proceedings have been initiated in relation to the aforesaid notice. Further, ATRIPL has received certain notices from the Pimpri Chinchwad Municipal Corporation in relation to demands for payment of property tax. ATRIPL has replied stating that property tax is not applicable to build – operate – transfer projects.

III. Ideal Road Builders Private Limited ("IRBPL")

Pending Criminal Litigation against IRBPL

1. K.N. Patil (the "**Complainant**") has filed a complaint before the Judicial Magistrate First Class, Thane, against IRBPL, Mr. Dattatraya Mhaiskar, Mr. Virendra Mhaiskar and two others (the "**Accused Persons**") alleging the Accused Persons for an offence under the Private Security Guards (Regulation and Employment) Scheme, 1981, read with section 3(3) of the Maharashtra Private Security Guards (Regulation and Employment) Act, 1981. The matter is currently pending.

Pending Civil Litigation against IRBPL

1. Mr. Shamshuddin Miyalal Mushriff (the "**Petitioner**") has filed a public interest litigation before the High Court of Bombay, against IRBPL and others (the "**Respondents**"), alleging that the action of the Respondents to collect tolls on the route between Pune to Kagal as illegal and against rules of law. The Petitioner has sought to declare certain provisions of the National Highways Act 1956 and the National Highways (Collection of Fees by any person for the use of section of National Highways/Permanent Bridge/Temporary/Bridge on National Highway) Rules, 1997 and the National Highways (Fees for the use of National Highway Section and Permanent Bridge – Public Funded Project) Rules, 1997 as being contrary to and in violation of the provisions of the Constitution of India and to declare the said provisions as illegal. The Petitioner has also sought direction from the court to restrain the Respondents from collecting toll for the use of public funded projects and that the Respondents be ordered not to collect toll unless another common road has been provided. Further, the Petitioner has also sought a direction against the Central and State governments to stop BOT projects, other than highways and bridges, that have been given to private parties without crediting the amount collected to the public account of India or the State accounts. IRBPL has filed its reply in the matter. The High Court of Bombay passed an order deciding against the grant of any interim relief and has admitted the public interest litigation for final hearing. The matter is currently pending.

2. Mr. Pratap Sarnaik (the "**Petitioner**") has filed a public interest litigation before the High Court of Bombay against IRBPL (the "**Respondent**") and others, alleging that the action of the Respondents of collecting toll at the Thane-Ghodbunder Road (the "**Road**") is illegal and against the provision of the Tolls Act, 1851. The Petitioner has sought a direction restraining the Respondent from collecting toll at the Road and to

submit the accounts to the Court showing cost incurred in construction, repair and maintenance of the Road and account of total toll collected from the Road. The Respondent has filed its reply in the matter. The matter is currently pending.

3. Mr. Sriniwas Anant Ghanekar and Advait Arun Bapat (the "**Petitioners**") have filed a public interest litigation before the High Court of Bombay, against IRBPL (the "**Respondent**") and others, alleging that (a) the action of the Respondent to collect tolls in respect of Chena Toll Naka located at Thane Ghodbunder Road is illegal and against rules of law and (b) construction in the jurisdiction of Kalyan-Dombivali Municipal Corporation being carried out is unauthorised. The Petitioner has sought to declare the agreement entered into between the Respondent and the State of Maharashtra as illegal, ultra vires in so for it relates to collection of toll beyond the amount of capital outlay and the agreement be set aside for the limited purpose as above. The Petitioner has also sought for the quashing of the Government Notification no. PSP-2003/Cr.167/Road-8 dated November 25, 2005 after examination of the validity, legality and propriety thereof. The matter is currently pending.

4. Mr. Srinivas Anant Ghanekar and Mr. Eknath Shinde (collectively the "**Petitioners**") have filed a public interest litigation before the High Court of Bombay, against IRBPL, Thane Ghodbunder Toll Road Private Limited (**"TGTRPL"**), Aryan Toll Road Private Limited ("**Aryan**") and others (collectively the **"Respondents"**), alleging that the agreements entered into between the MSRDC, IRBPL, TGTRPL and Aryan are entered in the arbitrary, unreasonable and illegal manner and because of that the general public had to suffer financial losses. IRBPL, TGTRPL and Aryan have filed their reply in the matter. The matter is currently pending.

5. Mr. Nitin Sardesai and another (the **"Petitioners"**) have filed two public interest litigations before the High Court of Bombay, against MIPL and IRBPL ("**Respondents**") alleging unlawful and arbitrary imposition of toll charges on road transport specifically on Yashwantrao Chavan Mumbai-Pune Expressway (**"Expressway")** and sections of NH 4 Mumbai Pune Expressway. It was alleged that the Respondents have relied on certain notification issued by Ministry of Road and Transport and Highways, which ignores the basic base fee formulae on the basis of which toll fee is decided and thus, have illegally recovered the toll fee from vehicles. The Petitioners sought the directions that the Respondents to install devices on the Expressway, appoint independent agency to monitor the traffic data and deposit excess toll fees recovered from the vehicles passing through the expressway in a separate account till the toll fee is decided as per the rules made under the National Highway Act, 1956. In one of the public interest litigation, the Petitioners have sought the direction to comply with the provisions of Manual of Specifications and Standards for Four laning of National Highways issued by Government of India and to deposit toll fees received from the vehicles passing through the Expressway in separate account till the time prescribed facilities are provided by the Respondents and also directed to the Respondents to maintain and repair the damaged roads on the Expressway. The Respondents have filed their reply in both the public interest litigation. The matter is currently pending.

6. Malabhai Vastabhai Katara (the "**Applicant**") filed a workmen's compensation application against Ankitbhai Pravin Bhai Shah, IRBPL and others (the "**Defendants**") before the Commissioner, Workmen Compensation, Ahmedabad, under Section 10 of Workmen Compensation Act, 1923 for negligence of the Defendants to prevent and mitigate the accidental injury caused to the Applicant while working on the site on duty. The Applicant has sought *inter alia* medical costs, compensation for permanent total disability and initiation of criminal suit against the Defendants. IRBPL filed a separate written statement denying the allegations and averments of the workmen's compensation application filed by the Applicant.

For details in relation to other civil proceedings involving IRBPL, please see "- *Pending Civil Litigation against ISDTPL*"

Completed Civil Litigation against IRBPL

1. The Supreme Court of India has *vide* its order dismissed the transfer petition filed by NHAI (the "**Petitioner**") against Mr. Shamshuddin Miyalal Mushriff as withdrawn.

2. IRBPL ("**Claimant**") had entered into arbitration proceedings against NHAI ("**Respondent**") before an arbitral tribunal presided by D.P. Gupta claiming *inter alia* (a) to declare that no amount was due to the Respondent from the Claimant under the terms of the Boriach agreement with respect to the Boriach Toll Plaza, (b) to direct the Respondent to release cash security of Rs. 87.75 million furnished by the Claimant

and withheld by the Respondents under the Boriach agreement, (c) to direct the Respondent to pay to the Claimant loss of interest at the rate of 6% per annum on the aforementioned sum from the date of expiry of the Boriach agreement till the passing of the award and (d) to award costs of the present arbitration proceedings in favour of the Claimant. The arbitral tribunal *vide* its award directed that (a) the amount of Rs. 25.20 million was payable to the Respondent by Claimant in respect of the Boriach Toll Plaza agreement in view of the passing of awards in the matter of disputes and arbitrations relating to Manglej Toll Plaza and Chaltan Toll Plaza and the offer of securities *vide* letter dated March 13, 2007, (b) the amount of Rs. 62.23 million be refunded by the Respondent, as it was the excess amount withheld by it from the cash security under the Boriach Toll Plaza agreement and (c) the loss of interest on Rs. 62.23 million at 6 % per annum from the date of expiry of the Boriach agreement to the passing of the award be paid by the Respondent. IRBPL had filed a petition before the High Court of Delhi challenging the aforesaid award. The said petition was dismissed by the High Court of Delhi *vide* its order on the ground that it was filed beyond the period of limitation.

3. IRBPL (the "**Claimant**") initiated arbitration proceedings against NHAI (the "**Respondent**") before an arbitral tribunal presided by D.P. Gupta claiming *inter alia* (a) to declare that no amount was due to the Respondent from the Claimant under the terms of the contract of the toll collection at Chalthan Toll Plaza, (b) to direct the Respondent to release the cash security deposit of Rs. 16.50 million furnished by the Claimant and withheld by the Respondent, (c) to direct the Respondent to refund the sum of Rs. 33 million which it has misappropriated by encashing the bank guarantee furnished by MEP Toll Roads private Limited and (d) to direct the Respondent to pay the loss of interest on the total sum of Rs. 49.50 million from the date of expiry of the Manglej toll plaza contract till the passing of the award. The Respondent also filed a counter-claim in the matter. The arbitral tribunal has *vide* its award *inter alia* directed that (a) an amount of Rs. 53.64 million be paid to the Respondent by the Claimant as a result of the loss to the Respondent due to breach of contract of the toll collection at Chalthan toll Plaza by the Claimant, (b) the cash security of Rs. 16.50 million for the franchise contract for Chalthan toll plaza may stand adjusted against the amount payable to the Respondent and(c) the bank guarantee of Rs. 33 million for the franchise contract for Chalthan toll plaza, voluntarily offered by the Claimant may stand adjusted against the amount payable to the Respondent. IRBPL had filed a petition before the High Court of Delhi challenging the aforesaid award. The said petition was dismissed by the High Court of Delhi *vide* its order on the ground that it was filed beyond the period of limitation.

4. IRBPL (the "**Claimant**") had initiated arbitration proceedings before an arbitral tribunal presided by D.P. Gupta against NHAI (the "**Respondent**") claiming *inter alia* (a) to declare that no amount was due to the Respondent from the Claimant under the terms of the Manglej Toll Collection Contract, (b) to direct the Respondents to release the cash security deposit of Rs. 37.50 million furnished by the Claimant and withheld by the Respondent and (c) to direct the Respondent to pay the loss of interest on the total sum of Rs. 37.50 million from the date of expiry of the Manglej toll plaza contract till the passing of the award. The Respondent also filed a counter-claim in the matter. The arbitral tribunal has *vide* its award directed that (a) an amount of Rs. 58.56 million is payable to the Respondent due to breach of contract of the toll collection at Manglej toll plaza by the Claimant and (b) the cash security of Rs. 37.50 million for the franchise contract for Manglej toll plaza, voluntarily offered by the Claimant may stand adjusted against the amount payable to the Respondent. IRBPL had filed a petition before the High Court of Delhi challenging the aforesaid award. The said petition was dismissed by the High Court of Delhi *vide* its order on the ground that it was filed beyond the period of limitation.

5. IRBPL ("**Claimant**") commenced arbitration proceedings with the NHAI ("**Respondent**") before a tribunal consisting of 3 arbitrators under section 32(1) of Arbitration and Conciliation Act, 1996 with regard to disputes relating to the payment of the costs incurred by it during the construction activities in connection with the four laning from Km. 123.000 to 153.000 of Nagpur Hyderabad Section of NH - 7 in the State of Maharashtra. The Claimant has raised a claim for the payment of certain costs of construction incurred by the Claimant upon the instructions of the Respondent. The arbitral tribunal passed an award partly accepting certain claims raised by the Claimant and rejecting the others. The Respondent had filed a petition before the Principal District Judge, Nagpur challenging the arbitral award passed by the arbitral tribunal, which was later withdrawn by the Respondent *vide* an application for withdrawal before the District Judge, Nagpur. The Principal District Judge, Nagpur, has *vide* its order disposed the matter as withdrawn.

Other Proceedings involving IRBPL

1. IRBPL, Thane Ghodbunder Toll Road Private Limited and Mr. Virendra Mhaiskar (the "**Petitioners**") have

filed a writ petition before the High Court of Bombay against the State of Maharashtra (the "**Respondent-1**") and the MSRDC (the "**Respondent-2**") seeking *inter alia* (a) the quashing and setting aside of the notification dated May 26, 2015 issued by the Respondent-1 ("**Impugned Notification**") and (b) a stay on the effects, execution and implementation of the Impugned Notification pending disposal of the final petition. The said reliefs have been sought on *inter alia* the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 partially modifying the toll collection notification dated November 25, 2005 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated December 9, 2005 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.

2. IRBPL, NKTRTPL and Mr. Virendra Mhaiskar (the "**Petitioners**") have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the "**Respondent-1**") and the Executive Engineer, Public Works Circle, Solapur (the "**Respondent-2**") seeking *inter alia* (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 ("**Impugned Notification**"), (b) a stay on the effects, execution and implementation of the Impugned Notification until the disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on *inter alia* the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification dated June 30, 2014 bearing No. PSP.2003/CR.135e/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated November 28, 2001 entered into between the Petitioners and Respondent-2 (on behalf of Respondent-1). The matter is currently pending.

3. IRBPL, MMK Toll Road Private Limited and Mr. Virendra Mhaiskar (the "**Petitioners**") have filed a writ petition before the High Court of Bombay against the State of Maharashtra (the "**Respondent-1**") and the Executive Engineer, Public Works Department, Solapur (the "**Respondent-2**") seeking *inter alia* (a) the quashing of the notification dated May 26, 2015 issued by the Respondent-1 ("**Impugned Notification**"), (b) a stay on the effects, execution and implementation of the Impugned Notification pending disposal of the final petition and (c) passing of an appropriate writ, order and direction directing the Respondent-1 to withdraw and/or de-notify the Impugned Notification. The said reliefs have been sought on *inter alia* the alleged grounds that, (a) the Impugned Notification issued by the Respondent-1 rescinding the toll collection notification bearing No. PSP.2003/CR-223/Road-9 is completely arbitrary and colourable and malafide exercise of power and (b) the Impugned Notification has been passed without any authority and in contravention of the provisions of Section 20 of the Bombay Motor Vehicles Tax Act, 1958 and the concession agreement dated May 29, 2002 entered into between the Petitioners and Respondent-2 (on behalf of the Respondent-1). The matter is currently pending.

Pending Regulatory Action involving IRBPL

1. The RoC by letter called upon IRBPL, amongst other things, to furnish information such as details of investments, e-form 2 and unsecured loans raised by it, under section 234 of the Companies Act, 1956, in respect of balance sheet as at March 31, 2011. Reply to the above letter was sent on behalf of IRBPL by a letter giving the requisite details. No further communication has been received in this regard.

2. The Collector of Stamps (Thane) and Assistant District Collector (Class I), Thane issued a demand notice against IRBPL demanding a payment of Rs. 67.5 million as stamp duty payable for the agreement dated November 27, 2002 between MSRDC, IRBPL and MEP Toll Road Private Limited (the "**Parties**"). In addition to the deficit stamp duty, the Parties have been ordered to pay a penalty of 2% per month on the deficient amount of stamp duty.

3. The Office of the Assistant District Registrar and District Collector of Stamps, Raigad, issued a notice to IRBPL requesting IRBPL to submit their reply as to why for the agreement for recovery of toll given on the principles of BOT, a stamp duty of Rs. 3.97 million and also fine at 2% of stamp duty or not more than the double of the stamp duty from the date of execution of document, which is Rs. 7.94 million, aggregating to a total amount of Rs. 11.92 million should not be recovered from them. IRBPL had replied to the said notice.

4. The Superintending Engineer, Maharashtra State Electricity Distribution Company Limited, Nodal office, Bhiwandi, issued a notice to IRBPL regarding non-payment of monthly electricity charges and outstanding arrears and demanding a payment of Rs. 1.50 million as arrears plus interest. Reply to the above notice was sent by IRBPL. No further communication has been received in this regard.

Completed Regulatory Action involving IRBPL

1. The RoC by letter has issued a show cause notice to IRBPL for violation of Section 211, read with Part-II of Schedule VI of the Companies Act, 1956. The notice states, among other things, that IRBPL has not segregated its assets into repairs and maintenance on machinery, building and other assets as required. IRBPL has submitted its reply by a letter explaining its stand and requesting the RoC to drop the show cause notice. Further, the directors of IRBPL (Mr. Dattatraya P. Mhaiskar, Mrs. Sudha Dattatraya Mhaiskar and Mr. Jayant Dattatraya Mhaiskar) had filed a compounding application before Company Law Board ("**CLB**"). CLB by its order compounded the offence against the three directors on payment of Rs. 3,000 by each defaulter.

Taxation Proceedings

There are two indirect tax proceedings pending against IRBPL, which involve an aggregate amount of Rs. 13.87 million.

Other Matters

IRBPL has received certain notices from the various local and municipal bodies, including *inter alia*, the Thane Municipal Corporation, Dapoda Gram Panchayat and Office of Tehsildar, Kurla, in relation to *inter alia* demands for payment of property tax and increase in land revenue. Further, IRBPL has been issued certain notices demanding payment of deficit stamp duty along with penalty by various stamp authorities during the years 2005-2007. IRBPL has responded to these notices. As on date, no legal proceedings have been initiated in relation to the aforesaid notices.

IV. IRB Ahmedabad Vadodara Super Express Tollway Private Limited ("IAVTPL")

Completed Civil Litigation against IAVTPL

1. Babulal M. Patel and Maganlal M. Patel ("**Appellant**") filed a petition before the Principal Civil Judges' Court, Nadiad against IRB Limited and IAVTPL, Mr. Kulkarni and Mahendrabhai Patel ("**Respondents**"). Thereafter, an announcement was made by the Respondents stating that they had agreed to construct a road at their own cost at a distance of 5 feet from the disputed property of the Appellant. The same would be carried out within period of one month.

2. Kanera Gram Panchayat (the "**Petitioner**") has filed a petition before the High Court of Gujarat against NHAI, Aarve Associates Architects, Engineers and Consultants, Deputy Head Project Construction, IAVTPL (the "**Respondents 1-3**") and Bharat Petroleum Corporation Limited and Indian Oil Corporation Limited (the "**Respondents 4-5**") seeking *inter alia* (a) issuance of writ of mandamus directing Respondents 1-3 to follow the mandate of Section 16(2) of the National Highways Authority of India Act, 1988; (b) directing the Respondent 1-3 to grant hearing to Petitioner before continuing any alteration of the underpass no.1; (c) issuance of writ of mandamus, order or direction to the Respondents 1-3 to continue with the construction of underpass no.2; (d) during pendency of the petition restrain Respondents 1-3 to make any alteration to underpass no.1 or restrain Respondents 4-5 to use underpass no.1. The said relief has been sought on the alleged grounds that utilisation of underpass no. 1 by the Respondents 4-5, which was proposed to be constructed by the Respondents 1-3 for villagers/livestock of the Kanera village and the students/faculty of Dalia institute, led to heavy inconvenience and accidents for the villagers. It was further alleged that the NHAI proposed to build special passage underpass no.2 for the tankers of Respondents 4-5 to reach depot which would have been in further interest of villagers/livestock of the Kanera village and the students/faculty of Dalia institute. However, the said construction was stopped without any plausible justification. IAVTPL has filed its reply dismissing the averments made and the contentions raised by the Petitioner *inter alia* on the grounds that (a) the construction of the underpass has been completed; (b) the vehicular underpass as proposed by the NHAI has been constructed based on the prescribed design specifications and the construction has been approved by the independent engineer appointed by the NHAI and (c) the underpass is open for use to the general public and as of the present day

there is smooth flow of vehicular and pedestrian traffic on the underpass. The High Court of Gujarat has *vide* its order disposed the petition filed by the Petitioner.

3. NHAI ("**Applicant**") has filed a petition before the High Court of Delhi against IAVTPL ("**Respondent**") challenging the award passed by the arbitral tribunal (constituted by signing a supplementary agreement by both the Applicant and Respondent) in relation to the disputes arising between the Applicant and Respondent with regard to concessions/ discounts required to be offered by the Respondent to the users of Ahmedabad-Vadodara Expressway. The said relief has been sought *inter alia* on the alleged grounds that (a) the arbitral tribunal has misconstrued and misinterpreted the provisions in the concession agreement pertaining to the issuance of concessions to the vehicles and local users and (b) the arbitral tribunal completely ignored the unambiguous definitions provided in the concession agreement which clarify the applicability of the concessions/ exemptions sought by the Applicant. The High Court of Delhi has *vide* its judgement set aside the award passed by the arbitral tribunal and, *inter alia*, stated that discounts on the return trips should be reinstated from March, 2017.

Other Proceedings involving IAVTPL

1. IAVTPL (**"Claimant")** initiated arbitration proceedings against NHAI (**"Respondent")** regarding issuance of return tickets, monthly passes and discounted tickets to frequent travellers and local vehicles on Ahmedabad Vadodara Expressway. The Claimant made a claim of Rs. 145.6 million, which would be further accumulated up to final hearing. The Respondent has filed a supplementary counter claim before the arbitral tribunal on the alleged grounds that (a) the Claimant has collected excess amounts for not providing return trip passes to frequent users, (b) the Claimant has collected excess amounts for not providing multiple trip passes to frequent users, and (c) the Claimant has collected excess amounts for not providing monthly passes to frequent users. The arbitral tribunal passed an award allowing the claims for (a) the authority to issue single journey pass without any discounts on the Ahmedabad Vadodara Expressway, (b) an amount of Rs. 248.95 million for losses incurred from July, 2013 to April, 2015 by the Claimant on account of forced issuance of concession passes to the vehicles, (c) the payment of the recurring losses incurred by the Claimant from May, 2015 till effective steps to restore the issuance of single journey pass and cancellation of concessions to locals are implemented and (d) interest on the above amounts. The Respondent filed a petition before the High Court of Delhi for setting aside the award passed by the arbitral tribunal. The High Court of Delhi has *vide* its judgement set aside the award passed by the arbitral tribunal and, *inter alia*, stated that discounts on the return trips should be reinstated from March, 2017. The Claimant has filed an appeal before the divisional bench of the High Court of Delhi challenging the judgement to set aside the award passed by the single judge of the High Court of Delhi. The matter is currently pending.

Pending Regulatory Action involving IAVTPL

1. Chief Labour Commissioner, Ministry of Labour and Employment (Central) issued a notice to IAVTPL directing IAVTPL to obtain Form V and other necessary documents from the NHAI for obtaining fresh labour license and show cause as to why their registration certificate dated October 10, 2014 should not be revoked under Section 8 of the Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation and Abolition), Central Rule, 1971. IAVTPL has replied *vide* its letter stating that IAVTPL had obtained the official labour license number ALC/ADI/46(4)/ 2013 on January 15, 2013 and has further requested to cancel the registration certificate which was issued to IAVTPL as a principal employer in respect of NHAI under Contract Labour (Regulation and Abolition) Act, 1970.

Taxation Proceedings

There is one direct tax proceeding pending against IAVTPL, which involves an aggregate amount of Rs. 3.15 million.

V. IRB Kolhapur Integrated Road Development Company Private Limited ("IKIRDCPL")

Pending Civil Litigation against IKIRDCPL

1. IKIRDCPL had filed a writ petition in the High Court of Bombay, seeking adequate police protection for each of the nine toll plazas and other establishments under the comprehensive integrated road development project at Kolhapur ("**Project**") so as to ensure that the collection of toll at the Project be commenced

without interference. IKIRDCPL has further alleged that the Kolhapur Municipal Corporation had delayed the issuance of the provisional certificate, which was to be issued upon completion of 95% of the Project, which would allow it to start collection of the toll. The Bombay High Court by its order granted police protection to IKIRDCPL for assisting them in the collection of toll at the Project. Other writ petitions and public interest litigation were filed in relation to the aforesaid Project, which were dismissed by the High Court of Bombay by its common order (the "**Order**"). Subsequently, special leave petitions have been filed by Subhash Popatrao Wani and two others before the Supreme Court of India under Article 136 of Constitution of India against the Order. IKIRDCPL has filed its reply in relation to the special leave petitions filed before the Supreme Court of India. One of the petitioners has also filed its rejoinder in the matter. The matter is currently pending.

2. New Shivaji Timber Market Association through its members (the "**Petitioner**") have filed a writ petition before the High Court of Bombay against IKIRDCPL, Kolhapur Municipal Corporation ("**KMC**") and others, (collectively the "**Respondents**"). The Petitioner had alleged that the plot given to IKIRDCPL for commercial purposes on lease was earlier reserved to be allotted to the Petitioner for timber market business. The Petitioner has *inter alia* sought that (a) the purported de-reservation and/or allotment of land to IKIRDCPL be struck down, (b) Resolution No. 559 dated April 20, 2007, Resolution No. 102 dated March 19, 2013, Resolution No. 79 dated March 1, 2014 and Resolution No. 184 dated March 20, 2015 be quashed, (c) to allot each of the member of the Petitioner an alternative plot of land to pursue their said business in timber trade and (d) to recover the plot allotted to IKIRDCPL through MSRDC. The matter is currently pending.

3. Mr. Nivrutti Tukaram Chawgole and certain others (collectively the "**Petitioners**") has filed a civil suit before Civil Judge (Senior Division), Kolhapur, against IKIRDCPL, Kolhapur Municipal Corporation ("**KMC**") and others (collectively the "**Respondents**"). The Petitioners have sought that the Respondents be restricted to carry out the work on the IKIRDCPL road project as the estimated cost of the project is too high and the necessary land has not been acquired by KMC. The Petitioners have further sought that a fresh tender be issued for the construction of roads and tolls in Kolhapur. IKIRDCPL has filed its reply in the suit. The matter is currently pending.

4. Mr. Jairaj Koran Wellayan (the "**Plaintiff**") has filed a civil suit before the Court of Civil Judge (Senior Division), Kolhapur, against IKIRDCPL and six others (the "**Defendants**") for a mandatory injunction against IKIRDCPL directing them to remove the illegal construction of their toll booth on the northern side of Shahu Naka on the old Pune-Bangalore highway and thus give access through 50'east-west road to the society of the Plaintiff, i.e., Vaibhav Corporation Housing Society. The Plaintiff has alleged that IKIRDCPL has not obtained any appropriate legal permission from the concerned departments for carrying out the construction to close the 50'east-west road. IKIRDCPL has filed its reply. The matter is currently pending.

5. IKIRDCPL and Dhananjay K. Joshi (collectively the "**Petitioners**") have filed a writ petition before the High Court of Bombay against the State of Maharashtra, Maharashtra State Road Development Corporation Limited ("**MSRDC**"), Kolhapur Municipal Corporation and Public Works Department seeking *inter alia* that (a) a writ of mandamus or in the nature of mandamus or any other writ, order and/or direction be passed to quash or set aside the notification dated January 22, 2015 constituting the committee for suggesting alternative to toll and all actions taken by the said committee and (b) a writ of mandamus or in the nature of mandamus or any other writ, order and/or direction be passed to quash or set aside the notification dated February 9, 2015 constituting the committee for re-valuation of the IKIRDCPL project and all actions taken by the said committee. The said relief has been sought *inter alia* on the alleged ground that the notification dated January 22, 2015 and notification dated February 9, 2015 constitute an unlawful and illegal interference with the Petitioner's statutory right to collect toll under the toll collection notification dated December 17, 2011 for the duration of 30 years.

6. Kiran Pawar and another (the "**Petitioners**") have filed a special leave petition against IKIRDCPL and others. The Petitioners have prayed that the special leave to appeal under Article 136 of the Constitution of India against the judgment and order passed by the High Court of Bombay on October 14, 2014 be granted. IKIRDCPL is yet to file its reply in the matter. The matter is currently pending.

7. Mr. Bhagwan Shankarrao Patil (the **"Plaintiff"**) has filed a suit the Court of Civil Judge (Senior Division) Kolhapur, against Commissioner (Kolhapur Municipal Corporation), IRB Kolhapur and others (the **"Defendants"**) for issuing a permanent injunction against the Defendants from entering into the premises

of the Plaintiff and carrying out any drainage work. The Plaintiff has alleged that the Defendants have demolished the compound wall and the gate of the compound of the Plaintiff's house illegally and forcefully without paying heed to the objection of the Plaintiff's wife which caused her a mental shock. The Plaintiff has prayed that the Defendants be ordered to reinstate the compound wall at their own cost. IRB Kolhapur has filed its reply. The Court of Civil Judge (Senior Division) Kolhapur passed an order dismissing suit. Further, the Plaintiff has preferred an appeal before the Court of Principal District Judge, Kolhapur seeking that the order passed be set aside on *inter alia* the alleged grounds that, (a) the appreciation of the oral and documentary evidence is grossly faulty and (b) there is sufficient evidence that the compound wall allegedly demolished by the Respondent had been standing within the eastern boundary limits of the suit property from the beginning without any complaints. The Plaintiff has also filed an application for injunction. IRB Kolhapur has filed its reply to the injunction application dismissing the averments made by the Plaintiff. The matter is pending.

Completed Civil Litigation against IKIRDCPL

1. The High Court of Bombay *vide* its common order directed that the public interest litigation filed by Kiran Pawar and Chandramohan Patil ("**Petitioners**") be dismissed. The Petitioners had filed the said public interest litigation against General Manager- IKIRDCPL, Virendra Mhaiskar, MSRDC, Kolhapur Municipal Corporation, Collector of Kolhapur, State of Maharashtra and SOWIL ("**Respondents**") and sought that the resolutions passed by Kolhapur Municipal Corporation be declared ultra vires and the imposition of toll be declared illegal.

2. The High Court of Bombay *vide* its common order directed that the writ petition filed by Shahaji Hindurao Patil and Padmakar Dattatrya Patil ("**Petitioners**") be dismissed. The Petitioners had filed the said petition against IKIRDCPL, MSRDC, Kolhapur Municipal Corporation, State of Maharashtra and Secretary Urban Development Department ("**Respondents**") and sought to set aside the concession agreement to the extent of collection of toll before obtaining the final completion certificate.

3. The High Court of Bombay *vide* its common order directed that the public interest litigation filed by Subhash Popatrao Wani, Jaisingh Pandurang Naik and Shivajirao Prabhakar Parulekar ("**Petitioners**") before the High Court of Bombay against IKIRDCPL, MSRDC, Kolhapur Municipal Corporation, State of Maharashtra and SOWIL Private Limited ("**Respondents**") be dismissed. The said public interest litigation was instituted by the Petitioners seeking *inter alia* that (a) the notification bearing notification number KMC/1707/303/CR-209/07/UD-25 dated January 24, 2008 be declared ultra vires and void, (b) the concession agreement dated July 10, 2008 be declared ultra vires of the constitution, non-est and violative of fundamental rights and (c) issue any other writ, order or direction directing the Petitioners to not impose toll on municipal roads.

4. The High Court of Bombay had in its order dismissed the public interest litigation filed by Amit Atigre and others ("**Petitioners**") on against IKIRDCPL, MSRDC, Kolhapur Municipal Corporation, Collector of Kolhapur and State of Maharashtra ("**Respondents**") on the grounds that the grievance put forth by the public interest litigation is ill advised and that the Petitioners have made incorrect assumptions in relation to the obligations of the Respondents under the concession agreement.

5. The High Court of Bombay had passed an order dismissing the public interest litigation filed by Major Sanjay Sadashivrao Shinde ("**Petitioners**"). The Petitioners had filed the said public interest litigation against IKIRDCPL and others ("**Respondents**") seeking that the collection of toll be stayed, as the project work was being conducted in a substandard way and not as per the specifications laid down in the contract.

6. The Civil Judge, Senior Division, Kolhapur had passed an order disposing the civil suit filed by Balkrishna Mardane against State of Maharashtra through the Collector of Kolhapur, The Commissioner of Kolhapur Municipal Corporation and the Manager of IKIRDCPL ("**Defendants**") directing the municipal corporation to sympathetically consider the request of the Plaintiff and sanction the construction plan as per the applicable rules.

7. The District Consumer Disputes Redressal Forum, Kolhapur *vide* its order directed that the complaint filed by Bhalchandra Atmaram Nikarage (the "**Complainant**") be disposed. The Complainant had filed the complaint against IKIRDCPL and others (collectively the "**Opponents**") however had not appeared for the proceedings.

8. New Shivaji Timber Market Association through its members (the "**Appellant**") have filed a civil suit before Civil Judge (Senior Division), Kolhapur, against IKIRDCPL, Kolhapur Municipal Corporation ("**KMC**") and others, (collectively the "**Respondents**"), alleging that the plot given to IKIRDCPL for commercial purposes on lease for 99 years was used by the Appellant for timber market business, after which the same was reserved for playground. The Appellant sought that the aforementioned plot should be taken back from IKIRDCPL and the plan of construction of a hotel by Aryan Hospitality Private Limited, a subsidiary of IKIRDCPL, should not be carried out. IKIRDCPL has filed its reply in the suit. The Civil Judge (Senior Division), Kolhapur has *vide* its order disposed the matter as withdrawn without ordering any costs.

9. Mr. Ramesh Ramchandra Badi and Mr. Narayan Gundu Powar (collectively the "**Plaintiffs**") have filed a civil suit before the court of Civil Judge (Senior Division), Kolhapur, against IKIRDCPL and others (collectively the "**Defendants**"). The Plaintiffs have prayed that the concession agreement dated July 10, 2008 for the implementation of Kolhapur Integrated Road Development Project in the city of Kolhapur be declared illegal, void and not binding on the citizens of Kolhapur as the same is alleged to be sanctioned by fraud and undue influence. The Plaintiffs have also alleged that the concession agreement is not stamped and as required by law. IKIRDCPL has filed its written statement in the suit. The Joint Civil Judge (Senior Division), Kolhapur has passed an order dismissing the suit for want of prosecution.

Pending Regulatory Action involving IKIRDCPL

1. The Deputy Commissioner, Kolhapur Municipal Corporation, has sent ten demand notices involving an amount of Rs. 42.34 million to IKIRDCPL *inter alia* in relation to the payment of property tax for the land bearing Land Survey No. 18 A/1 and 18 A/2 which was leased to IKIRDCPL for commercial purposes. IKIRDCPL has replied to the same.

VI. IRB Pathankot Amritsar Toll Road Private Limited ("IPATRPL")

Pending Criminal Litigation against IPATRPL

1. Mr. Gurudev Singh (the **"Complainant"**) has filed a first information report under section 154 of the Code of Criminal Procedure, 1973, against IPATRPL and its contractor, J.S Grover, alleging that his brother-in-law's son fell down in the ditch and remained in the ditch all night due to unconsciousness on the service road which was under the maintenance of IPATRPL. The Complainant's brother-in-law's son was taken to the hospital next morning and died due to serious injuries. The matter is pending.

2. Mr. Sarvan Singh (the **"Complainant"**) has filed a first information report under section 154 of the Code of Criminal Procedure, 1973, against the road's project manager of IPATRPL, alleging that his nephew fell in the ditch on the road and suffered serious injuries. The road was being managed by IPATRPL and the Complainant has alleged that the accident happened due to the absence of any indicator for stopping anybody from going that way. The matter is pending.

Completed Civil Litigation against IPATRPL

1. Mr. Sartaj Singh (the "**Petitioner**") filed an application for contempt of court before the Additional Civil Judge, Senior Division, Batala against the Project Director of IPATRPL (the "**Respondent**") and others for not complying with the decree passed by the Additional Civil Judge (Senior Division), Batala, where a permanent injunction was passed restraining the Respondents from interfering in the possession of the Petitioner over the suit land. Additional Civil Judge, Senior Division, Batala passed an order declaring that the application is not maintainable and dismissed the same with costs.

2. Mr. Sartaj Singh (the **"Petitioner"**) has filed a petition before the Additional Civil Judge (Senior Division), Batala, against the Project Director of IPATRPL and others (collectively, the "**Respondents**") for restraining the Respondents from interfering in the ownership as well as cutting of trees on the land admeasuring 51 kanals 6 marlas situated in village Sekhpur ("**Land**"). The Additional Civil Judge (Senior Division), Batala, passed a decree for permanent injunction restraining the Respondents from interfering in the Land illegally and forcibly ("**Decree**"). The Petitioner has alleged that the Respondents deliberately violated the Decree by interfering in the Land for the purposes of encroachment in and over the Land and for cutting of trees standing on the Land. The Petitioner further filed an application for compliance of the Decree, issuance of contempt order against the Respondents, detention of Respondents in civil prison and

the attachment of their personal properties. IPATRPL has filed its reply. The Additional Civil Judge (Senior Division), Batala, has *vide* its order dismissed the application with costs.

Pending Regulatory Action involving IPATRPL

1. Employees' State Insurance Corporation, sub-regional office Marol ("**ESI**") issued a notice to IPATRPL demanding payment of Rs. 83,637 towards pending employers' contributions and employees' contributions required to be paid by IPATRPL, in its capacity as the principal employer, under Section 40 read with Section 39 of the Employees' State Insurance Act, 1948. Further, ESI has also directed IPATRPL to show cause as to why the assessment of an amount of Rs. 5.83 million towards contributions payable in respect of the employees should not be recovered from IPATRPL. IPATRPL has replied to the aforementioned notice. No further communication has been received in this regard.

VII. Mhaiskar Infrastructure Private Limited ("MIPL")

Pending Civil Litigation against MIPL

1. Ms. Juilee Dipak Patil (the "**Plaintiff**") has filed a suit before the Court of Civil Judge (Junior Division) at Khalapur, Raigad, against MIPL (the "**Defendant**") for perpetual injunction, for removal encroachment and for other consequential relief, and also filed separate application for temporary injunction. The Plaintiff has alleged that the contractors of the Defendant forcefully entered the property that belongs to the Plaintiff and started removing and carrying the soil and draining sewage water in the property belonging to the Plaintiff. The Civil Judge (Junior Division), Khalapur *vide* its order has partly allowed the application for temporary injunction and restrained the Defendant or any person on its behalf from draining sewage water in the property belonging to the Plaintiff and obstructing the possession and enjoyment of the Plaintiff over the said property till further orders. MIPL has filed an appeal against the order before the District Judge, Raigad at Alibaug. The matter is pending.

2. Pravin P. Wategaonkar and certain others (the "**Petitioners**") have filed a public interest litigation before the High Court of Bombay against the Chief Minister of the State of Maharashtra, MIPL, the Anti-Corruption Bureau and certain others (the "**Respondents**") seeking, *inter alia*, that (a) an appropriate writ, order and/or direction be issued to the effect of revoking MIPL's right to collect toll on the Mumbai-Pune Expressway till August 2019; (b) an appropriate writ, order and/or direction be issued to the effect of calling for the documents and records in respect of closing 12 toll plazas and granting exemption to Light Motor Vehicles ("**LMV**") from payment of toll at 53 other toll booths and after examining the legality, validity and propriety thereof, declaring that the procedure followed in granting exemption to LMVs from payment of toll is violative of the mandate of Article 14 read with Article 19(1)(g) and Article 21 of the Constitution of India and is therefore illegal and void; (c) to issue appropriate writ, order and/or direction to the Anti-Corruption Bureau to register a case under the Prevention of Corruption Act, 1988, the Indian Penal Code, etc. for wrongful gain in excess of contracted cash-flow income on the Mumbai-Pune Expressway; and (d) pending hearing and final disposal of the said petition, an appropriate writ, order and/or direction be issued to appoint a court receiver to supervise toll collection on Mumbai-Pune Expressway and deposit it in an escrow account. The said relief has been sought on, *inter alia*, the alleged grounds of (a) wrongful gain in excess of contracted cash flow income and (b) under reporting of toll income. The matter is pending.

For details in relation to a pending civil litigation against MIPL and IRBPL, please see "- *Pending Litigation against IRBPL*"

Completed Civil Litigation against MIPL

1. Citizens' Unity Forum, Panvel (the "**Petitioner**") had filed a public interest litigation before the High Court of Bombay against the State of Maharashtra, City and Industrial Development Corporation of Maharashtra Limited, Panvel Municipal Council, Maharashtra State Road Development Corporation, Commissioner of Police and MIPL (collectively the "**Respondents**") seeking *inter alia* that,(a) a writ of mandamus or any other writ of appropriate nature be issued directing the Respondents to remove the impediments and encroachments to ensure hassle free traffic movement from Palspephata- Panvel to Kalamboli-Rohinjan and upto Shilphata and (b) that the Court take stringent deterrent action against concerned authorities who had not performed their duties. The said relief had been sought on the grounds that (a) the free flow of traffic could not be maintained on the stretch of land between Phata-Panvel to Kalamboli Rohinjan and

upto Shilphata due to road side constructions and unauthorized parking of heavy vehicles along the road, (b) there were unauthorized encroachments in the form of road side constructions which could not be removed by civic authorities or Government contractors and (c) the Respondents had failed to fulfil their duty of constructing widened roads for smooth traffic movement. The High Court of Bombay has dismissed the public interest litigation.

Other Proceedings involving MIPL

1. MIPL (the "**Petitioner**") has filed a writ petition before the High Court of Bombay, against Maharashtra State Road Development Corporation ("**MSRDC**"). The Petitioner had entered into an agreement with MSRDC in the year 2004, wherein it was required to act as an agent of MSRDC for the purpose of expansion of roads and construction of bridges on NH No. 4. The Petitioner was required to pay MSRDC upfront amount of Rs. 9,180 million on or before August 15, 2008. The Collector of Stamps and other authorities called upon the Petitioner to pay the deficit stamp duty of Rs. 275.4 million along with the penalty of Rs. 49.57 million levied from the date of the execution of the agreement to the date of issuance of the notice by the Collector of Stamps, under the Bombay Stamp Act, 1958. An order was passed by the High Court of Bombay wherein it placed the petition to be heard along with similar petitions before the Chief Justice for further appropriate orders. The matter is currently pending.

For details in relation to other civil proceedings involving MIPL, please see "- *Pending Civil Litigation against IRBPL*"

Other Matters

MIPL has received certain notices from the various local and municipal bodies, including *inter alia*, the Pimpri Chinchwad Municipal Corporation, the Khopoli Municipal Council and the Lonavala Municipal Council, in relation to demands for payment of property tax. Further, MIPL has received one tax payment receipt from MSRDC with respect to a demand for payment of property tax. As on date, no legal proceedings have been initiated in relation to the aforesaid notice. MIPL has also received notices from the sub-divisional office, Irrigation Department, Raigad, offices of the Tehsildar, Khalapur, Circle Officer, Vavoshi, Range Forest Officer, Khalapur and Maharashtra Pollution Control Board, *inter alia* in relation to failure to provide adequate treatment plant and disposal arrangement, tree cutting by miscreants and approach to agricultural land and temple.

VIII. NKT Road and Toll Private Limited ("NKTRTPL")

Pending Regulatory Action involving NKTRTPL

1. The Collector of Stamps, Solapur sent a demand notice to NKTRTPL demanding a sum of Rs. 323,000 as deficit stamp duty and penalty on the agreement dated November 28, 2001 executed between the Maharashtra State Road Development Corporation, IRBPL and NKTRTPL. NKTRTPL replied by denying the payment of deficit stamp duty on the alleged grounds that (a) the purported demand of deficit amount of stamp duty was made payable by citing the provisions included in section 63 of the Bombay Stamp Act, 1958 *vide* amendment 12 of 2006 which came into effect on May 1, 2006 and whereas the agreement was already executed prior to the amendment and (b) section 63 of the Bombay Stamp Act, 1958 does not have a retrospective effect.

Other Proceedings involving NKTRTPL

For details in relation to other proceedings involving NKTRTPL, please see *"- Other Proceedings involving IRBPL"*

IX. MMK Toll Road Private Limited ("MMKTRPL")

Pending Regulatory Action involving MMKTRPL

1. The Collector of Stamps, Solapur sent a demand notice to MMKTRPL demanding a sum of Rs. 152,000 as deficit stamp duty and penalty on the agreement dated May 29, 2002 executed between the Maharashtra State Road Development Corporation, IRBPL and MMKTRPL. MMKTRPL filed a reply denying the payment of deficit stamp duty on the alleged grounds that (a) the purported demand of deficit amount of

stamp duty was made payable by citing the provisions included in Section 63 of the Bombay Stamp Act, 1958 *vide* amendment 12 of 2006 which came into effect on May 1, 2006 and whereas the agreement was already executed prior to the amendment and (b) section 63 of the Bombay Stamp Act, 1958 does not have a retrospective effect. The Collector of Stamps passed a final order directing MMKTRPL and IRBPL to pay the deficit stamp duty and penalty. The order also stated that failure to deposit the aforementioned amount within seven days would result in the initiation of the recovery action of the said amount as per the Maharashtra Land Revenue Code, 1966 and the toll would be sealed.

Other Proceedings involving MMKTRPL

For details in relation to other proceedings involving MMKTRPL, please see *"- Other Proceedings involving IRBPL"*

X. Thane Ghodbunder Toll Road Private Limited ("TGTRPL")

Pending Civil Litigation against TGTRPL

For details in relation to a pending civil litigation against TGTRPL, please see *"- Pending Civil Litigation against IRBPL"*

Other Proceedings involving TGTRPL

For details in relation to other proceedings involving TGTRPL, please see *"- Other Proceedings involving IRBPL"*

D. Material Litigation and Regulatory Action against the Investment Manager, the directors, promoters and Associates of the Investment Manager

Pending Civil Litigation against the Investment Manager

1. Anishaben ("**Appellant**") preferred an appeal before the Additional District Judge of Nadiad against Special Land Acquisition Officer, the Investment Manager, NHAI and Collector, Kheda ("**Respondents**") seeking that the order ("**Order**") passed by the Additional Senior Civil Judge, Nadiad be dismissed on account of erroneous assessment of documental proofs and other proofs. Pursuant to the Order, the Appellant's tentative stay order under Order 39 Rule 1 of the CPC was rejected by the Additional Senior Civil Judge, Nadiad on the grounds that the public interest would be hampered if the stay was imposed. The Appellant had originally filed a civil case bearing No. 168 of 2015 before the Principal Senior Civil Judge, Nadiad against the Respondents seeking that the Respondents be prohibited from constructing, farming, entering the Appellant's land or constructing any illegal structure on the ground that the alleged construction by Respondents resulted in causing damage to the crops of the Appellant and was done without completing the procedure for land acquisition. The matter is currently pending.

Pending Regulatory Action against the Investment Manager

1. The Assistant Conservator of Forests, Forest Department, Pune, has issued notice to the Investment Manager directing to show cause as to why no legal proceedings should be initiated against the Investment Manager under the provisions of the Indian Wildlife Protection Act, 1972, for negligence on the part of the Investment Manager in the installation and repairing of the compound adjourning the Mumbai – Pune Expressway which is meant to prevent wild animals from entering the highway. Such negligence resulted in the death of 1 (one) male leopard. The notice demands the Investment Manager to record its statement personally in the offices of the Assistant Conservator of Forests, Forest Department, Pune. MIPL has replied to the said notice. No further communication has been received in this regard.

Material Litigation and Regulatory Action against the Associates of Investment Manager

The details of the material litigation and regulatory action against the promoter of the Investment Manager, namely the Sponsor, the group companies and any other company or body corporate with the same promoters as the Investment Manager, namely the subsidiaries and Associates of the Sponsor, have been included elsewhere in this section.

E. Material Litigation and Regulatory Action against the Project Manager, the directors, promoters and Associates of the Project Manager

Pending Criminal Litigation against the Project Manager

1. Shiraben Sandipbhai Mistry and another (the "**Applicants**") have lodged a claim application before the Motor Accident Claim Tribunal at Patan against the Project Manager and others (the "**Respondents**") seeking an amount of Rs. 40 million as compensation and reserving the right to increase the amount of the claim to Rs. 101.60 million. The Applicants have sought the said relief on the alleged grounds that the Project Manager had negligently parked a roller on the newly constructed bridge opposite to Swaminarayan Park which resulted in the death of Sandipbhai Dineshchandra Mistry. The Project Manager has filed its written statement. The matter is currently pending.

Pending Civil Litigation against the Project Manager

1. Mr. Arjun Rama Ghatal has filed a complaint against the Sponsor and the Project Manager (the "**Opponents**") before the office of Tahasildar and Executive Magistrate, Palghar, for payment of land cess and compensation for possession of land by installing tar plant machine of the Sponsor at land situated at Mauje Wada the Sponsor has filed its replies. The matter is currently pending.

2. Pune Mazdhoor Sanghtana ("**Complainant**") has filed a complaint before the Industrial Court, Pune against the Project Manager ("**Defendant**") for resorting to unfair labour practices under the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 by threatening to and forcibly transferring and terminating services of its members and providing them with comparatively lower salaries. The Complainant has sought *inter alia* that till the time of pendency of the complaint, the Defendant should not terminate services of the concerned employees or transfer the concerned employees and the Defendant should be directed to increase the salary of the concerned employees by Rs. 10,000. The Defendant has filed its reply in the matter. The matter is currently pending.

3. The Project Manager and another (the "**Appellants**") had filed an appeal before the Senior (Upper) Collector, Palghar against the order passed by the Sub-Divisional Officer, Vasai demanding the payment of penalty amounting to Rs. 50.54 million in relation to allegedly paying insufficient royalty for the earth mining carried on by them for construction of certain bridges. The Appellants had sought *inter alia* the quashing and setting aside of the order passed by the Sub-Divisional Officer, Vasai on *inter alia* the following grounds that (a) the Sub-Divisional Officer, Vasai had not considered the payment of royalty made by the Appellants to the Collector, Palghar, Sub-Divisional Officer, Bhiwani and Tahsildar, Bhiwandi, respectively and (b) the Sub-Divisional Officer, Vasai had ignored the facts that the Appellants could not be owners of all the lands from which they are taking mud, murum, etc. for construction and hence in the alternative they were paying royalty to private person from whom such mud has been obtained. The Appellants had also filed an application for interim stay before the Collector, Palghar seeking to stay the operation of the order and judgement passed by the Sub-Divisional Officer, Vasai pending hearing and final disposal of the appeal. The (Upper) Collector, Palghar *vide* its order had allowed the application and granted stay to the order passed by the Sub-Divisional Officer, Vasai, till the final disposal of the appeal. Further, the (Upper) Collector, Palghar *vide* its order had partly allowed the appeal filed by the Appellants and cancelled the order passed by the Sub-Divisional Officer and directed the Sub-Divisional Officer to re-decide the matter after considering the observations made in the order passed by the (Upper) Collector, Palghar. The matter is currently pending.

Completed Civil Litigation against the Project Manager

1. Manjunath Sukrayya Naik ("**Plaintiff**") had filed a civil suit before the Additional Civil Judge, Bhatkal against the Project Manager and others ("**Defendants**") seeking to restrain the Defendants from constructing any structure and from establishing crusher unit, stone quarry and mixing plant in the suit land despite having received a no-objection certificate from the Gram Panchayat of Bengre. The Additional Civil Judge, Bhatkal, had passed an order (the "**Order**") in favour of the Defendants on the grounds that the Plaintiff was unable to make out a *prima facie* case against the Defendant in order to entitle him to receive the sought relief. The Project Manager had filed a caveat petition before the Civil Judge (Senior Division), Bhatkal seeking a right to oppose any ex-parte order for the stay of operation of the Order. The Plaintiff had preferred an appeal against the Order. The Senior Civil Judge, Honavar dismissed the appeal *vide* its order.

Pending Regulatory Action against the Project Manager

1. The Registrar, District Court, Ahmedabad, has issued a show cause notice to the Project Manager to show cause as to why no legal proceedings should be initiated against the Project Manager for carelessness and negligent driving on the part of driver of the motor vehicle belonging to the Project Manager which resulted in the death of one, Ramjibhai Senma. The Project Manager has filed its written statement in this matter.

2. Collector, Mahisagar Office, Lunawada issued a notice to the Project Manager alleging that the Project Manager used agricultural land at Othwad having Survey No. 1403, 1404, 1391/1, 1392, 1384, 1385 for constructing quarry without taking the prior approval of the Gram Panchayat. The notice demands an explanation for such non-agricultural use of land within 7 days of receipt of the said notice and production of evidence of approval of the Gram Panchayat, if taken. The Project Manager sent a letter to the Collector, Mahisagar Office, Lunawada requesting permission to operate the quarry and guaranteeing rectification of the errors. Collector, Mahisagar Office, Lunawada has granted permission.

3. The Regional Labour Commissioner, Baroda issued a show cause notice to the Project Manager to show cause as to why legal action should not be initiated for contravention of Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (the **"Act"**) and Rules made thereunder, further to the occurrence of an accident causing loss of life of Meshubhai V. Kharediya on February 11, 2015 at the building and construction site of the Project Manager at Dumad Chokdi flyover. The aforesaid notice alleged that the Project Manager did not report an accident within four hour hours of its occurrence. The Project Manager *vide* its letter replied to the Regional Labour Commissioner, Baroda submitting the form XIV under the Act. No further communication has been received in this regard.

4. The Labour Department, Government of Karnataka has issued a notice to the Project Manager in relation to registration of labourers of contractors and migrant workers. The Project Manager has replied to the said notice.

5. The Assistant Director (Cost Audit Branch), Ministry of Corporate Affairs, has vide its email to the Project Manager, sought certain clarifications in relation to the cost auditor's report and the annexure thereto, as submitted by the Project Manager for financial year 2015-2016. The Project Manager has responded to the aforesaid email by way of its letter setting out the relevant details. No further communication has been received in this regard.

Other Matters

The Project Manager has received eight notices from the various local and municipal bodies, including *inter alia*, the Chandoli Gram Panchayat, the Kasurdi Gram Panchayat and the Kadamvakvasti Gram Panchayat in relation to demands for payment of property tax, involving an aggregate amount of Rs. 0.55 million. ATRPL has replied to these notices stating that property tax is not applicable on toll plazas.

Taxation Proceedings

There are five direct tax proceedings pending against Project Manager, which involve an aggregate amount of Rs. 49.64 million. Further, there are eight indirect tax proceedings pending against the Project Manager, which involve an aggregate amount of Rs. 19.82 million.

Material Litigation and Regulatory Action against the directors of the Project Manager

Completed Criminal Litigation against the directors of the Project Manager

1. Srinivas A (on behalf of the State of Karnataka) (the "**Complainant**") had filed a complaint against Mr. Ajay Deshmukh (occupier of the Project Manager) (the "**Accused**") alleging that an employee, Mohammed Rafiulla, died due to a negligent act of the Accused and the same is in contravention of Section 7(A)(1) of the Factories Act, 1948 and Rule 3(1) and 79 of the Karnataka Factories Rules, 1969, which is punishable under Section 92 of the Factories Act, 1948. The Principal Civil Judge and Judicial Magistrate First Class, Hiriyur passed a judgement acquitting the Accused.

For additional details in relation to litigation and regulatory action involving the directors of the Project Manager,

please see- "*Completed Criminal Litigation against the Sponsor*"

Pending Civil Litigation against the directors of the Project Manager

For details in relation to an additional civil proceeding involving the directors of the Project Manager, please see "- *Pending Civil Litigation against ISDTPL*" and "*Pending Civil Litigation against IKIRDCPL*".

Material Litigation and Regulatory Action against the Associates of the Project Manager

The details of the material litigation and regulatory action against the promoter of the Project Manager, namely the Sponsor, and the group companies, and any other company or body corporate with the same promoters as the Project Manager, namely the subsidiaries and Associates of the Sponsor, have been included elsewhere in this section.

F. Material Litigation and Regulatory Action against the Trustee

Pending Civil Litigation against the Trustee

1. Hubtown Limited (the "**Plaintiff**") had filed a case before the High Court of Bombay against the Trustee and its directors (the "**Defendants**") for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorize the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is Rs. 3000 million. The matter is currently pending.

2. SBI Cap Trustee (the "**Plaintiff**") had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is Rs. 1,550.3 million. The matter is pending.

3. Balmer Lawrie and Company Limited and another (the "**Plaintiffs**") had filed a petition before the Calcutta High Court against the Trustee and certain others (the "**Defendants**") challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have *inter alia* sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being Rs. 237.12 million and (b) interest at the rate of 18% per annum on the decreetal amount. The matter is currently pending.

Summary of Material Litigation and Regulatory Action

A summary of material litigation and regulatory action involving the Project SPVs is as follows:

Nature of Proceeding	No. of Proceedings	Amount Involved* (*Rs. in Millions*)
IDAAIPL		
Civil Litigation		
- Pending civil litigation	*Nil*	*Not Applicable*
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	1	9.37
Other Matters	*Nil*	*Not Applicable*
IJDTPL		
Civil Litigation		
- Pending civil litigation	2	*Cannot Be Ascertained*
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	11(1)	21.05**
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
ISDTPL		
Civil Litigation		
- Pending civil litigation	2(2)(3)	50.50**
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	1	8.38
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
ITCTPL		
Civil Litigation		
- Pending civil litigation	*Nil*	*Not Applicable*
- Completed civil litigation	1	*Nil*(4)
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*

Nature of Proceeding	No. of Proceedings	Amount Involved* (*Rs. in Millions*)
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
ITATPL		
Civil Litigation		
- Pending civil litigation	*Nil*	*Not Applicable*
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
MITPL		
Civil Litigation		
- Pending civil litigation	25	*Cannot Be Ascertained*
- Completed civil litigation	6	*Cannot Be Ascertained*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	1	9.46
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*

**Amounts indicated are to the extent ascertainable.*
*** Subject to additional interest.*
(1) The promoter of the Sponsor is also an impleaded party.
(2) Includes 1 (one) pending civil proceeding where the Sponsor is also an impleaded party.
(3) Includes 1 (one) pending civil proceeding where the IRBPL is also an impleaded party.
(4) Subject to arbitration costs amounting to Rs. 0.6 million.

A summary of material litigation and regulatory action, whether pending or completed in the five years immediately preceding the date hereof, against (i) the Trust, the Sponsor, the Investment Manager, the Project Manager, the Trustee, and (ii) the Associates (as defined under the InvIT Regulations) of the Trust, the Sponsor, the Project Manager and the Investment Manager, is as follows:

Nature of Proceeding	No. of Proceedings	Amount Involved* (Rs. in Millions)
Trust		
-	*Nil*	*Not Applicable*
Sponsor		
Civil Litigation		

Nature of Proceeding	No. of Proceedings	Amount Involved* (Rs. in Millions)
- Pending civil litigation	2(1)(2)	*Cannot Be Ascertained*
- Completed civil litigation	5	*Cannot Be Ascertained*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	1(3)	*Cannot Be Ascertained*
Regulatory Action		
- Pending regulatory action	9	0.03
- Completed regulatory action	1	0.29**
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	1	83,340 Pound Sterling
Investment Manager		
Civil Litigation		
- Pending civil litigation	1	*Cannot Be Ascertained*
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	1	*Cannot Be Ascertained*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
Project Manager		
Civil Litigation		
- Pending civil litigation	3(4)	50.54
- Completed civil litigation	1	*Cannot Be Ascertained*
Criminal Litigation		
- Pending criminal litigation	1	101.60
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	5	*Cannot Be Ascertained*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	5	49.64
- Indirect tax proceedings	8	19.82
Other Matters	8(5)	0.55
Trustee		
Civil Litigation		
- Pending civil litigation	3	4,787.42**
- Completed civil litigation	*Nil*	*Not Applicable*
Criminal Litigation		
- Pending criminal litigation	*Nil*	*Not Applicable*
- Completed criminal litigation	*Nil*	*Not Applicable*
Regulatory Action		
- Pending regulatory action	*Nil*	*Not Applicable*
- Completed regulatory action	*Nil*	*Not Applicable*
Other Proceedings	*Nil*	*Not Applicable*
Taxation Proceedings		
- Direct tax proceedings	*Nil*	*Not Applicable*

Nature of Proceeding	No. of Proceedings	Amount Involved* (Rs. in Millions)
- Indirect tax proceedings	*Nil*	*Not Applicable*
Other Matters	*Nil*	*Not Applicable*
Associates of the Sponsor(6)(7)		
Civil Litigation		
- Pending civil litigation	21(1)	3,039.80
- Completed civil litigation	22	286.63**
Criminal Litigation		
- Pending criminal litigation	4(8)	*Cannot Be Ascertained*
- Completed criminal litigation	*Nil*(9)	*Not Applicable*
Regulatory Action		
- Pending regulatory action	18	129.64**
- Completed regulatory action	1	0.01
Other Proceedings	5	573.92**
Taxation Proceedings		
- Direct tax proceedings	2	5.75
- Indirect tax proceedings	2	13.87
Other Matters	48(10)	28.40**

**Amounts indicated are to the extent ascertainable.*
*** Subject to additional interest.*
(1) Does not include 1 (one) pending civil proceeding where ISDTPL is also an impleaded party.
(2) Does not include 1 (one) pending civil proceeding where the Project Manager is also an impleaded party.
(3) Includes 1 (one) completed criminal proceeding where the promoter of the Sponsor is also an impleaded party.
(4) Includes 1 (one) pending civil proceeding where the Sponsor is also an impleaded party.
(5) ATRIPL and ATRPL are impleaded parties.
(6) Includes material litigation and regulatory action against the Associates of the Investment Manager and the Project Manager.
(7) Excludes material litigation and regulatory action involving the Project SPVs.
(8) Excludes 11 (eleven) pending criminal proceeding where the Sponsor's promoter and IJDTPL are also impleaded parties.
(9) Does not include 1 (one) completed criminal proceeding where the Sponsor is also an impleaded party.
(10) Excludes the matters where ATRIPL and ATRPL have been impleaded as parties in certain matters involving the Project Manager. For details, please see "Other Matters" against the Project Manager.

GOVERNMENT AND OTHER APPROVALS

The Trust and the Project SPVs have received the material consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out their present or proposed business, as the case may be, and except as mentioned below, no further approvals are required for carrying on said business.

The material approvals, licences and registrations obtained by the Trust or the Project SPVs, as the case may be, which enable the Trust or the respective Project SPV to undertake its business, are set out in this section. Certain licenses and/or approvals may expire/elapse periodically, in the ordinary course of business, and applications to the appropriate authorities for the renewal of such licenses and/or approvals are/will be submitted in accordance with applicable requirements and procedures.

Registration of the Trust

Certificate of registration of the Trust as an infrastructure investment trust (SEBI Registration Number: IN/InvIT/15-16/0001), issued by SEBI dated March 14, 2016.

The aforesaid certificate has been granted subject to the following conditions, *inter alia*, as specified in Regulation 7 of the InvIT Regulations:

1. the Trust shall abide by the provisions of the SEBI Act and the InvIT Regulations;

2. the Trust shall fortwith inform the SEBI in writing, if any information or particulars previously submitted to the SEBI are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

3. the Trust and the parties to the Trust, namely the Sponsor, the Investment Manager, the Trustee and the Project Manager, shall satisfy with the conditions specified in Regulation 4 of the InvIT Regulations at all times;

4. the Trust and the parties to the Trust, namely the Sponsor, the Investment Manager, the Trustee and the Project Manager, shall comply, at all times, with the code of conduct specified in Schedule VI of the InvIT Regulations, wherever applicable;

Further, the aforesaid certificate, *inter alia*, stipulates that:

- the investment conditions and other restrictions prescribed under the InvIT Regulations shall apply to all the investments and distributions made by the Trust;

- the Trust shall keep and maintain the book of accounts, records and such other documents as may be required by SEBI under the InvIT Regulations from time to time;

- the Trust shall ensure compliance with the guidelines, directives, instructions and circulars as may be issued from time to time by SEBI or the Governemnt of India relating to the activities carried on by the Trust;

- the Trust shall not make use of its status as a SEBI registered infrastructure investment trust in furtherance of unrelated activities or any other purpose which is not permitted in the InvIT Regulations;

- any material change in the information on the basis of which the registration is granted must be communicated to SEBI immediately; and

- the certificate of registration is granted on the basis of information available with SEBI at that point of time and does not preclude SEBI from cancelling the registration later if anthing adverse is found against the Trust or if the Trust is convicted.

Approvals in Relation to the Issue

1. Special resolution of the shareholders of the Sponsor dated September 22, 2015, passed by way of postal ballot, in relation to the sponsorship of the Trust and authorizing any sale or disposal of the whole, or substantially the whole, of the undertakings of the Sponsor, including the Project SPVs.
2. Resolution of the board of directors of Sponsor dated September 23, 2015, approving the formation of the Trust and to act as the Sponsor of the Trust.
3. No-objection/ approval dated November 9, 2015, from the NHAI approving the exchange of the Sponsor's entire shareholding in the Project SPVs with the Units to be issued by the Trust upon listing of the units, subject to the following:

   a. The provisions pertaining to the change of ownership in the concession agreement of the respective Project SPVs are adhered to;

   b. Suitable approval/no-objection certificate is obtained from senior lenders and consortium partners, if any;

   c. The proposal does not lead to any increase in the obligation of NHAI towards termination payment or any other liabilities under the respective concession agreements and the provisions of the InvIT Regulations, Companies Act, etc. are complied with; and

   d. In case the Trust triggers any change in ownership in the respective Project SPVs during the operation of the Trust, the Sponsor would take specific approval from NHAI.

   Further, by way of its letter dated April 20, 2017, NHAI, whilst conveying its approval for the transfer of shares held by the Sponsor in the Project SPVs, subject to NHAI's exit policy (wherever applicable), has also set out the following conditions:

   a. the Trust shall comply with all relevant contractual obligations of the concession agreements;

   b. the proposal shall not have the effect of increasing any financial liability or obligation on NHAI and it shall not jeopardize the interests of the NHAI in any manner;

   c. the Sponsor of the InvIT will make additional disclosures in the offer document to the public for projects that are in financial default to NHAI clearly elaborating the default;

   d. all the provisions including the limitations placed on the quantum of termination payments will be applicable in totality and no relaxation in the same would be made;

   e. the concessionaire will utilize the proceeds from the sale of the divested equity in the specified avenues as per the conditions stated in NHAI circulars dated June 9, 2015, September 9, 2015, and November 19, 2015. A statutory auditor certificate is required be provided to NHAI within six months after completion of the transaction certifying the same;

   f. NHAI will undertake its due diligence in public interest with respect to operations & maintenance in the same way it currently undertakes as per the provisions of its circular NHAI/11033/CGM (FA)/4/2014 dated January 29, 2014, on harmonious substitution;

   g. an undertaking that any replacement of the Project Manager shall be subject to the prior approval of the NHAI. Further, any change in Project Manager will only be to an entity which is equal or better in terms of the prescribed operatons & maintenance capacity requirements for the project;

   h. an undertaking that all statutory compliances as required by SEBI guidelines shall be adhered to;

   i. the necessary documentation will be ensured by the Project SPVs and submitted for review of the NHAI; and

   j. the punch list issued alongwith the provisional completion certificates shall form part of NHAI's approval.

4. Resolutions of the board of directors of the Investment Manager dated August 29, 2016, and May 9, 2017, in relation to the Issue and other related matters.

5. Resolutions of the board of directors of the Sponsor dated August 29, 2016, and May 9, 2017, in relation to the Offer for Sale.
6. Resolutions of the board of directors of Modern Road Makers Private Limited dated August 29, 2016, and May 9, 2017, in relation to the Offer for Sale.
7. Resolutions of the board of directors of Aryan Toll Road Private Limited dated August 29, 2016, and May 9, 2017, in relation to the Offer for Sale.
8. Resolutions of the board of directors of ATR Infrastructure Private Limited dated August 29, 2016, and May 9, 2017, in relation to the Offer for Sale.
9. Resolutions of the board of directors of Ideal Road Builders Private limited dated August 29, 2016, and May 9, 2017, in relation to the Offer for Sale.
10. In-principle approvals dated December 29, 2016, and December 30, 2016, issued by the BSE and the NSE, respectively.

Approvals in Relation to the Project SPVs

Completion Certificates

Each of the Project SPVs is a 'completed and revenue generating project', in accordance with the InvIT Regulation, and has received the following certificates in this regard:

1. Completion certificate dated March 14, 2011, with respect to the IDAAIPL's Bharuch–Surat NH 8 project;
2. Completion certificate dated April 1, 2016, with respect to the IJDTPL's Jaipur–Deoli NH 12 project. The aforesaid completion certificate was issued along with a list of certain outstanding works in relation to the service road to be constructed by IJDTPL. Such works are to be completed within a reasonable time, as assessed by the independent engineer;
3. Provisional completion certificate dated April 6, 2013, with respect to the ISDTPL's Surat–Dahisar NH 8 project. The aforesaid provisional completion certificate was issued along with a punch list containing (i) certain items to be completed within 90 days from the date of issuance thereof, including, *inter alia*, a) completion of remaining works of tree plantation in six laning section without service road, b) completion of remaining works of median plantation, c) completion of remaining works of landscaping below proposed flyover, d) lighting below underpass/flyover, e) completion of remaining works of connections for street lighting, f) completion of remaining works of lighting at underpasses, g) completion of remaining works of approach (Mumbai end) of VUP at Juchandra junction, h) completion of remaining slope protection works on high embankment, i) completion of remaining works of median gaps, and j) raising the height of the kerb where it is less than required height, and (ii) certain items related to land acquisition or any additional item which could be completed because of any reason beyond the control of either party i.e. NHAI and ISDTPL, to be completed within eight months of resolving the land acquisition or any other issue, including, *inter alia*, a) completion of remaining works of service road, b) completion of remaining works of bust shelter and truck lay bye, c) completion of remaining works of landscaping below all existing flyover, d) completion of remaining works of upgradation of toll system in Boriach and Charoti Toll Plaza e), completion of remaining works of ATMS, f) completion of Six lanning on MCW, g) construction of pedestrian underpass, h) construction of Charoti flyover, Gulzari nala bridge and surya bridge;
4. Provisional completion certificate dated March 31, 2014, with respect to the ITATPL's Talegaon–Amravati NH 6 project. The aforesaid provisional completion certificate was issued along with a punch list containing (i) certain items to be completed within 90 days from the date of issuance thereof, including, *inter alia*, a) replacement of plants all along the median/right of way where there is heavy casualty of plants, b) trimming/dressing of slopes on embankments as per specifications, c) clearing/ cleaning of debris and other waster all along the ROW, d) cleaning of road side drains, and (ii) certain items to be completed prior to issuance of the completion certificate including, *inter alia*, a) completion of Mozari flyover, roads and service roads, b) completion of remaining work at Tiwsa;
5. Provisional completion certificate dated January 8, 2015, with respect to the ITCTPL's Tumkur–Chitradurga NH 4 project. The aforesaid provisional completion certificate was issued along with a punch list containing (i) certain items to be completed, including, *inter alia*, a) avenue plantation, b) repair of concrete lined drain at all urban areas, c) stone pitching, d) RR masonry for toe wall, e) construction of new service roads including causeways, f) strengthening of existing service road, g) construction of bus shelters, and (ii) certain items that were pending completion for reasons attributable to the NHAI because

of non-availability of land and hindrances on account of utilities, including, *inter alia*, a) complete construction of truck lay byes, b) static weighbridge location at toll plaza, c) site for the administrative building for toll plaza, medical aid post, traffic aid post, toilet block and water provision facilities, and static weigh bridge, d) 200 meter length at the right side of the MCW is short of width, to comply with the 6-laning standard including the abutting service road, e) construction of new service road; and

6. Provisional completion certificate dated August 6, 2009, with respect to the MITPL's Omalur–Salem–Namakkal NH 7 project. The aforesaid provisional completion certificate was issued along with a punch list containing (a) plantation of avenue trees aling with the edge of the right of way and other landscaping works within RoW, (b) completion of works on provision of unlined road side drains, (c) construction of rest areas, as approved, (d) completion of fencing works of RoW, (e) turfing on embankment slopes in identifies sections, (f) stone pitching at identified locations and (g) completion of flyover and associated work.

Approvals for Continuing Commercial Operations

The Project SPVs are required to obtain and maintain certain permits, registrations, approvals and licenses during the commercial operations phase of their respective projects, including, *inter alia*, registration as a principal employer, labour licenses for contract labour, licenses for generators, certificates with respect to weigh-in-motion systems and weigh-bridges, and registration under taxation laws. The Project SPVs have obtained the necessary permits, registrations, approvals and licenses that are required to operate their respective businesses. Certain approvals may have lapsed in their normal course and the respective Project SPVs have either made applications to the appropriate authorities for renewal of such licenses and/or approvals or are in the process of making such applications.

Some of the material consents, licenses, registrations, permissions and approvals for which applications have been made are:

License under Contract Labour (Regulation and Abolition) Act, 1970

1. Applications dated February 27, 2017, made to the Assistant Labour Commissioner (Central), Bangalore, in relation to ITCTPL.

License under Legal Metrology Act, 2009

1. Application dated February 27, 2017, made to the Inspector, Legal Metrology, Amravati, in relation to ITATPL.

OTHER REGULATORY DISCLOSURES

Eligibility for the Issue

The Trust holds not less than 80% of its assets in completed and revenue generating projects and accordingly, proposes to undertake the Issue in accordance with Regulation 14(4)(a) of the InvIT Regulations.

The Trust is eligible for the Issue in compliance with the Regulation 14(1) of InvIT Regulations, in the manner set out below:

a) The Trust is registered with SEBI under the InvIT Regulations;

b) The Trust has entered into binding agreements with the relevant parties, by way of the Formation Transactions, such that the value of the assets held by the Trust is not less than Rs. 5,000 million prior to the Allotment of Units; and

c) The proposed Issue size is not less than Rs. 2,500 million.

Prohibition by SEBI or RBI

None of the Trust, the Sponsor, the Investment Manager, the Project Manager and the Trustee, or the promoter(s) or director(s) of any of the Sponsor, the Investment Manager, the Project Manager (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

To the best of the knowledge of the Trustee, none of the promoters or directors of the Trustee (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

Minimum Subscription and Minimum Allotment

In the event that a minimum Allotment of at least 25% of the total outstanding Units on a post-Issue basis cannot be made or if the number of prospective 'public' Allottees is less than 20 or if the Trust does not receive the minimum subscription of at least 90% of the Fresh Issue, including devolvement of Underwriters, if any, the Investment Manager and the Selling Unitholders shall forthwith refund the entire subscription amount received within 12 Working Days from the Bid/Issue Closing Date. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.

If there is a delay beyond the prescribed time, the Investment Manager shall pay interest prescribed under the InvIT Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Units in the Fresh Issue will be issued prior to the sale of Units in the Offer for Sale.

Minimum Unitholders Post-Listing of Units

In accordance with the InvIT Regulations, at all times post-listing of the Units, the minimum public unitholding of the Trust is required to be in accordance with Regulation 14(1A) of the InvIT Regulations, and other than the Sponsor, its related parties and Associates, the Trust is required to have, and maintain, a minimum of 20 Unitholders forming part of the 'public', each holding not more than 25% of the aggregate amount of the Units on a post-Issue basis, failing which action may be taken as may be specified by the SEBI and the Stock Exchanges, including delisting of the Units under the InvIT Regulations. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI,

provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'.

Prohibition on Offer of Incentives

No person connected with the Issue, including any person connected with the distribution of the Issue, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of the Units.

The Investment Manager, on behalf of the Trust, shall ensure that transactions in the Units by the Sponsor and its Associates, during the period between the date of filing the Offer Document with the SEBI and the Stock Exchanges and the Bid/Issue Closing Date, shall be reported to the Stock Exchanges within 24 hours of such transactions.

The GCBRLMs and the BRLM have submitted a due diligence certificate to SEBI dated September 7, 2016, in relation to the Issue.

Undertakings by the Investment Manager

The Investment Manager (on behalf of the Trust) undertakes the following:

- at any given time, there shall be only one denomination for the Units; and
- it shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Material/Major Outstanding Financial Transactions

The details of the material/major financial transactions undertaken by the Trustee and its material/major associates, with the Sponsor, the Investment Manager, the Project Manager and/or the Project SPVs, which were outstanding as of December 31, 2016, are as follows:

Name of Entity	Nature of Transaction	Name of Company	Outstanding Amount as on December 31, 2016 (Rs. in Million)
Trustee			
IDBI Trusteeship Services Limited	The Trustee is acting as a security trustee for the benefit of certain lenders in respect of a facility availed by the Sponsor	Sponsor	*Not Applicable*
	The Trustee is acting as a security trustee for the benefit of certain lenders in respect of a facility availed by ISDTPL	ISDTPL	*Not Applicable*
	The Trustee is acting as a security trustee for the benefit of certain lenders in respect of a facility availed by MITPL	MITPL	*Not Applicable*
Associate of Trustee			
IDBI Bank Limited	IDBI Bank Limited is one of the lenders in a consortium of lenders in respect of a term loan facility availed by the Project Manager	Project Manager	1,330.00
	IDBI Bank Limited is one of the lenders in a consortium of lenders in respect of a cash credit facility availed by the Project Manager	Project Manager	1,714.98
	IDBI Bank Limited is one of the lenders in a consortium of lenders in respect of an overdraft facility availed by the Project Manager	Project Manager	7.33
	IDBI Bank Limited is one of the lenders in a consortium of lenders in respect of a bank guarantee facility availed by the Project Manager	Project Manager	1,023.00

Name of Entity	Nature of Transaction	Name of Company	Outstanding Amount as on December 31, 2016 (Rs. in Million)
	IDBI Bank Limited is one of the lenders in a consortium of lenders in respect of a term loan facility availed by ITCTPL	ITCTPL	967.75
		Total	**5,043.06**

The details of the material/major financial transactions undertaken by the GCBRLMs, the BRLM and their respective material/major associates, with the Sponsor, the Investment Manager, the Project Manager and/or the Project SPVs, which were outstanding as of December 31, 2016, are as follows:

Name of Entity	Nature of Transaction	Name of Company	Outstanding Amount as on December 31, 2016 (Rs. in Million)
IDFC Bank Limited			
IDFC Bank Limited	Term Loan	ITATPL	928.91
	Term Loan	IJDTPL	2,257.36
	Term Loan	ITCTPL	1,697.02
	Term Loan	MITPL	915.30
	Bank Guarantee Facility	Sponsor	1,200.00
		Total	**6,998.59**
Associate of IDFC Bank Limited			
IDFC Infradebt Fund Limited	Subscriber to secured, redeemable, non-convertible debentures issued by MITPL	MITPL	568.44
Associates of ICICI Securities Limited			
ICICI Bank Limited	Term Loan	Project Manager	64.78
	ECB Loan	IJDTPL	2,629.24
	ECB Loan	ITCTPL	4,338.44
		Sub-Total	**7,032.46**
India Infradebt Limited	Subscriber to secured, redeemable, non-convertible debentures issued by MITPL	MITPL	578.07
		Sub-Total	**578.07**
		Total	**7,610.53**

Notes:

(i) Certain asset management companies of mutual funds, who are material/major associates of the GCBRLMs and BRLM, hold/may hold equity shares of the Sponsor in their ordinary course of business.

(ii) Certain investment managers of FPIs, who are material/major associates of the GCBRLMs and BRLM, hold/may hold equity shares of the Sponsor in their ordinary course of business.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE TRUST OR THE OBJECTS FOR WHICH THE ISSUE IS PROPOSED TO BE UNDERTAKEN OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, IDFC BANK LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED, AND THE BOOK RUNNING LEAD MANAGER, IIFL HOLDINGS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE INVIT REGULATIONS, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

Disclaimer Clause of the BSE

"*BSE Limited (the "Exchange") has given vide its letter dated December 29, 2016 permission to this Trust to use the Exchange's name in this offer document as one of the stock exchanges on which this Units of this Trust are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Trust. The Exchange does not in any manner: -*

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Trust Units will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of this Trust, its Investment Manager, its Sponsor(s), its Trustee or Project Manager(s);

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires the Units of this Trust may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of the NSE

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/98956 dated December 30 2016 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's units are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE of been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's units will be listed or will continue to be listed on the Exchange; nor does it take any granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has responsibility for the financial or other soundness of this Issuer, its Sponsor, its Investment Manager or any project of this Issuer.*

Every person who desires to apply for or otherwise acquire any units of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Important Information for Investors – Eligibility and Transfer Restrictions

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Final Offer Document as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Offer Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Units within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

Units Offered and Sold within the United States

Each purchaser that is acquiring the Units offered pursuant to the Issue within the United States, by its acceptance of the Offer Document and of the Units, will be deemed to have acknowledged, represented to and agreed with the Trust, the GCBRLMs and the BRLM that it has received a copy of the Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the Units offered pursuant to the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Units for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them;

(6) the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Units;

(7) the purchaser will not deposit or cause to be deposited such Units into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt

facility, so long as such Units are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act or general solicitation or advertising within the meaning of Regulation D under the U.S. Securities Act in the United States with respect to the Units;

(9) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S.SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) the Trust will not recognise any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Trust, the GCBRLMs, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Units Offered and Sold in the Issue

Each purchaser that is acquiring the Units offered pursuant to the Issue outside the United States, by its acceptance of the Offer Document and of the Units offered pursuant to the Issue, will be deemed to have acknowledged, represented to and agreed with the Trust, the GCBRLMs and the BRLM that it has received a copy of the Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the Units offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the Units offered pursuant to the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser is purchasing the Units offered pursuant to the Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Units offered pursuant to the Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Units was originated;

(5) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Units;

(8) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Trust will not recognise any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Trust, the GCBRLMs, the BRLM, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

SECTION VIII – ISSUE INFORMATION

ISSUE STRUCTURE

The Total Issue comprises of the Issue and the Oversubscription. The Issue comprises of the Fresh Issue of 421,568,627 Units, aggregating to Rs. 43,000.00 million and the Offer for Sale of 28,210,664 Units, aggregating to Rs. 2,877.49 million; and the Oversubscription comprises of a fresh issue of 43,640,709 Units, aggregating to Rs. 4,451.35 million, amounting to 9.70% of the Issue size. The Total Issue constitutes 25% of the total Units of the Trust on post-Issue basis in terms of Regulation 14(1A) of the InvIT Regulations.

The Issue is being made through the Book Building Process.

Particulars	Institutional Bidders Category			Other Bidders Category
	Strategic Investors	Anchor Investors	Institutional Investors	
Number of Units available for Allotment/allocation	205,340,000 Units*		370,060,000 Units*#	123,360,000 Units*
Percentage of Issue Size available for Allotment/allocation	Not more than 60% of the Institutional Bidder Category		Not more than 75% of the Issue size. In case of under - subscription, the unsubscribed portion may be Allotted to Bidders in the other category.	Not less than 25% of the Issue size. In case of under-subscription, the unsubscribed portion may be Allotted to Bidders in the other category.
Basis of Allotment/ allocation if respective category is oversubscribed	On a discretionary basis, subject to minimum Bid lot		Proportionate, subject to minimum Bid lot.	Proportionate, subject to minimum Bid lot.
Mode of Bidding	Non-ASBA		ASBA	
Minimum Bid	Strategic Investors shall make an application of a value of at least Rs. 100 million(1)	Anchor Investors shall make an application of a value of at least Rs. 100 million	Such number of Units that the Bid Amount is not less than Rs. 1 million	Such number of Units that the Bid Amount is not less than Rs. 1 million
Maximum Bid	Such number of Units (a minimum of 10,000 Units, and in multiples 5,000 Units thereafter) not exceeding the size of the Issue, subject to applicable limits.			
Trading of Odd Lots and Arrangements for Disposal of Odd Lots	The trading of the Units will happen in the minimum trading lot size, as specified by the Stock Exchanges. The Stock Exchanges will provide for an odd lot window to facilitate the trading of odd lots of Units that may be created from time to time on account of various events, including instances such as declaration of NAV, dividend and buyback of Units.			
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	A minimum of 10,000 Units, and in multiples 5,000 Units thereafter(1)			
Allotment Lot	A minimum of 10,000 Units, and in multiples of 5,000 Units thereafter			
Trading Lot(2)	Upon listing, 5,000 Units (i.e. such number of Units that exceed Rs. 0.50 million and as specified by the Stock Exchanges)			
Who can apply(3)	• An infrastructure finance company registered with the RBI as an NBFC; • a scheduled commercial bank;	• A QIB, which currently means, (i) a mutual fund, VCF, AIF and FVCI, (ii) an FPI other than Category III FPI, (iii) a public financial institution as defined in section 4A of the Companies Act, 1956, (iv) a scheduled commercial bank, (v) a multilateral and bilateral development financial institution, (vi) a state industrial development		• An infrastructure finance company registered with the RBI as an NBFC; an international multilateral

Particulars	Institutional Bidders Category			Other Bidders Category
	Strategic Investors	Anchor Investors	Institutional Investors	
	• an international multilateral financial institution; • a systemically important NBFC registered with the RBI; and • an FPI.	corporation, (vii) an insurance company registered with the IRDAI, (viii) a provident fund with minimum corpus of Rs. 250 million; a pension fund with minimum corpus of Rs. 250 million, (ix) national investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the gazette of India, (x) insurance funds set up and managed by army, navy or air force of the Union of India, and (xi) insurance funds set up and managed by the Department of Posts, India; • a family trust with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements; • a systemically important NBFC, registered with the RBI, with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements; and • an intermediary, registered with the SEBI, with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements		financial institution; • a Category III FPI; • an NRI; • an HUF; • a family trust that is not an Institutional Investor; • a systemically important NBFC, registered with the RBI that is not an Institutional Investor; • an intermediary, registered with the SEBI that is not an Institutional Investor; and • any other person(s) authorised in India to invest in the Units.
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Anchor Investor and Strategic Investor Application Form		Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.

**Based on the Total Issue*

#Includes the number of Units available for Allotment/allocation to Anchor Investors and Strategic Investors

(1) *In case of Bids by Strategic Investors, the application value shall be subject to Regulation 2(1)(zza) of the InvIT Regulations.*

(2) *The trading lot post-listing of the Units may be changed by the Stock Exchanges from time to time on account of various events, including instances such as declaration of NAV, dividend and buyback of Units.*

(3) *The categories of investors specified are based on the investor categories listed in Regulation 2(1)(zza) of the InvIT Regulations and Regulation 106X of the ICDR Regulations. Bidders are advised to consult their own advisors with respect to any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs, the BRLM and the Syndicate Members that it is eligible to participate in the Issue and be Allotted Units under applicable law.*

Investors should note that currently, the InvIT Regulations restrict a person forming part of the 'public' from holding more than 25% of the Units of the Trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, in accordance with the InvIT Regulations, the Sponsor, the Investment Manager, the Project Manager, or their respective related parties and Associates, will not form part of the 'public'.

In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

In accordance with the InvIT Regulations, (i) Units Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment, and (ii) Units Allotted to Strategic Investors under the Anchor Investor Portion shall be locked-in for a period of one year from the date of Allotment.

Bid/Issue Programme

BID/ISSUE OPENED ON	Wednesday, May 3, 2017[(1)]
BID/ISSUE CLOSED ON	Friday, May 5, 2017

[(1)] *The Anchor Investor and Strategic Investor Bid/Issue Period was one Working Day prior to the Bid/Issue Opening Date i.e. May 2, 2017, in accordance with the InvIT Regulations.*

An indicative timetable in respect of the Issue is set out below:

Sr. No.	Activity	Indicative Due Date
1.	• Anchor Investor and Strategic Investor Bid/Issue Period	T-3
2.	• Issue Opens • Bidder to submit a completed ASBA Forms to a Designated Intermediary • Designated Intermediaries to upload bid details on the electronic bidding system of Stock Exchange.	Bid/Issue Opening Date to Bid/Issue Closing Date (where T is Bid/Issue Closing Date)
3.	• Issue Closes	T
4.	• Stock Exchanges to allow modification of selected fields in the bid details already uploaded. (Only until 1.00 p.m. IST). • Designated Intermediaries to submit the ASBA Forms to designated branches of the respective SCSBs for blocking of funds. • SCSBs to continue/begin blocking of funds • Registrar to get the final electronic bid details from the Stock Exchanges by the end of the day.	T+1
5.	• Registrar to commence validation of the electronic bid details with Depositories records for DP ID, Client ID and PAN. • SCSBs to send confirmation of funds blocked (Final Certificate) to the Registrar by end of the day.	T+2
6.	• Registrar to undertake and complete reconciliation of the compiled data received from the Stock Exchanges and all SCSBs final certificate received from the collecting banks with electronic bid details. • Registrar to undertake "Technical Rejection" test based on electronic bid details and prepare list of technical rejection cases.	T+3

Sr. No.	Activity	Indicative Due Date
7.	• Execution of the Share Purchase Agreements (Formation Transactions), the Debt Documentation, the ROFO/ROFR Deed and the Future Assets Agreement. • Transfer of the equity shares of the Project SPVs to the demat account of the Trust from the demat share and unit escrow account. • File application with Depositories for Corporate Action of issue of Units to Sponsor and the other Selling Unitholders in consideration for equity shares held by the Sponsor and the other Selling Unitholders in the Project SPVs. (**"Corporate Action 1**")	T+4
8.	• Receive confirmation of credit from Depositories for Corporate Action 1. • File the final Basis of Allotment with Designated Stock Exchange for approval.	T+5
9.	• Designated Stock Exchange to approve the Basis of Allotment. • Registrar to issue bank-wise data of allottees, allotted and issue fund transfer instructions to SCSBs to credit the funds in Public Issue Account of the Trust and balance amount to be unblocked by SCSBs. • SCSBs to credit funds in the Public Issue Accounts of the Trust and unblock the funds and confirm the same.	T+6
10.	• Final Offer Document to be filed with SEBI and the Stock Exchanges including details with respect to pricing, allotment, etc.	T+7
11.	• Investment Manager to undertake Allotment of Units. • Initiate corporate action for credit of Units to successful Allottees in the Issue (Fresh Issue and Offer for Sale Units). ("**Corporate Action 2**")	T+7
12.	• Registrar to receive confirmation of demats credit from Depositories. • Transfer and initiate action to carry out lock-in of the balance Units of Sponsor and the other Selling Unitholders into the demat account of Sponsor and the other Selling Unitholders	T+8
13.	• Registrar to receive confirmation for lock-in of pre-Issue Units from Depositories • Registrar to issue confirmation of dispatch and upload certificates. • Investment Manager and Registrar to file confirmation of demat credit of units, lock-in, issuance of instructions to unblock ASBA Funds and refund dispatch, as applicable, with Stock Exchange. • Basis of Allotment advertisement strike order to be given.	T+9
14.	• Basis of Allotment advertisement to be published • Stock Exchanges to give listing and trading permission.	T+10
15.	• Trading commences	T+12

The above timetable is indicative and does not constitute any obligation or liability on the Trust, the Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs or the BRLM.

While the Investment Manager shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, including any extension of the Bid/Issue Period by the Investment Manager and the Selling Unitholders due to any revision(s) of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock

Exchanges and in accordance with the applicable laws. The Selling Unitholders confirm that they shall extend all reasonable co-operation required by the Investment Manager, the GCBRLMs and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Units (offered by each such Selling Unitholder in the Offer for Sale) at all Stock Exchanges within 12 Working Days from the Bid/Issue Closing Date.

Except in relation to the Bids received from the Anchor Investors and Strategic Investors, Bids and any revision in Bids by Bidders shall be accepted **only between 10.00 a.m. and 5.00 p.m.** IST during the Bid/Issue Period except on the Bid/Issue Closing Date. On Bid/Issue Closing Date, Bids will be accepted only between 10.00 a.m. and 3.00 p.m. IST at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form; and uploaded until (i) 4.00 p.m. for Bids and any revision in Bids by Institutional Bidders and (ii) 5.00 p.m. for Bids and any revision in Bids by Other bidders. Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. Bidders can only make upward revisions in their Bids.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in the Offer Document is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among the Trust, the Investment Manager, the Selling Unitholders, the Trustee or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Units offered pursuant to the Issue. Bidders are advised to consult their own advisors and inform themselves of any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs, the BRLM and the Syndicate Members that it is eligible to participate in the Issue and be Allotted Units under applicable law. Bidders are also advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Units that can be held by them under applicable law or as specified herein.

The Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs, the BRLM and Syndicate Members do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and are not liable for any amendment, modification or change in the applicable law which may occur after the date hereof.

Book Building Procedure

The Issue is being made through the Book Building Process, wherein not more than 75% of the Issue shall be available for allocation to Institutional Bidders on a proportionate basis, provided that the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, may allocate up to 60% of the Institutional Bidder Category to Anchor Investors and Strategic Investors on a discretionary basis in accordance with the InvIT Regulations. Further, not less than 25% of the Issue shall be available for allocation on a proportionate basis to Other Bidders, subject to valid Bids being received at or above the Issue Price.

In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Units will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Units in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged version of the Offer Document will be available with the Designated Intermediaries at the Bidding Centers and at the registered office of the Trust. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Copies of the Anchor Investor and Strategic Investor Application Form will be available at the offices of the GCBRLMs and the BRLM.

All Bidders (other than Anchor Investors and Strategic Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors and Strategic Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Bid cum Application Form for the various categories is as follows

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-residents applying on a repatriation basis	Blue
Anchor Investors and Strategic Investors**	White

** Excluding electronic Bid cum Application Form.*
*** Bid cum Application Forms for Anchor Investors and Strategic Investors shall be available at the offices of the GCBRLMs and the BRLM.*

Designated Intermediaries shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Bidders do not have the right to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.

Participation by associates, affiliates and persons related to the GCBRLMs, BRLM and Syndicate Members

The GCBRLMs, BRLM and the Syndicate Members shall not be entitled to subscribe in this Issue in any manner, except towards fulfilling their underwriting obligations.

Further, the GCBRLMs, the BRLM and any persons related to the GCBRLMs or BRLM are not permitted to participate in the Issue under the Anchor Investor Portion (except for Mutual Funds, Insurance Companies and Pension Funds sponsored by the GCBRLMs or the BRLM or entities related to the GCBRLMs or the BRLM).

However, the associates and affiliates of the GCBRLMs, the BRLM and the Syndicate Members may Bid for Units in the Issue, either in the Institutional Bidder Category or in the Other Bidder Category, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the GCBRLMs, the BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Anchor Investors

The Investment Manager and the Selling Unitholders may, in consultation with the GCBRLMs and the BRLM, consider participation by Anchor Investors and Strategic Investors in the issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations. Only Institutional Investors (as defined under Regulation 106X of the ICDR Regulations) and Strategic Investors (as defined under Regulation 2(1)(zza) of the InvIT Regulations) are eligible to invest in the Anchor Investor Portion. The Institutional Bidder Category will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Bidder Category.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the InvIT Regulations, the key terms for participation by Anchor Investors in the Anchor Investor Portion are provided below:

- Bid cum Application Forms will be made available for Anchor Investors at the offices of the GCBRLMs and the BRLM;
- The Bid must be for a minimum of such number of Units so that the Bid Amount is at least Rs. 100 million;
- The bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Anchor Investors shall be completed on the same day;
- The Investment Manager, in consultation with the GCBRLMs and the BRLM, will finalise allocation to Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

- where allocation in the Anchor Investor Portion is up to Rs. 2,500 million, minimum of two Anchor Investors; and
- where the allocation under the Anchor Investor Portion is more than Rs. 2,500 million, minimum of five Anchor Investors.

- Allocation to Anchor Investors will be completed on the Anchor Investor and Strategic Investor Bid/Issue Period;
- The number of Units allocated to Anchor Investors and the price at which the allocation is made will be made available on the website of the Stock Exchanges, the Sponsor, the Investment Manager, the GCBRLMs and the BRLM before the Bid/Issue Opening Date;
- Anchor Investors cannot withdraw or lower the size of their Bids (in terms of number of Units or the Bid Amount) at any stage after submission of the Bid;
- If the Issue Price is greater than the Anchor Investor and Strategic Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor and Strategic Investor Allocation Price will be payable by the Anchor Investors within two days from the Bid/Issue Closing Date. However, if the Issue Price is lower than the Anchor Investor and Strategic Investor Allocation Price, Allotment to successful Anchor Investors will be at the Anchor Investor and Strategic Investor Issue Price;
- In accordance with the InvIT Regulations, the Units Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment
- Neither the GCBRLMs nor the BRLM nor any person related to the GCBRLMs or the BRLM (except for Mutual Funds, Insurance Companies and Pension Funds sponsored by the GCBRLMs or the BRLM or entities related to the GCBRLMs or the BRLM) are permitted to participate in the Anchor Investor Portion; and
- Bids made by Anchor Investors under both the Anchor Investor Portion and the Institutional Bidder category will not be considered multiple Bids.

Bids by Strategic Investors

The Investment Manager and the Selling Unitholders may, in consultation with the GCBRLMs and the BRLM, consider participation by Anchor Investors and Strategic Investors in the issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations. Only Institutional Investors (as defined under Regulation 106X of the ICDR Regulations) and Strategic Investors (as defined under Regulation 2(1)(zza) of the InvIT Regulations) are eligible to invest in the Anchor Investor Portion. The Institutional Bidder Category will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Bidder Category.

Strategic Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the InvIT Regulations, the key terms for participation by Strategic Investors in the Anchor Investor Portion are provided below:

- Bid cum Application Forms will be made available for Strategic Investors at the offices of the GCBRLMs and the BRLM;
- Bids by Strategic Investors, must together be for a minimum of such number of Units so that the Bid Amount is for at least 5% of the Issue size or such amount as may be specified by SEBI from time to time;
- The bidding for Strategic Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Strategic Investors shall be completed on the same day;

- The Investment Manager, in consultation with the GCBRLMs and the BRLM, will finalise allocation to Strategic Investors on a discretionary basis;

- Allocation to Strategic Investors will be completed on the Anchor Investor and Strategic Investor Bid/Issue Period;

- The number of Units allocated to Strategic Investors and the price at which the allocation is made will be made available on the website of the Stock Exchanges, the Sponsor, the Investment Manager, the GCBRLMs and the BRLM before the Bid/Issue Opening Date;

- Strategic Investors cannot withdraw or lower the size of their Bids (in terms of number of Units or the Bid Amount) at any stage after submission of the Bid;

- If the Issue Price is greater than the Anchor Investor and Strategic Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor and Strategic Investor Allocation Price will be payable by the Strategic Investors within two days from the Bid/Issue Closing Date. However, if the Issue Price is lower than the Anchor Investor and Strategic Investor Allocation Price, Allotment to successful Strategic Investors will be at the Anchor Investor and Strategic Investor Issue Price;

- In accordance with the InvIT Regulations, the Units Allotted to Strategic Investors will be locked-in for a period of one year from the date of Allotment;

- Neither the GCBRLMs nor the BRLM nor any person related to the GCBRLMs or the BRLM (except for Mutual Funds, Insurance Companies and Pension Funds sponsored by the GCBRLMs or the BRLM or entities related to the GCBRLMs or the BRLM) are permitted to participate in the Anchor Investor Portion; and

- Bids made by Strategic Investors (where such Strategic Investors are Institutional Investors) under both the Anchor Investor Portion and the Institutional Bidder category will not be considered multiple Bids.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme is permitted to invest more than:

(i) 5% of its net asset value in the units of a single infrastructure investment trust; and

(ii) 10% of its net asset value in the units of infrastructure investment trusts and real estate investment trusts.

Provided that the limits prescribed under (i) and (ii) hereinabove shall not be applicable for investments in the case of an index fund or sector or industry specific scheme pertaining to infrastructure investment trusts and real estate investment trusts.

Further, no Mutual Fund, under all its schemes, is permitted to own more than 10% of the units issued by a single infrastructure investment trust.

Bids by Eligible NRIs

Eligible NRIs are permitted to participate in the Issue subject to compliance with the applicable restrictions and conditions which may be prescribed by Government from time to time. The RBI had vide its notification No. FEMA.355/2015-RB dated November 16, 2015, made certain amendments to the FEMA Regulations, thereby permitting investment by NRIs in units of infrastructure investment trusts in a manner (and subject to such terms

and conditions) specified in Schedule 11 thereof. Payment for the units of an infrastructure investment trust acquired by an Eligible NRI shall be made by an inward remittance through the normal banking channels including by debit to an NRE or an FCNR account.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

On January 7, 2014, SEBI notified the FPI Regulations pursuant to which the existing classes of portfolio investors, namely FIIs and QFIs, were subsumed under a new category, namely FPIs. The RBI had vide its notification No. FEMA.355/2015-RB dated November 16, 2015, made certain amendments to the FEMA Regulations, thereby permitting investment by FPIs in units of infrastructure investment trusts in a manner (and subject to such terms and conditions) specified in Schedule 11 thereof. The payment for the units of an infrastructure investment trust acquired by an FPI shall be made by an inward remittance through the normal banking channels including by debit to an NRE or an FCNR account. Further, vide its circular dated March 15, 2016, SEBI has permitted FPIs to invest in units of infrastructure investment trusts subject to compliance with such other terms and conditions as SEBI may prescribe from time to time.

In case of Bids made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Bid cum Application form, failing which the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject the Bid.

Bids by SEBI registered VCFs and AIFs

The VCF Regulations, as amended, *inter alia*, prescribe the investment restrictions on VCFs registered with SEBI. Further, the AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Additionally, VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations. Additionally, VCFs and AIFs are subject to certain investment restrictions with respect to, *inter-alia*, the percentage of investible funds held in each investee entity.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to any lock-in requirements.

All Non-Resident Bidders including Eligible NRIs and FPIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by LLPs

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid.

Bids by Provident Funds/Pension Funds

On March 2, 2015 the Ministry of Finance has issued a notification allowing investments by non-government provident funds, super-annuation funds and gratuity funds up to 5% in infrastructure investment trusts. On May 29, 2015, the Ministry of Labour and Employment has issued a notification allowing investments by provident funds up to 5% in infrastructure investment trusts. On September 2, 2015, the Pension Fund Regulatory and

Development Authority and Employment has issued a circular allowing investments by pension funds up to 5% in infrastructure investment trusts. However such investments by provident funds and pension funds will be subject to the sponsor having a minimum of AA or equivalent rating from at least two credit rating agencies registered with SEBI. In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid.

Bids by Banking Companies

In furtherance of its statement on developmental and regulatory policies issued on April 6, 2017, the RBI vide its notification no. DBR.No.FSD.BC.62/24.01.040/2016-17 dated April 18, 2017, allowed banks to participate in infrastructure investment trusts and real estate investment trusts within the overall ceiling of 20% of their net worth permitted for direct investments in shares, convertible bonds/debentures, units of equity-oriented mutual funds and exposures to VCFs, subject to the following conditions:

(i) banks should put in place a board approved policy on exposures to infrastructure investment trusts, which lays down an internal limit on such investments within the overall exposure limits in respect of the infrastructure sector;

(ii) banks shall not invest more than 10% of the unit capital of an infrastructure investment trust; and

(iii) banks should ensure adherence to the prudential guidelines issued by RBI from time to time on equity investments by banks, classification and valuation of investment portfolio, Basel III capital requirements for commercial real estate exposures and large exposure framework, as applicable.

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment/relevant committee are required to be attached to the Bid cum Application Form, failing which, the Investment Manager in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of applicable SEBI circulars and directions. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making applications in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Insurance Companies

On March 14, 2017, the IRDAI has issued a notification permitting investments by insurance companies in units of infrastructure investment trusts, subject to an exposure limit of not more than 3% of the respective fund size of such insurance company or 5% of the units issued by a single infrastructure investment trust, whichever is lower. However, insurance companies are not permitted to invest in the units of an infrastructure investment trust whose sponsor is part of the promoter group of such insurance company. Infrastructure investment trusts rated not less than "AA" shall form part of 'approved investments', while infrastructure investment trusts rated less than "AA" shall form part of 'other investments'.

Insurance companies participating in this Issue are required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time. In case of Bids made by insurance companies registered with the IRDAI, subject to applicable laws, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws, as applicable must be lodged along with the Bid cum Application Form.

Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLM, reserves the right to reject any Bid.

The above information is given for the benefit of the Bidders. Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law. Certain categories of Bidders may not be allowed to Bid in the Issue or hold Units exceeding certain limits specified under applicable law.

Investors should note that currently, the InvIT Regulations restrict a person forming part of the 'public' from holding more than 25% of the Units of the Trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, in accordance with the InvIT Regulations, the Sponsor, the Investment Manager, the Project Manager, or their respective related parties and Associates, will not form part of the 'public'.

The Trust, the Investment Manager, the Selling Unitholders, the Trustee, the GCBRLMs and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date hereof. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Units that can be held by them under applicable law or regulation or as specified herein.

Pre-Issue Advertisement

The Investment Manager shall, after filing the Offer Document with SEBI, make a pre-Issue advertisement on the website of the Trust, the Sponsor, the Investment Manager and the Stock Exchanges.

Price Band

The Price Band and the minimum Bid Lot will be decided by the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and BRLM, and will be announced at least five Working Days prior to the Bid/Issue Opening Date, on the website of the Trust, the Sponsor and the Investment Manager, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

Differential price shall not be offered to any investor. The Floor Price or Price Band and the relevant financial ratios computed for both the upper and lower end of the Price Band shall be disclosed on the websites of the Stock Exchanges. The Floor Price or Price Band shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges.

The Investment Manager, in consultation with the GCBRLMs and the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Issue Period, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period.

Issue Period

The Issue shall be kept open for at least three Working Days and not more than thirty days. Bidders are advised to refer to the Bid cum Application Form and the abridged version of the Offer Document or the Offer Document for details of the Bid/Issue Period. Details of Bid/Issue Period shall also be available on the website of the Stock Exchanges.

The Investment Manager and the Selling Unitholders may, in consultation with the GCBRLMs and the BRLM, consider participation by Anchor Investors and Strategic Investors. Bidding for Anchor Investors and Strategic Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Anchor Investors and Strategic Investors, if any, shall be completed on the same day.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least one Working Day, subject to the total Bid/Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period. Any revision to the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges during the Bid/Issue Period and by indicating the change on the websites of the Trust, the Sponsor, the Investment Manager and Stock Exchanges.

Submission of Bid cum Application Forms or Revision Forms

Bidders may submit completed Bid cum Application Forms/Revision Forms in the following manner:

Mode of Application	Submission of Bid cum Application Form/Revision Form
Anchor Investor and Strategic Investor Application Forms	To the GCBRLMs or the BRLM at the locations mentioned in the Anchor Investor and Strategic Investor Application Form
ASBA Forms	(i) To Members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the DP at the Designated DP Location; or (ii) Designated branches of the SCSBs where the ASBA Account is maintained.

Bidders should not submit the Bid cum Application Forms/Revision Form directly to the Escrow Collection Banks. Bid cum Application Forms/Revision Forms submitted to the Escrow Collection Banks are liable for rejection. Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.

Maximum and Minimum Bid Size

The Bid must be for a minimum of such number of Units such that the Bid Amount is not less than Rs.1 million (i.e. a minimum of 10,000 Units and in multiples of 5,000 Units thereafter). A Bid cannot be submitted for more than the Issue size. The maximum Bid by any Bidder including Institutional Bidders should not exceed the investment limits prescribed for them under the applicable laws.

Investors should note that currently, the InvIT Regulations restrict a person forming part of the 'public' from holding more than 25% of the units of an infrastructure investment trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, in accordance with the InvIT Regulations, the Sponsor, the Investment Manager, the Project Manager, or their respective related parties and Associates, will not form part of the 'public'.

The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Units Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid.

Payment Details

The full Bid Amount shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism. Bid Amount cannot be paid in cash, through money order or through postal order.

Payment into Escrow Account for Anchor Investors

The Investment Manager, in consultation with the GCBRLMs and the BRLM, in its absolute discretion, will decide the list of Anchor Investors and Strategic Investors to whom the CAN will be sent, pursuant to which the details of the Units allocated to them in their respective names will be notified to such Anchor Investors and Strategic Investors. For Anchor Investors and Strategic Investors, the payment instruments for payment into the Escrow Accounts should be drawn in favour of:

a) In case of resident Anchor Investors and Strategic Investors: "*Escrow – IRB InvIT – Anchor and Strategic - R*"; or

b) In case of non-resident Anchor Investors and Strategic Investors: "*Escrow – IRB InvIT – Anchor and Strategic - NR*".

Instructions for Anchor Investors and Strategic Investors

a) Anchor Investors and Strategic Investors may submit their Bids only with a GCBRLM or BRLM or their respective affiliates;

b) Payments should be made either by RTGS / NEFT / direct credit / NECS or through cheques drawn on the respective Escrow Collection Bank; and

c) The Escrow Collection Banks shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors and Strategic Investors until the Designated Date.

Instructions for ASBA Bidders

a) Bidders may submit the ASBA Form either:

   i) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

   ii) in physical mode to any Designated Intermediary.

b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted;

c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account;

e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted;

f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations;

g) Bidders bidding through a Designated Intermediary, other than an SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms;

h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained;

i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form;

j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid;

k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such Bids are liable to be rejected;

l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs;

m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Units to the Public Issue Accounts, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be;

n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected; and

o) the GCBRLMs, the BRLM and their respective Affiliates shall be responsible for the collection of Bids from Anchor Investors, Strategic Investors and Institutional Bidders; the Syndicate Members shall be responsible for the collection of Bids from Institutional Bidders and Other Bidders; and the sub-syndicate members shall be responsible for the collection of Bids from Other Bidders.

General Instructions

Do's

a) Check if you are eligible to apply as per the terms of the Offer Document and under applicable law, rules, regulations, guidelines and approvals;

b) Ensure that you have Bid within the Price Band;

c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

d) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

e) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

f) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

g) If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

h) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

i) In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

j) Ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held;

k) If the Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form;

l) Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;

m) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

n) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons who are exempt from holding a PAN under applicable law, all Bidders

should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

o) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

p) Ensure that the category and the investor status is indicated;

q) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

r) Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

s) With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

t) Ensure that the demographic details with the Depositories are updated, true and correct in all respects;

u) Ensure that the Depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

v) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

a) Do not Bid for lower than the minimum Bid size such that the Bid Amount is less than Rs.1 million;

b) Do not pay the Bid Amount in cheques, demand drafts or by cash, by money order or postal order;

c) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

d) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

e) Do not submit the Bid for an amount more than funds available in your ASBA account;

f) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

g) Do not submit a Bid in case you are not eligible to acquire Units under applicable law or your relevant constitutional documents or otherwise

h) Do not fill up the Bid cum Application Form such that the Units Bid for exceeds the Issue size and/or investment limit or maximum number of Units that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Offer Document;

i) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

j) Do not submit your Bid after 3.00 pm IST on the Bid/Issue Closing Date;

k) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);

l) Do not Bid/revise the Bid lower than the Floor Price or above the Cap Price; and

m) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Units or the Bid Amount) at any stage; and

n) Do not Bid if you are the Valuers or any of its employees involved in valuing of the Trust Assets.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

Bidders are advised that incomplete or illegible Bid cum Application Forms can be rejected at the time of submission by Designated Intermediaries or at the time of finalization of the Basis of Allotment. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

a) Bids made by Strategic Investors in the Anchor Investor Portion in the event that the cumulative Bids made by all the Strategic Investors cumulatively in the Issue is less than 5% of the Issue size or such amount as may be specified by the SEBI from time to time;

b) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Units Bid for;

c) Applications on plain paper;

d) Applications in the name of partnership firms and not individual partners; in case of partnership firms, Units may be registered in the names of the individual partners and no firm as such will be entitled to apply;

e) Bids by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

f) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts ,or where PAN is not applicable);

g) Where PAN details cannot be verified with demat accounts, i.e., where the demat account is “suspended for credit”;

h) Bids for lower value of Units than specified for that category of Bidders;

i) Bids at a price less than the Floor Price;

j) Bids at a price over the Cap Price;

k) Submission of more than five Bid cum Application Forms per ASBA Account;

l) Bids for a value of less than Rs. 1 million;

m) Bidder category not specified;

n) Multiple Bids as described in the Offer Document;

o) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

p) Bids accompanied by cash, stockinvest, money order or postal order, cheque and/or demand draft;

q) Signature of sole and/or the First Bidder (in case of joint Bids) is missing;

r) The Bid cum Application form not being signed by the ASBA Account holder;

s) Bid cum Application Form does not have the stamp of a Designated Intermediary (except for electronic ASBA Bids), as the case may be;

t) Bid cum Application Forms are not submitted within the time prescribed as per the Bid cum Application Form, Price Band announcement and the Offer Document, and as per the instructions in the Offer Document and the Bid cum Application Forms;

u) Inadequate funds in the ASBA Account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

v) Authorization for blocking funds in the ASBA Account not provided;

w) Bids for amounts greater than the maximum permissible amounts prescribed by Applicable Law;

x) Bids by OCBs;

y) Bids by persons in the United States other than "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act;

z) Bank account details for the refund not given in case of Bids by Anchor Investors and Strategic Investors;

aa) Bids by persons prohibited from buying, selling or dealing in the Units directly or indirectly by SEBI or any other regulatory authority;

bb) Bids by persons who are not eligible to acquire Units under applicable law or their relevant constitutional documents or otherwise; and

cc) Bids that do not comply with the securities laws of their respective jurisdictions.

dd) Bids/Applications not uploaded on the terminals of the Stock Exchanges

ee) Where no confirmation is received from SCSB for blocking of funds; and

ff) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN

Build-up of the Book and Revision of Bids

Bidders shall submit their Bids within the Bid/Issue Period. An amount to the extent of entire application money shall be collected or blocked, as the case may be, from a Bidder before a Bid is accepted an order is placed on its behalf. The payment accompanied with any revision of Bid, shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. However, Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. Bidders can only make upward revisions in their Bids.

The Bidding process shall be conducted through an electronically linked transparent bidding facility provided by a recognised stock exchange. The bidding terminals shall contain an online graphical display of demand and bid prices updated at periodic intervals, not exceeding thirty minutes. The Stock Exchanges shall continue to display

on their website, the data pertaining to the Issue in a uniform format, *inter alia* giving category-wise details of Bids received, for a period of at least three days after Bid/Issue Closing Date.

Price Discovery and Allocation

- Based on the Bids received and demand generated at various price levels, the Investment Manager, in consultation with the GCBRLMs and the BRLM, will determine the Issue Price and the Anchor Investor and Strategic Investor Issue Price.

- Once the Issue Price is determined, all successful Bidders (i.e. whose Bids have been found to be at and above the Issue Price) shall be entitled for Allotment of the Units.

- In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLM and the Designated Stock Exchange.

- Allocation to Non-Residents, including Eligible NRIs and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.

- Allocation to Anchor Investors and Strategic Investors shall be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLM, subject to compliance with the InvIT Regulations.

- The Investment Manager, in consultation with the GCBRLMs and the BRLM, may reject a Bid placed by an Institutional Bidder for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders.

Withdrawal of the Issue

The Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, reserve the right not to proceed with the Issue, the Fresh Issue and/or the Offer for Sale, in whole or any part thereof after the Bid/Issue Opening Date but before the Allotment. In the event that the Investment Manager and the Selling Unitholders, in consultation with the GCBRLMs and the BRLM, decide not to proceed with the Issue at all, the Investment Manager shall issue a public notice on the website of the Trust, the Sponsor and the Investment Manager, within six days of the Bid/Issue Closing Date, or such other time as may be prescribed by SEBI in this regard. The GCBRLMs and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. The Investment Manager shall also inform the same to the Stock Exchanges.

If the Investment Manager and the Selling Unitholders withdraw the entire Issue after the Bid/Issue Closing Date and thereafter determine that they will proceed with a fresh issue and/or offer for sale of the Units, the Investment Manager shall file a fresh draft offer document with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Trust shall apply for after Allotment.

Basis of Allotment

The Allotment of Units to Bidders other than Anchor Investors and Strategic Investors shall be on a proportionate basis within the specified investor categories and the number of Units Allotted shall be rounded off to the nearest integer, subject to minimum Allotment as per InvIT Regulations and a minimum of 10,000 Units, and in multiples of 5,000 Units thereafter.

A. Allotment to Institutional Bidders (other than Anchor Investors and Strategic Investors)

a) Bids received from Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Institutional Bidders will be made at the Issue Price.

b) The Institutional Bidder Category will be available for Allotment to Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

c) The Issue size less Allotment to Other Bidders will be available for Allotment to Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The aggregate Allotment to Institutional Bidders shall be not more than 75% of the Issue.

d) If the aggregate demand in this category is less than or equal to the allocation to Institutional Bidders at or above the Issue Price, full Allotment shall be made to Institutional Bidders to the extent of their demand.

e) If the aggregate demand in this category is greater than the allocation in the Institutional Bidder Category at or above the Issue Price, then the maximum number of Institutional Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Units available for Allotment to Institutional Bidders by the minimum Bid Lot ("**Maximum Institutional Bidder Allottees**"). The Allotment to the Institutional Bidders will then be made in the following manner:

- In the event the number of Institutional Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum Institutional Bidder Allottees, (i) all such Institutional Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance available Units, if any, remaining in the Institutional Bidder Category shall be Allotted on a proportionate basis to the Institutional Bidders who have received Allotment as per (i) above for the balance demand of the Units Bid by them (i.e. who have Bid for more than the minimum Bid Lot); and

- In the event the number of Institutional Bidders who have submitted valid Bids in the Issue is more than Maximum Institutional Bidder Allottees, the Institutional Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

f) The identity of Institutional Bidders (other than Anchor Investors and Strategic Investors) shall not be made public except as required under applicable law.

B. Allotment to Other Bidders

a) Bids received from Other Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Other Bidders will be made at the Issue Price finalized by the Investment Manager, in consultation with the GCBRLMs and the BRLM.

b) The Other Bidder Category will be available for Allotment to Other Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

c) The aggregate Allocation to Other Bidders shall be not less than 25% of the Issue, subject to valid Bids being received from them at or above the Issue Price.

d) If the aggregate demand in this category is less than or equal to the allocation to Other Bidders at or above the Issue Price, full Allotment shall be made to Other Bidders to the extent of their demand.

e) If the aggregate demand in this category is greater than the allocation in the Other Bidder Category at or above the Issue Price, then the maximum number of Other Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Units available for Allotment to Other Bidders by the minimum Bid Lot ("**Maximum Other Bidder Allottees**"). The Allotment to the Other Bidders will then be made in the following manner:

- In the event the number of Other Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum Other Bidder Allottees, (i) all such Other Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance available Units, if any, remaining in the Other Bidder Category shall be Allotted on a proportionate basis to the Other Bidders who have received Allotment as per (i) above for the balance demand of the Units Bid by them (i.e. who have Bid for more than the minimum Bid Lot); and

- In the event the number of Other Bidders who have submitted valid Bids in the Issue is more than Maximum Other Bidder Allottees, the Other Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

C. Allotment to Anchor Investors (if applicable)

a) Allocation of Units to Anchor Investors at the Anchor Investor and Strategic Investor Issue Price will be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLM, subject to compliance with the following requirements:

- Not more than 60% of the Institutional Bidder Category will be Allocated to Anchor Investors;
- Allocation to Anchor Investors shall be in discretionary basis and subject to:
  - a minimum of two Anchor Investors for allocation of up to Rs. 2,500 million; and
  - a minimum of five Anchor Investors for allocation of more than Rs. 2,500 million.
- The identity of Anchor Investors shall be made public.

b) An Anchor Investor shall make an application of a value of at least Rs. 100 million in the Issue.

c) A physical book is prepared by the Registrar on the basis of the Anchor Investor and Strategic Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

d) **In the event that the Issue Price is higher than the Anchor Investor and Strategic Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor and Strategic Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

e) **In the event the Issue Price is lower than the Anchor Investor and Strategic Investor Issue Price:** Anchor Investors who have been Allotted Units will directly receive Allotment Advice.

D. Allotment to Strategic Investors (if applicable)

a) Allocation of Units to Strategic Investors at the Anchor Investor and Strategic Investor Issue Price will be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLM, subject to compliance with the following requirements:

- Not less than 5% of the Issue size will together be Allocated to Strategic Investors;
- Not more than 60% of the Institutional Bidder Category will be Allocated to Strategic Investors;
- The identity of Strategic Investors shall be made public.

b) Strategic Investors shall together make an application for not less than 5% of the Issue size, subject to such application being of a value of at least Rs. 100 million.

c) A physical book is prepared by the Registrar to the Issue on the basis of the Anchor Investor and Strategic Investor Application Forms received from Strategic Investors. Based on the physical book and at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLM, selected Strategic Investors will be sent a CAN and if required, a revised CAN.

d) **In the event that the Issue Price is higher than the Anchor Investor and Strategic Investor Issue Price:** Strategic Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Strategic Investor and the pay-in date for payment of the balance amount. Strategic Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor and Strategic Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Strategic Investors.

e) **In the event the Issue Price is lower than the Anchor Investor and Strategic Investor Issue Price:** Strategic Investors who have been Allotted Units will directly receive Allotment Advice.

The Investment Manager, the GCBRLMs and the BRLM, shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The authorized representatives of the Designated Stock Exchange along with the GCBRLMs and the BRLM, the Investment Manager and the Registrar to the Issue shall ensure that the Basis of Allotment is finalized in a fair and proper manner.

Designated Date and Allotment Advice

Designated Date

On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Units to Anchor Investors and Strategic Investors from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Accounts with the Public Issue Account Banks. The balance amount after transfer to the Public Issue Accounts shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Offer Document. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Units from ASBA Accounts into the Public Issue Account.

Issuance of Allotment Advice

Upon the finalization of the Basis of Allotment, the Investment Manager shall undertake the necessary action to facilitate the Allotment and credit of Units. Bidders are advised to instruct their Depository Participant to accept the Units that may be Allotted to them pursuant to the Issue. Pursuant to confirmation of such actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Units in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

The Investment Manager will ensure that the Allotment of Units will be completed within 12 Working Days of the Bid/Issue Closing Date

Interest and Refunds

Non-Receipt of Listing and Trading Permission

If the listing and trading approvals with respect to the Units are not granted by both Stock Exchanges, the Investment Manager and the Selling Unitholders shall forthwith repay all moneys received from the Bidders in pursuance of the Offer Document, in such manner and within such time as prescribed under the InvIT Regulations. Further, in such a case, the Trust shall be liable to refund the subscription moneys, if any, to the respective Allottees, immediately, along with interest at 15% per annum from the date of Allotment.

Withdrawal of SEBI's Observation Letter

In the event of withdrawal of SEBI's observation letter, the Units shall not be eligible for listing and the Trust shall be liable to refund the subscription moneys, if any, to the respective Allottees, immediately, along with interest at 15% per annum from the date of Allotment.

Non-Receipt of Minimum Subscription or Failure to make Minimum Allotment

In case of a failure to receive the minimum subscription of 90% of the Fresh Issue (including devolvement of Underwriters) or in case minimum Allotment of at least 25% of the total outstanding Units on a post-Issue basis cannot be made or if the number of prospective 'public' Allottees is less than 20, the Investment Manager shall forthwith refund the entire subscription amount received. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Units in the Fresh Issue will be issued prior to the sale of Units in the Offer for Sale. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the

Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.

Mode of Refund

a) **In case of ASBA Bids:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bidding.

b) **In case of Anchor Investors and Strategic Anchors:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors and Strategic Investors.

c) In case of Anchor Investors and Strategic Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors and Strategic Investors in their Anchor Investor and Strategic Investor Application Forms, for refunds. Accordingly, Anchor Investors and Strategic Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the sole risk of such Anchor Investor or Strategic Investor, as the case may be, and neither the Trust, the Investment Manager, the Selling Unitholders, the Trustee, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors or Strategic Investors, as the case may be, for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Hence, Anchor Investors and Strategic Investors should carefully fill in their Depository Account details in the Bid cum Application Form.

d) In the case of Bids from non-resident Bidders, refunds, if any, will only generally be payable in Indian Rupees only and net of bank charges and/or commission. The Trust, the Investment Manager, the Selling Unitholders and the Trustee may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

Mode of making refunds for Anchor Investors and Strategic Investors

The payment of refund, if any, may be done through various modes as mentioned below:

a) **NEFT:** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank or Strategic Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors and Strategic Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors or Strategic Investors, as the case may be, through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

b) **RTGS:** Anchor Investors and Strategic Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS;

c) **Direct Credit:** Anchor Investors and Strategic Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

d) **Demand Draft:** Refunds to Anchor Investors and Strategic Investors may also be made through the issue and delivery of demand drafts drawn on the Refund Bank and payable at par at places where the Bids are received.

For details of levy of charges, if any, for any of the above methods, Anchor Investors and Strategic Investors may refer to the Offer Document/Final Offer Document. All such charges shall be borne by such Anchor Investors and Strategic Investors.

Unblocking of ASBA Accounts

Once the Basis of Allotment is finalized by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Accounts designated for this purpose, within the specified timelines:

i) the number of Units to be Allotted against each Bid;

ii) the amount to be transferred from the relevant bank account to the Public Issue Accounts, for each Bid;

iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Accounts; and

iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Accounts and may unblock the excess amount, if any, in the ASBA Account. In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

Interest

The Investment Manager and the Selling Unitholders, shall pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working Days of the Bid/Issue Closing Date.

The Investment Manager and the Selling Unitholders may pay interest at 15% per annum for any delay beyond 12 Working Days from the Bid/Issue Closing Date, if Allotment is not made.

In the event of withdrawal of SEBI's observation letter or non-receipt of final listing and trading approvals in respect of the Units, the Investment Manager (on behalf of the Trust) and the Selling Unitholders shall forthwith repay all moneys received from the Bidders in such manner and within such time as prescribed under the InvIT Regulations. Further, in such a case, the Trust and the Selling Unitholders shall be liable to refund the subscription moneys, if any, to the respective Allottees, along with interest at 15% per annum from the date of Allotment.

Underwriting Agreement

The Trust (acting through the Trustee), the Investment Manager, the Selling Unitholders and the Syndicate Members have entered into the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Units:

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Units to be underwritten	Amount underwritten (Rs. in Million)
IDFC Bank Limited Naman Chambers, C-32, G Block, Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India **Tel:** +91 22 6622 2600 **Fax:** +91 22 6622 2501 **E-mail:** irbinvit.ipo@idfcbank.com	72,019,700	7,346.01

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Units to be underwritten	Amount underwritten (Rs. in Million)
IDFC Securities Limited Naman Chambers, C-32, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **Tel:** + 91 22 66222522 **Fax:** +91 22 66222504 **E-mail:** anish.damania@idfc.com	100	0.01
Sharekhan Limited 10th Floor, Beta Building, Lodha iThink Techno Campus, Off Jogeshwari-Vikhroli Link Road, Opposite Kanjurmarg Railway Station, Kanjurmarg (E), Mumbai -400 042 **Tel:** +91 22 6115 0000 **Fax:** +91 22 6748 1899 **E-mail:** ipo@sharekhan.com	100	0.01
Bajaj Share and Stock Brokers Private Limited 24-B, Rajabahadur Compound Hamam Street, Fort, Mumbai – 400023, India **Tel:** +91 22 2265 3897 / +91 22 2265 0362 **Fax:** +91 22 2265 3599 **E-mail:** bajajvrb@gmail.com	100	0.01
Credit Suisse Securities (India) Private Limited 9F/10F, Ceejay House, Plot F, Dr. Annie Besant Road Worli, Mumbai 400 018, Maharashtra, India **Tel:** +91 22 6777 3777 **Fax:** +91 22 6777 3820 **E-mail:** list.irbinvitfund@credit-suisse.com	72,020,000	7,346.04
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 Maharashtra, India **Tel:** +91 22 2288 2460 **Fax:** +91 22 2282 6580 **E-mail:** irb.invit@icicisecurities.com	72,020,000	7,346.04
IIFL Holdings Limited 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4646 4600 **Fax:** +91 22 2493 1073 **E-mail:** irbinvit.ipo@iiflcap.com	72,019,900	7,346.03
India Infoline Limited IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013 **Tel:** +91 22 42499000 **Fax:** +91 22 24954313 **E-mail:** cs@indiainfoline.com	100	0.01

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material have been entered or are to be entered into in due course. These contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Trust, from 11:00 A.M. to 5:00 P.M., from the date of the Offer Document until the date of listing of the Units pursuant to the Issue, on Working Days.

A. Material Contracts

1. Issue Agreement dated September 7, 2016, among the Trustee (on behalf of the Trust), the Investment Manager, the Trustee, the Selling Unitholders, the GCBRLMs and the BRLM;

2. Registrar Agreement dated September 7, 2016, among the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholders and the Registrar to the Issue;

3. Escrow Agreement dated April 20, 2017, among the Trustee (on behalf of the Trust), the Investment Manager, the Trustee, the Selling Unitholders, the GCBRLMs, the BRLM, the Registrar to the Issue, the Syndicate Members, the Escrow Collection Banks, the Public Issue Account Banks and the Refund Bank;

4. Share and Unit Escrow Agreement dated April 20, 2017, among the Trustee (on behalf of the Trust), the Investment Manager, the Trustee, the Selling Unitholders, IDFC Bank Limited (in its capacity as a GCBRLM) and the Share and Unit Escrow Agent;

5. Syndicate Agreement dated April 20, 2017, among the Trustee (on behalf of the Trust), the Investment Manager, the Trustee, the Selling Unitholders, the GCBRLMs, the BRLM and the Syndicate Members; and

6. Underwriting Agreement dated May 12, 2017, among the Trustee (on behalf of the Trust), the Investment Manager, the Trustee, the Selling Unitholders, the GCBRLMs, the BRLM and the Syndicate Members.

B. Documents for Inspection

1. The Indenture of Trust dated October 16, 2015, together with the deed of amendment thereto dated February 17, 2017;

2. Certificate of registration of the Trust as an infrastructure investment trust (SEBI Registration Number: IN/InvIT/15-16/0001), issued by SEBI dated March 14, 2016;

3. The resolution of the shareholders of the Sponsor dated September 22, 2015, and the resolution of the board of directors of the Sponsor dated September 23, 2015;

4. The Investment Management Agreement dated March 3, 2016

5. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and IDAAIPL, dated March 3, 2016;

6. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and IJDTPL, dated March 3, 2016;

7. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and ISDTPL, dated March 3, 2016;

8. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and ITATPL, dated March 3, 2016;

9. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and ITCTPL, dated March 3, 2016; and

10. The project implementation agreement, among the Trustee (on behalf of the Trust), the Investment Manager and the Project Manager and MITPL, dated March 3, 2016.

11. Resolution of the board of directors of the Investment Manager dated August 29, 2016, in relation to the Issue and other related matters.

12. Resolution of the InvIT Committee of the Sponsor dated August 29, 2016, in relation to the Offer for Sale.

13. Resolution of the board of directors of Modern Road Makers Private Limited dated August 29, 2016, in relation to the Offer for Sale.

14. Resolution of the board of directors of Aryan Toll Road Private Limited dated August 29, 2016, in relation to the Offer for Sale.

15. Resolution of the board of directors of ATR Infrastructure Private Limited dated August 29, 2016, in relation to the Offer for Sale.

16. Resolution of the board of directors of Ideal Road Builders Private limited dated August 29, 2016, in relation to the Offer for Sale.

17. The share purchase agreement dated May 9, 2017, entered into among the Sponsor, Ideal Road Builders Private Limited, Aryan Toll Road Private Limited, ATR Infrastructure Private Limited, the Trust (acting through the Trustee), the Investment Manager and IDAAIPL;

18. The share purchase agreement dated May 9, 2017, entered into among the Sponsor and the Project Manager, the Trust (acting through the Trustee), the Investment Manager and IJDTPL;

19. The share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and ISDTPL;

20. The share purchase agreement dated May 9, 2017, entered into among the Sponsor and the Project Manager, the Trust (acting through the Trustee), the Investment Manager and ITATPL;

21. The share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and ITCTPL;

22. The share purchase agreement dated May 9, 2017, entered into among the Sponsor, the Trust (acting through the Trustee), the Investment Manager and MITPL;

23. The Deed of Right of First Offer and Right of First Refusal dated May 9, 2017, among the Sponsor, the Investment Manager and the Trust (through the Trustee);

24. The Future Assets Agreement dated May 9, 2017, among the Sponsor, the Investment Manager and the Trust (through the Trustee);

25. The concession agreement between IDAAIPL and NHAI dated July 7, 2006, together with any amendments or supplements thereto;

26. The concession agreement between IJDTPL and NHAI dated December 16, 2009, together with any amendments or supplements thereto;

27. The concession agreement between ISDTPL and NHAI dated April 30, 2008, together with any amendments or supplements thereto;

28. The concession agreement between ITATPL and NHAI dated November 18, 2009, together with any amendments or supplements thereto;

29. The concession agreement between ITCTPL and NHAI dated August 16, 2010, together with any amendments or supplements thereto;

30. The concession agreement between MITPL and NHAI dated February 16, 2006, together with any amendements or supplements thereto;

31. The audit report of the Auditors on the Combined Financial Statements dated March 29, 2017, included in this Final Offer Document;

32. Consent of the Auditors, in relation to their report on the Revenue, Profit and Cash Flow Projections dated March 29, 2017, and the statement of tax benefits dated March 29, 2017, included in this Final Offer Document;

33. The audit report of the Auditors on the audited converted financial statements of each of the Project SPVs for the financial years ended March 31, 2014, 2015 and 2016 and on the audited adjusted financial statements of each of the Project SPVs for the nine-month period ended December 31, 2016, dated March 29, 2017;

34. The statement of tax benefits dated March 29, 2017, from the Auditors, included in this Final Offer Document;

35. Consent of the Auditors, Traffic Consultant, GCBRLMs, BRLM, Syndicate Members, Advisors to the Trust for the Issue, Indian Legal Counsel to the Trust, Indian Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrar to the Issue, Public Issue Account Banks, Escrow Collection Banks, Refund Bank, Compliance Officer, as referred to in their specific capacities;

36. Consent of the Valuers, in relation to their report dated March 29, 2017, included in this Final Offer Document;

37. Due Diligence Certificate dated September 7, 2016, addressed to SEBI from the GCBRLMs and the BRLM;

38. The no-objection/approval from the NHAI dated November 9, 2015, and NHAI's letter dated April 20, 2017;

39. In-principle listing approvals dated December 29, 2016, and December 30, 2016, issued by the BSE and the NSE, respectively;

40. Tripartite Agreement dated November 29, 2016, among Trust, the Registrar to the Issue and NSDL;

41. Tripartite Agreement dated January 30, 2016, among Trust, the Registrar to the Issue; and CDSL; and

42. SEBI's observation letter no. IMD/DF1/NG/OW/3176/2017 dated February 9, 2017.

Any of the contracts or documents mentioned in this Final Offer Document may be amended or modified at any time if so required in the interest of the Trust or if required by the other parties, without reference to the Unitholders, subject to compliance with applicable law.

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Final Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE DIRECTORS OF THE INVESTMENT MANAGER

Mr. Rajinder Pal Singh Chairman & Independent Director	**Mr. Vinod Kumar Menon** Whole time Director
Mr. B. L. Gupta Independent Director	**Mr. Sumit Banerjee** Independent Director

For **IRB Infrastructure Private Limited**

Date: May 12, 2017
Place: Mumbai

DECLARATION

The Trustee (on behalf of the Trust) hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Trustee (on behalf of the Trust) further certifies that all the statements and disclosures in this Final Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE TRUSTEE (ON BEHALF OF THE TRUST)

For **IDBI Trusteeship Services Limited**

Date: May 12, 2017
Place: Mumbai

DECLARATION

The Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Sponsor further certifies that all the statements and disclosures in this Final Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE DIRECTORS OF THE SPONSOR

Mr. Virendra D. Mhaiskar Chairman & Managing Director	**Mrs. Deepali V. Mhaiskar** Wholetime Director
Mr. Sudhir R. Hoshing Joint Managing Director	**Mr. Mukeshlal Gupta** Wholetime Director
Mr. Sunil Talati Independent Director	**Mr. Chandrashekhar S. Kaptan** Independent Director
Mr. Sandeep J. Shah Independent Director	**Mr. Sunil Tandon** Independent Director

For **IRB Infrastructure Developers Limited**

Date: May 12, 2017
Place: Mumbai

DECLARATION

We, Modern Road Makers Private Limited, being one of the Selling Unitholders, hereby declare and certify that all statements made, and undertakings provided by us in this Final Offer Document, about or in relation to ourselves in connection with the Issue, the equity shares held by us in the respective Project SPV(s) and the Units offered by us in the Issue, are true and correct.

FOR AND ON BEHALF OF MODERN ROAD MAKERS PRIVATE LIMITED

Authorised Signatory

Date: May 12, 2017
Place: Mumbai

DECLARATION

We, Aryan Toll Road Private Limited, being one of the Selling Unitholders, hereby declare and certify that all statements made, and undertakings provided by us in this Final Offer Document, about or in relation to ourselves in connection with the Issue, the equity shares held by us in the respective Project SPV(s) and the Units offered by us in the Issue, are true and correct.

FOR AND ON BEHALF OF ARYAN TOLL ROAD PRIVATE LIMITED

Authorised Signatory

Date: May 12, 2017
Place: Mumbai

DECLARATION

We, ATR Infrastructure Private Limited, being one of the Selling Unitholders, hereby declare and certify that all statements made, and undertakings provided by us in this Final Offer Document, about or in relation to ourselves in connection with the Issue, the equity shares held by us in the respective Project SPV(s) and the Units offered by us in the Issue, are true and correct.

FOR AND ON BEHALF OF ATR INFRASTRUCTURE PRIVATE LIMITED

Authorised Signatory

Date: May 12, 2017
Place: Mumbai

DECLARATION

We, Ideal Road Builders Private Limited, being one of the Selling Unitholders, hereby declare and certify that all statements made, and undertakings provided by us in this Final Offer Document, about or in relation to ourselves in connection with the Issue, the equity shares held by us in the respective Project SPV(s) and the Units offered by us in the Issue, are true and correct.

FOR AND ON BEHALF OF IDEAL ROAD BUILDERS PRIVATE LIMITED

Authorised Signatory

Date: May 12, 2017
Place: Mumbai

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A	**VALUATION REPORT**	**A-1 to A-61**
B	**REVENUE, PROFIT AND CASH FLOW PROJECTIONS**	**B-1 to B-13**
C	**TRAFFIC REPORTS**	**C-1 to C-394**
	TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL) FOR SURAT TO DAHISAR (KM 263.000 TO KM 502.000) SECTION OF NH-8 IN THE STATE OF GUJARAT & MAHARASHTRA	*C-1 to C-82*
	TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL) FOR TUMKUR TO CHITRADURGA (KM 75.000 TO KM 189.000) SECTION OF NH-4 IN THE STATE OF KARNATAKA	*C-83 to C-153*
	TOLL REVENUE AND O&M COST PROJECTION REPORT FINAL) FOR BHARUCH TO SURAT (KM 198.000 TO KM 263.000) SECTION OF NH-8 IN THE STATE OF GUJARAT	*C-154 to C-205*
	TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL) FOR JAIPUR TO DEOLI SECTION OF NH-12 (KM 18.700 TO 165.000) IN THE STATE OF RAJASTHAN	*C-206 to 283*
	TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL) FOR OMALUR TO NAMAKKAL (KM 180.000 TO KM 248.625) SECTION OF NH-7 IN THE STATE OF TAMIL NADU	*C-284 to C-334*
	TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL) FOR TALEGAON TO AMRAVATI SECTION OF NH-6 (KM 100.000 TO KM 166.725) IN THE STATE OF MAHARASHTRA	*C-335 to C-394*
D	**CREDIT RATING LETTERS AND RATIONALES**	**D-1 to D-30**

Walker Chandiok & Co LLP

STRICTLY PRIVATE & CONFIDENTIAL

IRB InvIT Fund
IRB Complex third floor,
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Andheri (East),
Mumbai 400 072
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IRB Infrastructure Private Limited
IRB Complex third floor,
Chandivli Farm, Chandivli Village,
Andheri (East),
Mumbai 400 072
India

29 March 2017

For the kind attention of Mr V. K. Menon,
Executive Director, IRB Infrastructure Private Limited

Dear Sir,

Re: Valuation Services

With reference to our Engagement Letter ("EL" dated 26 November 2015 along with the addendum to EL dated 13 February 2017, confirming the appointment of Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Firm") as an independent valuer for the purpose of valuation of the 6 Subsidiaries or Special Purpose Vehicles (hereinafter referred to as "SPVs") of IRB Infrastructure Developers Limited (hereinafter referred to as "IRB" or the "Company") proposed to be transferred to IRB InvIT Fund (hereinafter referred to as "InvIT"), acting through its Investment Manager, IRB Infrastructure Private Limited (collectively hereinafter referred to as the "Client") as on 31 March 2017 (hereinafter referred to as the "Valuation Date") in accordance with the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time.

We have relied on explanations and information provided by the Management. Although we have reviewed such data for consistency, we have not independently investigated or otherwise verified the data provided. We have no present or planned future interest in Company, SPVs or Client and the fee for our Valuation Report ("Report") is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Company.

WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

Please note that all comments in our Report must be read in conjunction with the Caveats to the Report, which are contained in Section IX of this Report.

The Report and the Summary of Valuation included herein can be reproduced and included in the Offer Document and the Final Offer Document proposed to be filed in connection with an IPO offering of the units of the InvIT and may be made available for inspection in the manner specified therein

Limitation of liability: We draw your attention to the limitation of liability clauses in Section XII l) of the Report.

Yours sincerely,
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Huned Contractor
Partner
Membership No: 41456

Place: Mumbai
Dated: 29 March 2017

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I. SUMMARY OF VALUATION

I. a) Background & Scope

IRB Infrastructure Developers Limited is a listed infrastructure development company, undertaking development of various infrastructure projects via the Public Private Partnership ("PPP") model in the toll road sector.

IRB has sponsored an Infrastructure Investment Trust named IRB InvIT Fund (hereinafter referred to as the "InvIT" or the "Client") which has been registered under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time ("SEBI InvIT Regulations, 2014").

Based on discussions with the Client, we understand that the InvIT proposes to acquire stakes held by IRB and its wholly owned subsidiaries (as the case may be) in the 6 Subsidiaries or Special Purpose Vehicles (hereinafter together referred to as "SPVs" or individually as the "SPV") of IRB.

The Client had requested for the assistance of the Firm to carry out fair valuation of the SPVs of IRB proposed to be transferred to InvIT in accordance with the SEBI InvIT Regulations, 2014 for which the Firm issued the valuation report as on 30 August 2016.

Based on the requirements of SEBI InvIT Regulations, 2014, prior to any issue of units by publicly offered InvIT other than bonus issue, the valuer shall undertake full valuation of all the InvIT assets and include the same in the Offer Document provided that such valuation report shall not be more than six months old at the time of such offer. Hence, as the earlier report issued by the Firm on 30 August 2016 is more than six months old from the offer date, the Client has approached the Firm to provide revised valuation report as on 31 March 2017 (the "Valuation Date"). This Valuation Report ("Report") covers all the disclosures required as per the SEBI InvIT Regulations, 2014.

The Firm declares that:

- It is competent to undertake the valuation
- It is independent and has prepared the Report on a fair and unbiased basis
- It has valued the SPVs based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulation, 2014

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I. b) Valuation Approach & Assumptions

To arrive at fair value of the SPVs, we have used a Discounted Cash Flows ("DCF") method under the Income Approach.

For the purpose of this valuation exercise, the Firm has been provided with the financial projections of the SPVs under Indian Accounting Standard (IND AS) by the Management of IRB (hereinafter referred to as the "Management") as on the Valuation Date. The projections are based on the best judgement of the Management on the future cash flows supported by the traffic surveys conducted by an independent traffic consultancy firm GMD Consultants, i.e. the technical report consultant.

In addition to the aforementioned financial projections, the following approach and assumptions have been considered for the valuation exercise:

- The Free Cash Flows to Firm under the Discounted Cash Flow Method has been used for the purpose of the valuation of each of the SPVs.
- The Weighted Average Cost of Capital for each of the SPVs has been considered as the discount rate for respective SPV for the purpose of valuation.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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I. c) Conclusion of Value

Based on the methodology and assumptions discussed above, we have arrived at the Fair Enterprise Value of all the 6 SPVs as on the Valuation Date

Table 1.1: Fair Enterprise Value of all the 6 SPVs as on the Valuation Date (INR Millions ("Mn"))

Name of the SPV	Fair Enterprise Value
IRB Surat Dahisar Tollway Private. Limited	13,879.05
IDAA Infrastructure Private. Limited	7170.33
IRB Jaipur Deoli Tollway Private. Limited	23,114.58
IRB Tumkur Chitradurga Tollway Private. Limited.	15,503.79
IRB Talegaon Amravati Tollway Private. Limited	7,176.06
MVR Infrastructure & Tollway Private. Limited	3,663.85
Total Fair Enterprise Value of all the 6 SPVs	**70,507.65**

The EV has further been adjusted for net dues from/to related parties including interest free subordinate debt to arrive at the Fair Value of Equity of the 6 SPVs as on the Valuation Date.

Table 1.2: Fair Value of Equity of all the 6 SPVs as on the Valuation Date (INR Mn)

Name of the SPV	Fair Equity Value
IRB Surat Dahisar Tollway Private. Limited	6,235.68
IDAA Infrastructure Private. Limited	1,204.73
IRB Jaipur Deoli Tollway Private. Limited	9,000.35
IRB Tumkur Chitradurga Tollway Private. Limited	3,191.28
IRB Talegaon Amravati Tollway Private. Limited	646.25
MVR Infrastructure & Tollway Private. Limited	1,723.85
Total Fair Value of Equity for all the 6 SPVs	**22,002.15**

Please note that in absence of the balance sheets of the SPVs as on the Valuation Date, the Fair Value of Equity of the SPVs are arrived from the Enterprise Value of the respective SPVs after making certain adjustments of current assets and liabilities based on the balance sheets of the respective SPVs as on 31 December 2016 provided to us by the Management and after considering the outstanding net debt of the individual SPVs estimated by the Management as on the Valuation Date. The Equity value of the SPVs may change based on the actual balance sheet of the SPVs as on the Valuation Date.

II. CONTEXT AND PURPOSE

Incorporated in 1998, IRB Infrastructure Developers Limited (hereinafter referred to as "IRB" or the "Company") is an infrastructure development company that undertakes development of various infrastructure projects via the PPP model in the toll road sector. The Company is currently listed on both the BSE Limited and the National Stock Exchange of India Limited.

IRB has sponsored an Infrastructure Investment Trust named IRB InvIT Fund (hereinafter referred to as "InvIT") has been registered under the SEBI InvIT Regulations, 2014. IDBI Trusteeship Services Limited has been appointed as the Trustee to the above mentioned InvIT. IRB Infrastructure Private Limited has been appointed as the Investment Manager to the InvIT by the Trustee and will be responsible to carry out the duties of such person as mentioned in Regulation 10 of the SEBI InvIT Regulations, 2014.

We understand that the InvIT, acting through its Investment Manager, IRB Infrastructure Private Limited (collectively hereinafter referred to as the "Client") proposes to acquire stakes held by IRB and its wholly owned subsidiaries (as the case may be) in the 6 SPVs of IRB following which units will be issued to IRB, which are to be listed on one or more Indian Stock Exchanges consequent to an IPO process.

The 6 SPVs which are proposed to be transferred from IRB to InvIT are:

1. IRB Surat Dahisar Tollway Private Limited ("IRBSD")
2. IDAA Infrastructure Private Limited ("IDAA")
3. IRB Jaipur Deoli Tollway Private Limited ("IRBJD")
4. IRB Tumkur Chitradurga Tollway Private Limited ("IRBTC")
5. IRB Talegaon Amravati Tollway Private Limited ("IRBTA")
6. MVR Infrastructure & Tollway Private Limited ("MVR")

For this purpose, the Client requires an assistance of the Firm to carry out the fair valuation of the 6 SPVs of IRB proposed to be transferred to it in accordance with the SEBI InvIT Regulations, 2014.

The Valuation Date considered for carrying out the fair valuation of the 6 SPVs is 31 March 2017. Please note that the inputs for arriving at the discount rate are considered as on 31 December 2016. Also due to unavailability of provisional financial statements as on 31 March 2017, the Management has acknowledged to consider the provisional financial statements as on 31 December 2016 to carry out the valuation for all the SPVs.

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III. OVERVIEW OF THE SPVs

The details of the individual SPVs are as given below:

- **IRB Surat Dahisar Tollway Private Limited**

  IRBSD project covers the Surat and Dahisar section of NH-8 from 263.0 km to 502.0 km. The project has been awarded to IRBSD on a revenue sharing basis with the National Highways Authority of India ("NHAI").

  The project highway passes through two states namely Gujarat and Maharashtra. Approximately 120 km of stretch lies in the state of Gujarat and the balance 120 km lies in the state of Maharashtra. The project is joined and/or intersected by number of State Highways, Major District Roads and Other District Roads.

  IRBSD project which has been awarded for a concession period of 12 years starting from 20 February 2009 has been commissioned and is currently in the operation / maintenance phase.

Table 3.1: Details of IRBSD

Parameters	Details
Length of the project	239 km
Project Cost	INR 25,285.74 Mn
Concession Period – Start	20 February 2009
Concession Period – End	30 July 2022
Tolling Start Date	20 February 2009
Date of Inspection	4 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

Modification in the Concession Period

As per the Clause 29 of the concession agreement between NHAI and IRBSD provided to us by the Management, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

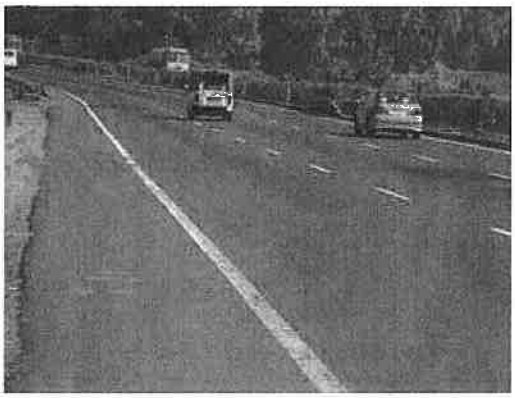
Target Date - 1 January 2017

Target Traffic – 82,043 Passenger Car Units ("PCUs")

Projected Traffic as on Target Date – 75,099 PCUs

As per the traffic projections provided by the Management, the traffic volume falls short of the target traffic as on the target date. This warrants for an extension of the concession period. Hence, the concession period has been extended to 13.44 years (from the original 12 years) up to 30 July 2022 by the Management.

Pictures of the Project Corridor:



- **IDAA Infrastructure Private Limited**

  IDAA project covers the Bharuch and Surat section of NH-8 from km 198.0 to km 263.0. The project has been implemented on a Build Operate Transfer ("BOT") basis by the NHAI. This project has been awarded to IDAA for a concession period of 15 years starting from 2 January 2007 and ending on 1 January 2022 on the basis of the negative grant of INR 5040.0 Mn paid upfront to NHAI.

  The project is in the state of Gujarat and passes through the districts of Surat and Bharuch. IDAA project has been commissioned and is currently in the operation / maintenance phase.

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Table 3.2: Details of IDAA

Parameters	Details
Length of the project	65 km
Project Cost	INR 14,054.9 Mn
Concession Period – Start	2 January 2007
Concession Period – End	1 January 2022
Tolling Start Date	25 September 2009
Date of Inspection	4 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

Pictures of the Project Corridor:

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- **IRB Jaipur Deoli Tollway Private Limited**

IRBJD project covers the Jaipur and Deoli section of NH-12 from km 18.7 to km 165.0. IRBJD project has been implemented on a BOT basis by the NHAI. The project is in the state of Rajasthan and passes through districts, viz. Jaipur and Tonk. En-route, it passes few major/minor urban centres, viz. Shivdaspura, Chaksu, Tonk, and Deoli.

This project has been awarded to IRBJD for a concession period of 30 years starting from 14 June 2010 on the basis of a grant given by NHAI of INR 3060.0 Mn during the concession period. The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.3: Details of IRBJD

Parameters	Details
Length of the project	146.3 km
Project Cost	INR 17,746.96 Mn
Concession Period – Start	14 June 2010
Concession Period – End	12 June 2040
Tolling Start Date	27 September 2013
Date of Inspection	7 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

Modification in the Concession Period

As per the Clause 29 of the concession agreement between NHAI and IRBJD provided to us by the Management, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

Target Date - 1 October 2018

Target Traffic – 30,344 PCUs

Projected Traffic as on Target Date – 21,533 PCUs

As per the traffic projections provided by the Management, the traffic volume falls short of the target traffic as on the target date. This warrants for an extension of the concession period. Hence, the concession period has been extended to 30.0 years (from the original 25 years) up to 12 June 2040 by the Management.

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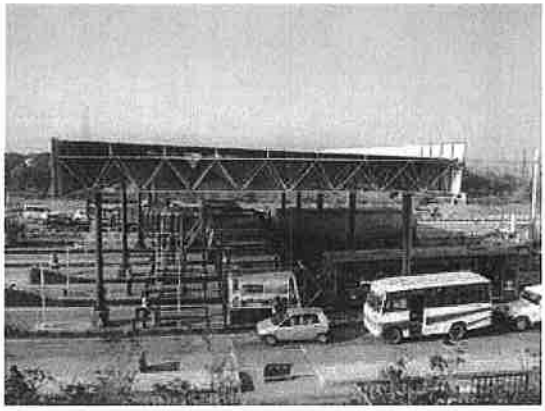
Pictures of the Project Corridor:



- **IRB Tumkur Chitradurga Tollway Private Limited**

  IRBTC project covers the Tumkur and Chitradurga section of NH-4 from 75.0 km to 189.0 km. The project has been implemented on a BOT basis by the NHAI. This project has been awarded for a concession period of 26 years starting from 4 June 2011 on the basis of a premium of INR 1,404.0 Mn payable to the NHAI in the first year of concession period increased annually at 5%.

  The project is in the state of Karnataka and passes through districts, viz. Tumkur and Chitradurga. En-route, it passes few major/minor urban centres, viz. Tumkur, Sira, Hiriyur and Chitradurga.

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WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.4: Details of IRBTC

Parameters	Details
Length of the project	114 km
Project Cost	INR 11,420.0 Mn
Concession Period – Start	4 June 2011
Concession Period – End	3 June 2037
Tolling Start Date	4 June 2011
Date of Inspection	5 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

Modification in the Concession Period

As per the Clause 29 of the concession agreement between NHAI and IRBTC provided to us by the Management, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

Target Date - 1 April 2020

Target Traffic – 54,558 PCUs

Projected Traffic as on Target Date – 57,288 PCUs

As per the traffic projections provided by the Management, the traffic volume exceeds the target traffic as on the target date. This warrants for a reduction of the concession period. However, it has also been stipulated that in case the actual traffic exceeds the design capacity of the project corridor, NHAI may at its discretion cause IRB Tumkur Chitradurga Tollway Private Limited ("Concessionaire") to undertake suitable capacity augmentation of the project corridor.

The concession agreement states that the concession period would be suitably increased over and above the existing concession period to yield a post-tax equity IRR of 16% to the Concessionaire for incurring this additional cost of capacity augmentation. The concession agreement also clarifies that in case of capacity augmentation, there shall be no reduction in concession period as may have been originally accepted under relevant provisions of the concession agreement.

In the case of the IRBTC, as mentioned earlier, it is seen that the projected traffic exceeds the design capacity in the years of original concession period which would stand curtailed considering reduction in concession period based on Target Traffic. However, as per the Management, it is highly likely that NHAI may cause the Concessionaire to undertake capacity augmentation. In which case, the loss of concession period would be set off by the additional IRR generated by the capacity augmentation.

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Hence, traffic and toll revenue have been considered up to end of original concession period.

Pictures of the Project Corridor:

- **IRB Talegaon Amravati Tollway Private Limited**

  IRBTA project covers the Talegaon and Amravati section of NH-6 from 100 km to 166.7 km. The project has been implemented on a BOT basis by the NHAI. This project has been awarded to IRBTA for a concession period of 22 years starting from 3 September 2010 on the basis of a grant of INR 2,160 Mn receivable from the NHAI during the construction period.

  The project is in the state of Maharashtra and passes through Amravati district. En-route, it passes few major/minor urban centres, viz. Nandgaon Peth, Mozri, Tivsa, and Ramdara etc. before reaching end of project stretch at Talegaon. The corridor of the project is also known as Amravati – Nagpur Highway.

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WALKER CHANDIOK & Co LLP * CHARTERED ACCOUNTANTS * MUMBAI

The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.5: Details of IRBTA

Parameters	Details
Length of the project	66.7 km
Project Cost	INR 8,925.95 Mn
Concession Period – Start	3 September 2010
Concession Period – End	26 January 2037
Tolling Start Date	24 April 2013
Date of Inspection	2 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

Modification in the Concession Period

As per the Clause 29 of the concession agreement between NHAI and IRBTA provided to us by the Management, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

Target Date - 1 April 2020

Target Traffic – 41,052 PCUs

Projected Traffic as on Target Date – 22,895 PCUs

As per the traffic projections provided by the Management, the traffic volume falls short of the target traffic as on the target date. This warrants for an extension of the concession period. Hence, the concession period has been extended to 26.4 years (from the original 22 years) up to 26 January 2037 by the Management.

Pictures of the Project Corridor:

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

- **MVR Infrastructure & Tollway Private Limited**

MVR project covers the Omalur and Namakkal section of NH-7 from 180.0 km to 248.6 km. The project has been implemented on a BOT basis by the NHAI and is a combination of construction and maintenance packages as given under:

Maintenance package – From 180 km to 207.5 km
Construction & Maintenance Package – From 207.5 km to 248.625 km

The project covers the stretch from Omalur to Namakkal and passes through two districts namely Salem and Namakkal. This project has been awarded for a concession period of 20 years starting from 14 August 2006 and ending on 14 August 2026. The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.6: Details of MVR

Parameters	Details
Length of the project	68.6 km
Project Cost	INR 3,076.0 Mn
Concession Period – Start	14 August 2006
Concession Period – End	14 August 2026
Tolling Start Date	6 August 2009
Date of Inspection	8 December 2015
IRB and its wholly owned subsidiaries' Stake	100%

Source: Management

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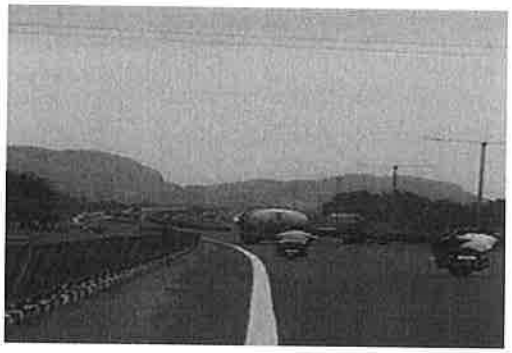
Pictures of the Project Corridor:



IV. IMPACT OF LITIGATIONS FOR ALL THE 6 SPVS

As informed to us by the Management, the list of all material litigations, (including tax litigations, if any) against the project SPVs has been provided to us for review. We have been informed by the Management that the Sponsor would indemnify the InvIT and its SPVs against any financial losses suffered or incurred in connection with any pending or threatened claims against the Project SPVs made prior to the transfer of the assets to the InvIT, hence no impact has been factored on the valuation of the SPVs.

V. DISCLOSURES OF PERMITS & LICENSES FOR ALL THE 6 SPVS

We have been informed by the Management about the permits and licenses of the individual SPVs which have been represented in the Appendix VIII. We have not independently verified the documents related to the permits and licenses and have relied on the representation by the Management regarding the same.

VI. DISCLOSURES OF ESTIMATED MAJOR REPAIRS OF THE 6 SPVS

We have been informed by the Management about the estimates and timing of the proposed major repairs to be carried out by the SPVs which have been represented in the Appendix IX. We have not independently verified the documents related to these estimates and have relied on the representation by the Management regarding the same.

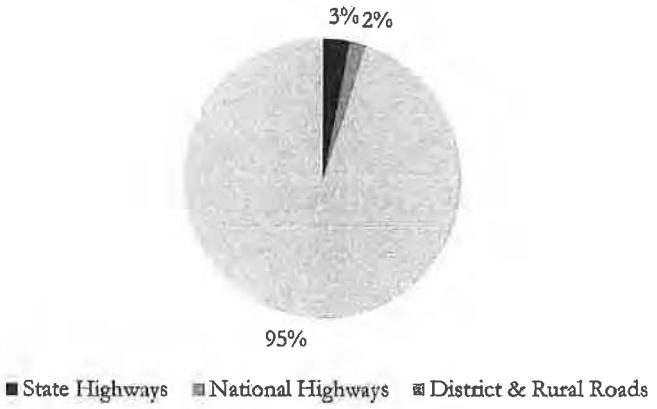
VII. INDUSTRY OVERVIEW

Road construction sector in India

Road network development is an important constituent for the infrastructural development in India. Road development in India is undertaken by the Central and State Governments and implemented through agencies like Ministry of Road Transport and Highways (MORTH) NHAI, Border Roads Organisation (BRO), State Public Works Departments (PWDs) and municipal corporations. Historically, development and maintenance of road infrastructure has been funded by the Government. Private sector interest in funding road projects was lacking because of the large investment requirement, long gestation period, and uncertainty of returns. However, the private sector has played an important role in the road sector in the Engineering Procurement Construction ("EPC") segment.

The Indian transport sector constitutes 6% of the country's Gross Domestic Product. The road sector constitutes 70% of the total Indian transport sector. The country has the second largest road network in the world of approximately 5.23 Mn km.[1] The national highways in India constitute only about 2% of the road network as shown by Chart 3.1 but account for about 40% of the total road traffic. The country transports nearly 57% of the total goods by road, as compared to 22% in China and 37% in the U.S.[2]

Chart 4.1. Distribution of Road Network across India



Source: Ministry of Road Transport and Highways (MoRTH), 2015

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[1] Make in India; http://www.makeinindia.com/sector/roads-and-highways
[2] Twelfth five year plan (2012-2017)

Public Private Partnership in Road Projects in India

In the FY2015–16, Infrastructure investments were expected to rise to USD 11.6 Bn from the Central funds and internal resources of Central Public Sector Enterprises.[3] The private sector is emerging as a key player in the development of road infrastructure in India. As on March 2015, India had completed 100 PPP-full form projects and 165 PPP projects were under progress.[3] Investment of USD 31 Bn is expected in PPP during the next five years (by 2020) for national highways.[3] National highways are expected to reach 100,000 km by the end of 2017 from 97,135 km in FY15[3]. As per Union Budget 2015–16, the government has provided an outlay of USD 6.43 Bn for the road sector.[3]

A mega push to the road sector has been planned by the government by increasing the target to award projects for construction from 8,500 km to 10,000 km and an infusion of up to INR 40,000 Mn for the completion of projects which are stalled due to the lack of funds.[4]

Key Policy Initiatives in the Road Infrastructure sector over the last three Financial Years[5]

2013-2014	2014-2015	2015-2016
Classification of road BOT projects, loans secured.	80% land acquisition before project awarded	100% exit after two years for all road projects (including projects awarded pre 2009).
Environmental clearance for forest land delinked for road widening projects	Premium re-scheduling for stressed projects.	NHAI prepares to infuse funds into projects that are stuck.
	Fast track clearance: i.) States to clear projects up to 40 acres of forest land. ii.) Increased limit for sand mining. iii.) Online filing and clearance of ROB and RUBS.	Extending concession period for projects delayed due to lack of clearance for authority: The CCEA has given its approval for authorising NHAI to allow extension of concession period for all current projects in BOT (Toll) mode that are languishing during the construction period due to causes not attributable to the concessionaire.

[3] http://www.ibef.org/download/Roads-August-2015.pdf

[4] timesofindia.indiatimes.com/india/Centre-plans-10000km-push-for-roadsector/articleshow/47219049.cms

[5] Press Release by CRISIL Research titled "New concession agreement is a booster shot for highways" released on 15 September 2015.

Future Outlook

Contribution of road transport sector in GDP of India

The Government of India targets to widen and expand national highways to 150,000 km in next two years across the country for ensuring that the roads and highways sector contributes at least 2% to the GDP growth. [6] As a consequence of increasing economic activity and the new government's thrust on improving road-infrastructure development, spending on constructing/augmenting roads is expected to increase. It would chiefly be supported by greater budgetary allocation for road augmentation, gradually increasing number of project awards (in EPC, BOT and hybrid annuity modes) and by private sector making a slow and gradual comeback.

National highways set to see rise in spending

Based on the collective effect of budgetary allocation and progressively mounting interest in BOT projects, the value of total roads and bridges infrastructure in the country in FY14 was USD 11 Bn which is expected to touch USD 19.2 Bn by FY17[7]

Attracting private investments to road infrastructure projects through various incentives such as capital grants, tax free bonds and exemptions, allowing the collection and retention of tolls by private participants in Build-Operate-Transfer Projects and set up of special purpose vehicles will increase the participation of private players in road construction projects and in turn, contribute to growth of road and highway construction industry.

Dispute resolution and contract enforcement are key areas that need to be addressed to revive the Indian road sector. The Road Ministry has prepared a Regulatory Authority for Highways in India Bill, 2013, which will provide the regulator with powers to check these problems and bring solutions. The Indian Government is trying to address these problems and help revive the industry.

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[6] News Article titled "Road Transport to Spur GDP Growth by 2 Percent: Gadkari" issued by Indian Express on 26 November 2015.

VIII. VALUATION METHODOLOGY AND APPROACH

The standard of value used in our analysis is fair value which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

There are several commonly used and internationally accepted methods for determining the fair value of companies, which have been considered in the present case, to the extent relevant and applicable. Accordingly, we have carried out valuation of the SPVs as on31 March 2017.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation analysis.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner is based on our previous experience of assignments of a similar nature.

In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

Market Based

- *Market Price Method*

  This valuation method reflects the price that the market, at a point in time, is prepared to pay for the shares of an entity. It is therefore influenced by the condition of the stock market, and the concerns and opportunities that are seen for the business in the sector or market in which it operates. The market price also reflects the investor's view of the ability of management to deliver a return on the capital it is using. In case of companies not frequently traded, this value may be very different from the inherent value of the shares, but nevertheless forms a benchmark value. Clearly, this method can be used only in case of shares of a company listed on a stock exchange. Since the shares of the SPVs are not currently listed on any stock exchange, we have not applied this method for the purpose of valuation.

- *Market Multiple Method*

Under this methodology, appropriate valuation multiples of comparable listed companies are computed and applied to the financials of the company being valued in order to arrive at a multiple based valuation.

This method applies a reasonable multiple to the relevant operating performance metrics of the company being valued to estimate its Equity Value. The relevant multiple is derived from reference to market based conditions of similar quoted companies. The methodology is considered appropriate to use for an established business with an identifiable stream of continuing revenues that are considered maintainable.

We have not considered this method in our valuation analysis in the absence of closely comparable listed companies having similar geographical locations, stage of growth, size, terms and profitability.

- *Precedent Transaction Multiple Method*

This method is similar to the above Market Multiple Method, with the exception that the companies used as guidelines are those that have been recently acquired. Under this method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique. We have not considered this method for the valuation of the SPVs due to lack of availability of the recent transactions involving road projects in India having similar geographical locations, stage of growth, size, terms and profitability as that of the 6 SPVs.

Asset Based

- *Adjusted Net Asset Value Method (NAV)*

The value arrived at under this approach is based on the audited / provisional financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The NAV method is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that may not reflect the worth of the business to someone who may buy or invest in the business as a going concern. We have therefore not considered this method for valuation of the SPVs.

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Income Based

- *Discounted Cash flow Method (DCF)*

  Under the DCF method, forecasted cash flows for a reasonably long period are discounted back at an appropriate discount rate, to the present date, generating a net present value for the cash flow stream of the business during the forecast period. The rates at which future cash flows are discounted reflect not only the time value of the cash flows but also the risk associated with the business' future operations. Typically under this method, forecasted cash flows are developed based on several inputs which tend to be subjective particularly for dynamic companies. Considering that this method is based on future potential of the SPVs and is widely accepted method in road sector, we have used this approach in the valuation of the SPVs

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IX. VALUATION ANALYSIS

Discounted Cash Flow Method (Free Cash Flows to Firm)

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows expected to be generated by each individual SPV and available to the capital providers in each SPV has been estimated based on projected financial information provided by the Management. Projections provided by the Management are only the best estimates of each individual SPV's growth and sustainability of profitability margins. Although we have reviewed the financial forecast provided by the Management for consistency and reasonableness, we have not specifically validated these financial projections and have relied on the estimates provided by the Management.
Appropriate discount rate to be applied to cash flows i.e. the cost of capital:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital for each individual SPV. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The key assumptions under the DCF Method

For the DCF analysis, we have relied on the projected financials of the SPVs provided by the Management based on their best estimates on the growth and sustainability of profitability margins of the individual SPVs. Please note that though we have reviewed the financial forecast provided by the Management for consistency and reasonableness based on site visits, data available in public domain and traffic consultant reports provided by the Management for each SPV, we have not independently investigated or otherwise verified the data and key inputs estimated by the Management for all the 6 SPVs. Nothing has come to our attention to indicate that the information provided by the Management had material mis-statements or would not afford reasonable grounds upon which to base our Report. The Free Cash Flows to Firm ("FCFF") have been calculated for each individual SPV as on the Valuation Date based on the Financial Projections.

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The key assumptions and the basis for the valuation are explained in detail below:

Discounting Factor

The discount rate considered for arriving at the present value of the free cash flows to the firm is the Weighted Average Cost of Capital ("WACC"). The WACC for the SPVs as on the Valuation Date are derived as follows:

WACC= (ke x we) + (kd x (1 – t) x wd)

where,

we = weight of equity in the capital structure

wd = weight of debt in the capital structure

ke = cost of equity

kd = cost of debt, and

t = effective tax rate

Cost of Equity ("ke")

The cost of equity is computed using the Capital Asset Pricing Model (CAPM) as shown below:

ke = rf + β (rm-rf) where

ke = Cost of Equity,

rf = Risk Free Return,

β = Beta, a measure of Market Risk

rm = Market Return

Cost of Equity is estimated using the following factors:

- Risk Free Return (rf) – The risk free rate (rf) is the return on an investment with zero risk where actual returns are equal to the expected return. Rf at 6.93% has been considered for each SPV based on the 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of the Valuation Date;

- Beta (β) – Beta has been computed by re-levering the average asset beta of companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure. Beta has been considered based on 5 year trailing Beta of comparable companies, re-levered for each of the SPV specific debt to equity ratio and effective taxes. Refer Appendix 1 for a list of comparable companies.

- Debt to Equity Ratio (DER) – The DER is based on the average debt to equity ratio of each individual SPV over the projected period.

- Income Tax – Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Management for each SPV.

- Equity Risk Premium (ERP) – ERP is considered at 7.40% for each SPV based on Grant Thornton research for India.

Cost of Debt ("kd")

Marginal cost of raising debt for each SPV is based on the prevailing interest rate as on the Valuation Date.

The WACC Calculation for the SPVs is based on the Average DER of each SPV over the projected period.

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X. VALUATION ANALYSIS OF THE INDIVIDUAL SPVS

As discussed above, we have estimated the value of the SPVs using the Discounted Cash Flow Method. We have considered projections estimated by the Management for the individual SPVs.

The key inputs of the projections provided to us by the Management are:

Traffic Volume – The growth in traffic volumes for each SPV were provided to us by the Management supported by the technical reports of the traffic consultant (prepared by GMD Consultants) for the 6 SPVs. As confirmed by the Management, the traffic volumes for each SPV has been estimated in the technical reports of the traffic consultant after considering overall structure and condition of the projects including analysis of demand and supply and strategic geographical locations of the individual road projects.

Toll Rates – The current toll rates provided by the Management have been validated based on the site visits carried out by the Firm. The toll rates have been projected to grow in the manner stipulated in the individual concession agreements of the SPVs. The variable determinant supporting the toll rate forecast is "Wholesale price Index" (WPI) and is projected to grow by 3.5% in FY17 followed by 5% growth in the balance projected period annually by the Management.

Operations & Maintenance ("O&M") – O&M expenditures estimated by the Management over the Projected Period are based on the future estimates provided by the contractor of each SPV which are conservative assumptions compared to the estimates considered by the traffic consultant.

Amortisation – The toll collection rights, (including premium payable and negative grant to NHAI as applicable) for the 6 SPVs have been amortised over the period of concession, using revenue based amortisation as per exemption provided in IND AS 101.

Debt Repayment – The Management has provided us with the debt repayment schedule of each individual SPV based on the agreements with various banks.

Non-Cash Net Working Capital – As per the nature of the business of operating toll road projects, there is no requirement of working capital to run the business and hence the Management has considered it to be nil for the entire projected period.

- **Valuation of IRBSD**

The FCFF for IRBSD has been calculated based on the financial projections provided by the Management for the period FY17 through FY23.

The base cost of equity for IRBSD is considered to be 10.77% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 9.75% based on the prevailing interest rate of the SPV. An Effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 7.67%.

Based on an average DER of 0.16 over the projected period for IRBSD, the WACC arrived at for the purpose of valuation is 10.34%.

As on the Valuation Date, we have discounted the free cash flows of IRBSD using the WACC leading to a Gross Enterprise Value ("GEV") of INR 13,879.05 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of IRBSD as on 31 December 2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of INR 6,235.68 Mn.

Refer Appendix II for the detailed Discounted Cash Flow workings of IRBSD.

- **Valuation of IDAA**

The FCFF for IDAA project has been calculated based on the financial projections provided by the Management for the period FY17 through FY22.

The base cost of equity for IDAA SPV is considered to be 10.74% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.08% based on the prevailing interest rate of the SPV. An effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 7.92%.

Based on an average DER of 0.15 over the projected period for IDAA, the WACC arrived at for the purpose of valuation is 10.37%.

As on the Valuation Date, we have discounted the free cash flows of IDAA SPV using the WACC leading to a GEV of INR 7,170.33 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of IDAA as on 31 December 2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of INR 1,204.73 Mn.

Refer Appendix III for the Discounted Cash Flow workings of IDAA project.

- **Valuation of IRBJD**

The FCFF for IRBJD has been calculated based on the financial projections provided by the Management for the period FY17 through FY41.

The WACC has been calculated based on the applicable tax rate in the projected and terminal period.

In the years where MAT rate i.e. 21.34% is applicable, the base cost of equity for IRBJD is considered to be 11.17% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.50% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 8.26%.

In the years where the corporate tax rate i.e. 34.61% is applicable, the base cost of equity for IRBJD is considered to be 11.52% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.50% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 6.87%.

Based on an average DER of 0.31 over the projected period for IRBJD, the WACC arrived at for the purpose of valuation is 10.48% and 10.41% based on the MAT rate and corporate tax rate, respectively.

As on the Valuation Date, we have discounted the free cash flows of IRBJD project using the appropriate WACC leading to a GEV of INR 23,114.58 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of IRBJD as on 31 December 2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of INR 9,000.35 Mn.

Refer Appendix IV for the Discounted Cash Flow workings of IRBJD.

- **Valuation of IRBTC**

The FCFF for IRBTC has been calculated based on the financial projections provided by the Management for the period FY17 through FY38.

The base cost of equity for IRBTC is considered to be 14.30% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 11.00% based on the prevailing interest rate of the SPV. An effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.65%.

Based on an average DER of 1.48 over the projected period for IRBTC, the WACC arrived at for the purpose of valuation is 10.93%.

As on the Valuation Date, we have discounted the free cash flows of IRBTC using the WACC leading to a GEV of INR 15,503.79 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of IRBTC as on 31 December2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of INR 3,191.28 Mn.

Refer Appendix V for the Discounted Cash Flow workings of IRBTC.

- **Valuation of IRBTA**

The FCFF for IRBTA has been calculated based on the financial projections provided by the Management for the period FY17 through FY37.

The WACC has been calculated based on the applicable tax rate in the projected and terminal period.

In the years where MAT rate i.e. 21.34% is applicable, the base cost of equity for IRBTA is considered to be 11.92% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.50% based on the prevailing interest rate of the SPV leading to post-tax cost of debt of 8.26%.

In the years where the corporate tax rate i.e. 34.61% is applicable, the base cost of equity for IRBTA is considered to be 12.21% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.50% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 6.87%.

Based on an average DER of 0.59 over the projected period for IRBTA, the WACC arrived at for the purpose of valuation is 10.56 % and 10.22 %, respectively.

As on the Valuation Date, we have discounted the free cash flows of IRBTA project using the WACC leading to a GEV of INR 7,176.06 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of IRBTA as on 31 December 2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of INR 646.25 Mn.

Refer Appendix VI for the Discounted Cash Flow workings of IRBTA.

- **Valuation of MVR**

The FCFF for MVR has been calculated based on the financial projections provided by the Management for the period FY17 through FY27.

The WACC has been calculated based on the applicable tax rate in the projected and terminal period.

In the years where MAT rate i.e. 21.34% is applicable, the base cost of equity for MVR is considered to be 13.58% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.46% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 8.23%.

In the years where the corporate tax rate i.e. 34.61% is applicable, the base cost of equity for MVR is considered to be 13.76% based on the factors mentioned above in Section VI. The pre-tax cost of debt is considered to be 10.46% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 6.84%.

Based on an average DER of 1.21 over the projected period for MVR, the WACC arrived at for the purpose of valuation is 10.65% and 9.97% based on the MAT rate and corporate tax rate, respectively.

As on the Valuation Date, we have discounted the free cash flows of MVR using the WACC leading to a GEV of INR 3,663.85 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, net dues from/to related parties including interest free subordinate debt based on the balance sheet of MVR as on 31 December 2016 provided by the Management. The GEV is further adjusted for the outstanding net debt estimated by the Management as on the Valuation Date to arrive at the Fair Value of Equity of MVR of INR 1,723.85 Mn.

Refer Appendix VII for the Discounted Cash Flow workings of MVR.

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XI. SOURCES OF INFORMATION

We have relied on the following sources of information:

- Provided by the Management:
  - Information on business and profile of the SPVs as provided by the Management.
  - Concession Agreement of each SPV between NHAI and individual SPV.
  - Letter to NHAI for the deferment of premium by IRBTC.
  - Audited financial statements on a standalone basis from the date of operation of individual SPV till FY 2016.
  - The provisional balance sheet as on the 31 December 2016 has been considered as representative of 31 March 2017 balance sheet.
  - Financial projections of the SPVs from FY 2018 till the end of the concession period of the respective SPV as provided by the Management.
  - Traffic Consultant Reports prepared by GMD Consultants for each SPV as provided by the Management.
  - The list of all the permits and licenses of the individual SPVs as provided by the Management.
  - List of all material litigations, (including tax litigations, if any) against the project SPVs as provided by the Management.
  - The estimates and timing of the proposed major repairs to be carried out by the SPVs as provided by the Management.
- International databases
- Site Visits and Physical inspection for all the 6 SPVs
- Other industry related information from various publicly available sources
- Other discussions with the Management

In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis. While we have relied on the information, we have not independently verified or audited these information

Please note that with respect to the audited, provisional and projected financial statements, rounding-off of amounts in the underlying financial information could result in immaterial arithmetic differences

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XII. CAVEATS

a) Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, audit, and financial due diligence review, consulting, transfer pricing or domestic tax-related services that may otherwise be provided by WCC.

b) Our analysis and review of the SPVs does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management and accepted the information provided to us as accurate. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided contains material mis-statements or would not afford reasonable grounds upon which to base the Report.

c) We must emphasize that the Financial Projections are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realisations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the Financial Projections. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

d) In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, the accuracy of the information that was publicly available and formed a substantial basis for this Report. These sources, although considered to be reliable, are external and hence, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

e) Further, except 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 litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the Companies. Our conclusion assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

f) We are not advisors with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

g) The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover. It may be noted that valuation is not an

exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill.

h) The valuation analysis recommendation contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report. This Report is issued on the understanding that the Management have drawn our attention to all matters of which they are aware concerning the financial position of the businesses, which may have an impact on our Report up to the date of issue. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

i) This Report does not look into the business/ commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

j) We have no present or planned future interest in the Client, Trustee, Investment Manager, Company or the SPVs and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client, Company or the SPVs.

k) The fee for the engagement is not contingent upon the results reported.

l) Limitation of Liability of Walker Chandiok & Co LLP (referred as the "Firm") as per paragraphs 8 i) to 8 iii) to Appendix 3 of our Engagement Letter with the Client

   i. The aggregate liability of the Firm, its partners, directors, consultants, employees, agents, affiliates and other personnel for damage shall be limited to the amount of the fees that the Firm has received in connection with the engagement. If the engagement is of a recurring nature then the aggregate liability shall not exceed the amount received by the Firm in the immediately preceding year.

   ii. For the purposes of this engagement "damage" shall mean the aggregate of all losses or damages and costs suffered or incurred, directly or indirectly, by the Client under or in connection with the engagement or its subject matter (as the same may be amended or varied) and any report prepared pursuant to it, including as a result of breach of contract, breach of statutory duty, tort (including negligence), or other act or omission by the Firm but excluding any such losses, damages or costs arising from the fraud or dishonesty of the Firm or in respect of liabilities which cannot lawfully be limited or excluded.

   iii. It is agreed that, having regard to the Firm's interest in limiting the personal liability and exposure to litigation of its personnel, the Client will not bring any claim in respect of any damage against any of the Firm's personnel personally.

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XIII. Distribution of Report

This Report is confidential and is provided exclusively for the addressee. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of WCC. Such consent will only be given after full consideration of the circumstances at the time. It can however be used for statutory and regulatory filings in connection with proposed transaction which attracts the provisions of SEBI InvIT Regulations, 2014. The Report and the Summary of Valuation included herein can be reproduced and included in the Offer Document and the Final Offer Document proposed to be filed in connection with an IPO offering of the units of the InvIT and may be made available for inspection in the manner specified therein.

It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose

XIV. Conclusion

Based on the above analysis and subject to the assumptions and limitations stated in this Report and in our Engagement Letter, the Fair Enterprise Value as on the Valuation Date of all the 6 SPVs is illustrated in Table 11.1.

Table 11.1: Fair Enterprise Value of all the 6 SPVs as on the Valuation Date

Name of the SPV	Fair Enterprise Value
IRB Surat Dahisar Tollway Private. Limited	13,879.05
IDAA Infrastructure Private. Limited	7170.33
IRB Jaipur Deoli Tollway Private. Limited	23,114.58
IRB Tumkur Chitradurga Tollway Private. Limited.	15,503.79
IRB Talegaon Amravati Tollway Private. Limited	7,176.06
MVR Infrastructure & Tollway Private. Limited	3,663.85
Total Fair Enterprise Value of all the 6 SPVs	**70,507.65**

The EV has further been adjusted for net dues from/to related parties including interest free subordinate debt to arrive at the Fair Value of Equity of the 6 SPVs as on the Valuation Date as illustrated in Table 11.2.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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Table 11.2: Fair Value of Equity of all the 6 SPVs as on the Valuation Date

Name of the SPV	Fair Equity Value
IRB Surat Dahisar Tollway Private. Limited	6,235.68
IDAA Infrastructure Private. Limited	1,204.73
IRB Jaipur Deoli Tollway Private. Limited	9,000.35
IRB Tumkur Chitradurga Tollway Private. Limited	3,191.28
IRB Talegaon Amravati Tollway Private. Limited	646.25
MVR Infrastructure & Tollway Private. Limited	1,723.85
Total Fair Value of Equity for all the 6 SPVs	**22,002.15**

Please note that in absence of the balance sheets of the SPVs as on the Valuation Date, the Fair Value of Equity of the SPVs are arrived from the Enterprise Value of the respective SPVs after making certain adjustments of current assets and liabilities based on the balance sheets of the respective SPVs as on 31 December 2016 provided to us by the Management and after considering the outstanding net debt of the individual SPVs estimated by the Management as on the Valuation Date. The Equity value of the SPVs may change based on the actual balance sheet of the SPVs as on the Valuation Date.

Yours faithfully,

For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No. 001076N/N500013

Huned Contractor
Partner
Membership No: 41456

Place: Mumbai
Dated: 29 March 2017

APPENDICES

APPENDIX I

List of Comparable Companies used for the computation of Beta

Ashoka Buildcon Ltd.
Atlanta Ltd.
IRB Infrastructure Developers Limited
MEP Infrastructure Developers Limited
Sadbhav Engineering Ltd.
IL&FS Transportation Networks Limited

Walker Chandiok & Co LLP

Appendix II - IRB Surat Dahisar Tollway Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)	Financial Year Ending 31 March					
	FY18	FY19	FY20	FY21	FY22	FY23
No of days operational	365	365	366	365	365	187
Net Sales (a)	3,691.9	3,972.9	4,314.0	4,722.1	5,199.8	1,254.1
Growth Rate	*#DIV/0!*	*7.6%*	*8.6%*	*9.5%*	*10.1%*	*-75.9%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	3,061.9	3,072.9	3,314.0	4,172.1	4,622.3	1,053.0
Margin	*82.9%*	*77.3%*	*76.8%*	*88.4%*	*88.9%*	*84.0%*
Less: Depreciation & Amortization	2,243.0	2,413.7	2,620.9	2,868.9	3,159.1	761.9
Earnings Before Interest and Tax	**818.9**	**659.2**	**693.1**	**1,303.2**	**1,463.2**	**291.2**
Income Tax (b)	174.8	140.7	147.9	278.1	312.3	62.1
Gross Free Cash Flows to Firm	**644.1**	**518.5**	**545.2**	**1,025.1**	**1,150.9**	**229.1**
Add: Depreciation & Amortization	2,243.0	2,413.7	2,620.9	2,868.9	3,159.1	761.9
Less/(Add): Increase/(Decrease) in Working Capital	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm	**2,887.1**	**2,932.2**	**3,166.1**	**3,894.0**	**4,310.0**	**990.9**
Present Value Periods in Years (Mid Year Discounting)						
Present Value Factors (c) 10.3%	0.9520	0.8628	0.7820	0.7087	0.6424	0.6016
Present Value of Free Cash Flows to Firm	**2,748.6**	**2,529.9**	**2,475.9**	**2,759.9**	**2,768.5**	**596.2**

Gross Enterprise Value	13,879.1
Add: Cash balance (d)	123.9
Add/(Less): Net current assets (including investments) (e)	44.5
Add/(Less): Net cash impact of long term assets and liabilities (e)	(2.6)
Less: External bank debt (f)	(6,824.6)
Add/(Less): Net dues from / (to) related parties (e)	(984.5)
Equity Value of Surat-Dahisar (INR Mns.)	**6,235.7**

Footnotes:

INR: Indian Rupees; Mns.: Millions; FY: Financial Year; Surat-Dahisar: Surat Dahisar Tollway Pvt. Ltd.

(a) Projections for the Financial Years of FY18 to FY23 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(c) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(d) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(e) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(f) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP

Weighted Average Cost of Capital

Cost of Equity Calculation	Value
Risk Free Rate (a)	6.9%
Relevered Beta (b)	0.52
Equity Risk Premium (c)	7.4%
Cost of Equity	**10.77%**

Cost of Debt Calculation	Value
Cost of Debt (d)	9.75%
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	7.67%

WACC Calculation	Weight (f)	Value
Debt	13.9%	7.7%
Equity	86.1%	10.8%
Adjusted Cost Of Capital		**10.34%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 9.8% based on the interest rate prevailing as on the Valuation Date.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of Surat-Dahisar Project over the projected period from FY18 to FY23.

Walker Chandiok & Co LLP

Appendix III - IDAA Infrastructure Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)	Financial Year Ending 31 March				
	FY18	FY19	FY20	FY21	FY22
No of days operational	365	365	366	365	276
Net Sales (a)	2,153.7	2,354.3	2,599.9	2,923.3	2,470.8
Growth Rate		*9.3%*	*10.4%*	*12.4%*	*11.8%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	1,823.7	1,965.4	1,809.9	2,465.8	1,270.8
Margin	*84.7%*	*83.5%*	*69.6%*	*84.3%*	*51.4%*
Less: Depreciation & Amortization	1,444.2	1,578.8	1,743.4	1,960.3	1,656.8
Earnings Before Interest and Tax	**379.5**	**386.6**	**66.5**	**505.5**	**(386.0)**
Income Tax (b)	81.0	82.5	14.2	107.9	-
Gross Free Cash Flows to Firm	**298.5**	**304.1**	**52.3**	**397.6**	**(386.0)**
Add: Depreciation & Amortization	1,444.2	1,578.8	1,743.4	1,960.3	1,656.8
Less/(Add): Increase/(Decrease) in Working Capital	-	-	-	-	-
Net Free Cash Flows to Firm	**1,742.7**	**1,882.9**	**1,795.7**	**2,357.9**	**1,270.8**
Present Value Periods in Years (Mid Year Discounting)					
Present Value Factors (c) 10.4%	0.9519	0.8624	0.7814	0.7080	0.6415
Present Value of Free Cash Flows to Firm	**1,658.8**	**1,623.9**	**1,403.1**	**1,669.4**	**815.2**

Gross Enterprise Value	**7,170.33**
Add: Cash balance (d)	150.2
Add/Less: Net current assets (including investments) (c)	84.6
Add/Less: Net cash impact of long term assets and liabilities (e)	2.9
Less External bank debt (f)	(2,591.6)
Add/Less: Net dues from / (to) related parties (e)	(3,611.6)
Equity Value of IDAA (INR Mns.)	**1,204.73**

Footnotes:

INR: Indian Rupees; Mns.: Millions; FY: Financial Year; IDAA: IDAA Infrastructure Private Limited

(a) Projections for the Financial Years of FY18 to FY22 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(c) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(d) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(e) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(f) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP

Weighted Average Cost of Capital

Cost of Equity Calculation	Value
Risk Free Rate (a)	6.9%
Relevered Beta (b)	0.52
Equity Risk Premium (c)	7.4%
Adjusted Cost of Equity	**10.7%**

Cost of Debt Calculation	Value
Cost of Debt (d)	**10.08%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	7.9%

WACC Calculation	Weight (f)	Value
Debt	13.2%	7.9%
Equity	86.8%	10.7%
Adjusted Cost Of Capital		**10.37%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 10.1% based on the weighted average interest rate on the borrowings of the IDAA as on the Valuation Date

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of IDAA Project over the projected period from FY18 to FY22.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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Appendix IV - IRB Jaipur Deoli Tollway Private Limited
Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS	Financial Year Ending 31 March						
(Free Cash Flows to Firm or FCFF Model)	FY18	FY19	FY20	FY21	FY22	FY23	FY24
No of days operations)	365	365	366	365	365	365	366
Net Sales (a)	1,401.8	1,547.1	1,710.9	1,909.4	2,132.4	2,384.2	2,677.3
Growth Rate		*10.4%*	*10.6%*	*11.6%*	*11.7%*	*11.8%*	*12.3%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	**1,271.8**	**1,407.1**	**1,076.7**	**1,224.5**	**1,392.7**	**2,194.2**	**2,477.3**
Margin	*90.7%*	*91.0%*	*62.9%*	*64.1%*	*65.3%*	*92.0%*	*92.5%*
Less: Depreciation & Amortization	150.5	166.1	183.7	205.0	228.9	256.0	287.4
Earnings Before Interest and Tax	**1,121.3**	**1,241.0**	**893.1**	**1,019.5**	**1,163.8**	**1,938.3**	**2,189.9**
Income Tax (b)	243.3	290.1	190.6	226.9	285.2	562.5	467.4
Gross Free Cash Flows to Firm	**878.0**	**950.9**	**702.5**	**792.6**	**878.6**	**1,375.8**	**1,722.5**
Add: Depreciation & Amortization	150.5	166.1	183.7	205.0	228.9	256.0	287.4
Less: Capex	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in DSRA	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital	-	-	-	-	-	-	-
Net Free Cash Flows to Firm	**1,028.5**	**1,117.0**	**886.1**	**997.6**	**1,107.5**	**1,631.7**	**2,009.9**
Present Value Periods in Years (Mid Year Discounting)							
Present Value Factors (c) 10.5%	0.9514	0.8620	0.7808	0.7072	0.6405	0.5802	0.5255
10.4%							
Present Value of Free Cash Flows to Firm	**978.6**	**962.9**	**691.9**	**705.5**	**709.4**	**946.7**	**1,056.2**

Gross Enterprise Value	**23,114.58**
Add: Cash balance (Excluding bank balance held as DSRA) (d)	114.21
Less: Bank balance held as DSRA	(350.00)
Add/(Less): Net current assets (including investments) (e)	12.68
Add/(Less): Net cash impact of long term assets and liabilities (e)	(1.10)
Less: External bank debt (f)	(9,426.73)
Add/(Less): Net dues from /(to) related parties (e)	(510.79)
Less: Interest Free Subordinate debt from Related Parties (e)	(3,952.50)
Equity Value of Jaipur-Deoli (INR Mns.)	**9,000.35**

Footnotes:

INR: Indian Rupees; Mns.: Millionss; FY: Financial Year; Jaipur-Deoli: IRB JAIPUR DEOLI TOLLWAY PRIVATE LIMITED

(a) Projections for the Financial Years of FY18 to FY41 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(c) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(d) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(e) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(f) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

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Appendix IV - IRB Jaipur Deoli Tollway Private Limited
Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March							
(Free Cash Flows to Firm or FCFF Model)		FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
No of days operations)		365	365	365	366	365	365	365	366
Net Sales (a)		2,982.9	3,318.0	3,689.0	4,120.8	4,576.4	5,105.5	5,660.0	6,294.2
Growth Rate		*11.4%*	*11.2%*	*11.2%*	*11.7%*	*11.1%*	*11.6%*	*10.9%*	*11.2%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**2,756.0**	**3,072.9**	**2,572.3**	**2,914.8**	**3,274.0**	**4,772.1**	**5,299.9**	**5,908.9**
Margin		*92.4%*	*92.6%*	*69.7%*	*70.7%*	*71.5%*	*93.5%*	*93.6%*	*93.9%*
Less: Depreciation & Amortization		320.2	356.2	396.0	442.4	491.3	548.1	607.6	675.7
Earnings Before Interest and Tax		**2,435.8**	**2,716.7**	**2,176.3**	**2,472.5**	**2,782.7**	**4,224.1**	**4,692.3**	**5,233.2**
Income Tax (b)		519.8	579.8	464.5	527.7	593.9	901.5	1,001.4	1,116.9
Gross Free Cash Flows to Firm		**1,916.0**	**2,136.9**	**1,711.8**	**1,944.8**	**2,188.8**	**3,322.6**	**3,690.9**	**4,116.3**
Add: Depreciation & Amortization		320.2	356.2	396.0	442.4	491.3	548.1	607.6	675.7
Less: Capex		-	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in DSRA		-	350.0	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**2,236.2**	**2,843.1**	**2,107.8**	**2,387.1**	**2,680.1**	**3,870.6**	**4,298.5**	**4,792.0**
Present Value Periods in Years (Mid Year Discounting)									
Present Value Factors (c)	10.5%	0.4737	0.4287	0.3881	0.3513	0.3180	0.2878	0.2605	0.2358
	10.4%								
Present Value of Free Cash Flows to Firm		**1,059.2**	**1,219.0**	**818.0**	**838.5**	**852.2**	**1,114.0**	**1,119.8**	**1,130.0**

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP

DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)	Financial Year Ending 31 March								
	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41
No of days operations	365	365	365	366	365	365	365	366	73
Net Sales (a)	6,963.4	7,728.4	8,576.3	9,503.1	10,474.6	11,582.3	12,810.9	14,211.5	3,113.6
Growth Rate	*10.6%*	*11.0%*	*11.0%*	*10.8%*	*10.2%*	*10.6%*	*10.6%*	*10.9%*	*-78.1%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	**6,428.1**	**6,120.7**	**7,376.3**	**9,033.5**	**9,981.5**	**11,064.6**	**12,267.3**	**13,639.2**	**2,993.4**
Margin	*92.3%*	*79.2%*	*86.0%*	*95.1%*	*95.3%*	*95.5%*	*95.8%*	*96.0%*	*96.1%*
Less: Depreciation & Amortization	747.5	829.7	920.7	1,020.2	1,124.5	1,243.4	1,375.3	1,525.6	334.3
Earnings Before Interest and Tax	**5,680.6**	**5,291.1**	**6,455.7**	**8,013.3**	**8,857.1**	**9,821.2**	**10,892.0**	**12,113.5**	**2,659.1**
Income Tax (b)	1,212.3	1,129.2	1,377.7	1,710.2	1,890.2	2,096.0	2,324.5	4,712.8	1,036.0
Gross Free Cash Flows to Firm	**4,468.3**	**4,161.9**	**5,078.0**	**6,303.1**	**6,966.9**	**7,725.2**	**8,567.5**	**7,400.7**	**1,623.1**
Add: Depreciation & Amortization	747.5	829.7	920.7	1,020.2	1,124.5	1,243.4	1,375.3	1,525.6	334.3
Less: Capex	-	-	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in DSRA	-	-	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital	-	-	-	-	-	-	-	-	-
Net Free Cash Flows to Firm	**5,215.8**	**4,991.5**	**5,998.6**	**7,323.3**	**8,091.3**	**8,968.6**	**9,942.8**	**8,926.4**	**1,957.4**
Present Value Periods in Years (Mid Year Discounting)									
Present Value Factors (c) 10.5%	0.2134	0.1932	0.1749	0.1583	0.1433	0.1297	0.1174	0.1063	0.0962
10.4%									
Present Value of Free Cash Flows to Firm	**1,113.3**	**964.4**	**1,049.1**	**1,159.3**	**1,159.4**	**1,163.2**	**1,167.3**	**948.6**	**188.3**

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Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax	@ 34.6% tax
Risk Free Rate (a)	6.9%	6.9%
Relevered Beta (b)	0.57	0.62
Equity Risk Premium (c)	7.4%	7.4%
Adjusted Cost of Equity	**11.2%**	**11.5%**

Cost of Debt Calculation	@ 21.3% tax	@ 34.6% tax
Cost of Debt (d)	**10.5%**	**10.5%**
Less: Tax (e)	21.3%	34.6%
Post-tax Cost Of Debt	8.3%	6.9%

WACC Calculation	Weight (f)	@ 21.3% tax	@ 34.6% tax
Debt	23.9%	8.3%	6.9%
Equity	76.1%	11.2%	11.5%
Adjusted Cost Of Capital		**10.5%**	**10.4%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 10.5% based on the interest rate prevailing as on the Valuation Date

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of Jaipur-Deoli Project over the projected period from FY18 to FY41.

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

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Appendix V - IRB Tumkur Chitradurga Tollway Private Limited
Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS	Financial Year Ending 31 March					
(Free Cash Flows to Firm or FCFF Model)	FY18	FY19	FY20	FY21	FY22	FY23
No of days operations)	365	365	366	365	365	365
Net Sales (a)	2,344.6	2,583.1	2,841.4	3,185.0	3,560.0	3,982.4
Growth Rate		*10.2%*	*10.0%*	*12.1%*	*11.8%*	*11.9%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	**2,244.6**	**2,483.1**	**2,301.4**	**3,075.0**	**3,440.0**	**3,862.4**
Margin	*95.7%*	*96.1%*	*81.0%*	*96.5%*	*96.6%*	*97.0%*
Less: Depreciation & Amortization	1,165.9	1,284.5	1,413.0	1,583.8	1,770.3	1,980.3
Less: Interest on Premium Deferment (b)	247.9	318.7	378.5	412.2	460.4	524.4
Earnings Before Interest and Tax	**830.7**	**879.9**	**509.9**	**1,079.0**	**1,209.3**	**1,357.6**
Income Tax (c)	177.3	187.8	108.8	230.3	258.1	289.7
Gross Free Cash Flows to Firm	**653.4**	**692.1**	**401.1**	**848.7**	**951.2**	**1,067.9**
Add: Depreciation & Amortization	1,165.9	1,284.5	1,413.0	1,583.8	1,770.3	1,980.3
Add: Interest on Premium Deferment	247.9	318.7	378.5	412.2	460.4	524.4
Less: Capex	-	-	-	-	-	-
Less: Premium along with interest on Deferment paid to NHAI (b)	1,519.5	1,382.4	2,076.6	2,242.8	2,057.6	2,238.4
Less/(Add): Increase/(Decrease) in DSRA	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital	-	-	-	-	-	-
Net Free Cash Flows to Firm	**547.8**	**912.9**	**116.0**	**601.9**	**1,124.3**	**1,334.2**
Present Value Periods in Years (Mid Year Discounting)						
Present Value Factors (d) 10.9%	0.9495	0.8559	0.7716	0.6956	0.6271	0.5653
Present Value of Free Cash Flows to Firm	**520.1**	**781.4**	**89.5**	**418.7**	**705.0**	**754.2**

Gross Enterprise Value	**15,503.79**
Add: Cash balance (e)	246.39
Less: Balance as per DSRA	(350.00)
Add/Less: Net current assets (including investments) (f)	78.69
Add/Less: Net cash impact of long term assets and liabilities (f)	(0.66)
Less: External bank debt (g)	(9,609.33)
Add/Less: Net dues from / (to) related parties (f)	(1,122.60)
Less: Interest Free Subordinate debt from related parties (f)	(1,555.00)
Equity Value of Tumkur (INR Mns.)	**3,191.28**

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DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)		Financial Year Ending 31 March						
		FY24	FY25	FY26	FY27	FY28	FY29	FY30
No of days operations		366	365	365	365	366	365	365
Net Sales (a)		4,431.0	4,932.2	5,495.5	6,114.7	6,803.5	7,538.3	8,406.7
Growth Rate		*11.3%*	*11.3%*	*11.4%*	*11.3%*	*11.3%*	*10.8%*	*11.5%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**4,301.0**	**4,252.2**	**5,355.5**	**5,964.7**	**6,643.5**	**7,368.3**	**7,536.7**
Margin		*97.1%*	*86.2%*	*97.5%*	*97.5%*	*97.6%*	*97.7%*	*89.7%*
Less: Depreciation & Amortization		2,203.5	2,452.7	2,732.8	3,040.7	3,383.2	3,748.6	4,180.5
Less: Interest on Premium Deferment (b)		616.9	672.9	653.6	599.8	448.4	204.0	36.0
Earnings Before Interest and Tax		**1,480.7**	**1,126.7**	**1,969.1**	**2,324.2**	**2,811.9**	**3,415.7**	**3,320.3**
Income Tax (c)		316	240.4	420.2	496	600.1	729	708.6
Gross Free Cash Flows to Firm		**1,164.7**	**886.3**	**1,548.9**	**1,828.2**	**2,211.8**	**2,686.7**	**2,611.7**
Add: Depreciation & Amortization		2,203.5	2,452.7	2,732.8	3,040.7	3,383.2	3,748.6	4,180.5
Add: Interest on Premium Deferment		616.9	672.9	653.6	599.8	448.4	204.0	36.0
Less: Capex		-	-	-	-	-	-	-
Less: Premium along with interest on Deferment paid to NHAI (b)		1,836.5	3,417.5	3,751.4	4,357.6	5,931.4	6,261.9	4,188.8
Less/(Add): Increase/(Decrease) in DSRA		-	-	-	-	350.0	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**2,148.5**	**594.4**	**1,183.9**	**1,111.2**	**462.0**	**377.4**	**2,639.3**
Present Value Periods in Years (Mid Year Discounting)								
Present Value Factors (d)	10.9%	0.5096	0.4594	0.4141	0.3733	0.3366	0.3034	0.2735
Present Value of Free Cash Flows to Firm		**1,094.9**	**273.0**	**490.3**	**414.8**	**155.5**	**114.5**	**721.9**

Footnotes:

INR: Indian Rupees; Mns.: Millions; FY: Financial Year; Tumkur: IRB TUMKUR CHITRADURGA TOLLWAY PRIVATE LIMITED

(a) Projections for the Financial Years of FY18 to FY38 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) NHAI has granted approval in principle to Tumkur for the deferment of the premium payable to NHAI. The interest @11% is to be given by the company to NHAI on the deferred prem As informed to us by the Management, the company is capitalizing the interest on premium deferment in the initial years and then paying it off along with the principle amount.

(c) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(d) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(e) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(f) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(g) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March							
(Free Cash Flows to Firm or FCFF Model)		FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
No of days operationsl		365	366	365	365	365	366	365	64
Net Sales (a)		9,281.6	10,350.5	11,411.1	12,630.0	14,013.0	15,517.6	17,144.3	3,305.5
Growth Rate		*10.4%*	*11.5%*	*10.2%*	*10.7%*	*10.9%*	*10.7%*	*10.5%*	*10.0%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**9,101.6**	**10,160.5**	**11,211.1**	**12,420.0**	**12,903.0**	**15,287.6**	**16,894.3**	**3,259.4**
Margin		*98.1%*	*98.2%*	*98.2%*	*98.3%*	*92.1%*	*98.5%*	*98.5%*	*98.6%*
Less: Depreciation & Amortization		4,615.5	5,147.1	5,674.5	6,280.6	6,968.3	7,716.6	8,525.5	1,643.7
Less: Interest on Premium Deferment (b)		-	-	-	-	-	-	-	-
Earnings Before Interest and Tax		**4,486.1**	**5,013.4**	**5,536.6**	**6,139.4**	**5,934.6**	**7,571.0**	**8,368.8**	**1,615.7**
Income Tax (c)		957.4	1,069.9	1,181.6	1,310.2	1,266.5	1,615.8	1,786.0	344.8
Gross Free Cash Flows to Firm		**3,528.7**	**3,943.5**	**4,355.0**	**4,829.2**	**4,668.1**	**5,955.2**	**6,582.8**	**1,270.9**
Add: Depreciation & Amortization		4,615.5	5,147.1	5,674.5	6,280.6	6,968.3	7,716.6	8,525.5	1,643.7
Add: Interest on Premium Deferment		-	-	-	-	-	-	-	-
Less: Capex		-	-	-	-	-	-	-	-
Less: Premium along with interest on Deferment paid to NHAI (b)		3,547.8	3,725.2	3,911.5	4,107.1	4,312.4	4,528.0	4,754.4	832.0
Less/(Add): Increase/(Decrease) in DSRA		-	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**4,596.4**	**5,365.4**	**6,118.0**	**7,002.7**	**7,324.0**	**9,143.8**	**10,353.9**	**2,082.6**
Present Value Periods in Years (Mid Year Discounting)									
Present Value Factors (d)	10.9%	0.2466	0.2223	0.2004	0.1806	0.1628	0.1468	0.1323	0.1193
Present Value of Free Cash Flows to Firm		**1,133.3**	**1,192.6**	**1,225.9**	**1,264.9**	**1,192.6**	**1,342.2**	**1,370.1**	**248.4**

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Weighted Average Cost of Capital

Cost of Equity Calculation	Value
Risk Free Rate (a)	6.9%
Relevered Beta (b)	1.00
Equity Risk Premium (c)	7.4%
Adjusted Cost of Equity	**14.3%**

Cost of Debt Calculation	Value
Cost of Debt (d)	**11.0%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	8.7%

WACC Calculation	Weight (f)	Value
Debt	59.7%	8.7%
Equity	40.3%	14.3%
Adjusted Cost Of Capital		**10.9%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 11% based on the interest rate prevailing as on the Valuation Date.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of Tumkur Project over the projected period from FY18 to FY38.

WALKER CHANDIOK & CO LLP MUMBAI CHARTERED ACCOUNTANTS

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Appendix VI - IRB Talegaon Amravati Tollway Private Limited
Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS	Financial Year Ending 31 March					
(Free Cash Flows to Firm or FCFF Model)	FY18	FY19	FY20	FY21	FY22	FY23
No of days operational	365	365	366	365	365	365
Net Sales (a)	551.0	606.4	673.9	750.6	839.1	937.2
Growth Rate		*10.1%*	*11.1%*	*11.4%*	*11.8%*	*11.7%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)	**409.5**	**457.9**	**452.9**	**587.3**	**358.9**	**441.4**
Margin	*74.3%*	*75.5%*	*67.2%*	*78.2%*	*42.8%*	*47.1%*
Less: Depreciation & Amortization	95.9	105.5	117.3	130.6	146.0	163.1
Earnings Before Interest and Tax	**313.7**	**352.3**	**335.6**	**456.6**	**212.9**	**278.3**
Income Tax (b)	66.9	75.2	71.6	103.7	45.4	59.4
Gross Free Cash Flows to Firm	**246.8**	**277.1**	**264.0**	**352.9**	**167.5**	**218.9**
Add: Depreciation & Amortization	95.9	105.5	117.3	130.6	146.0	163.1
Less/(Add): Increase/(Decrease) in DSRA	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital	-	-	-	-	-	-
Net Free Cash Flows to Firm	**342.6**	**382.7**	**381.3**	**483.6**	**313.5**	**382.0**
Present Value Periods in Years (Mid Year Discounting)						
Present Value Factors (c) 10.6%	0.9511	0.8602	0.7781	0.7113	0.6365	0.5855
10.2%						
Present Value of Free Cash Flows to Firm	**325.9**	**329.2**	**296.7**	**344.0**	**199.6**	**223.6**

Gross Enterprise Value	**7,176.06**
Add: Cash balance (d)	9.23
Add/Less: Bank balance as per DSRA	(200.00)
Add/Less: Net current assets (including investments) (e)	22.48
Add/Less: Net cash impact of long term assets and liabilities (e)	(0.73)
Less: External bank debt (f)	(3,740.00)
Add/Less: Net dues from /(to) related parties (e)	(1,143.29)
Less: Interest Free Subordinate debt from Related parties (e)	(1,477.50)
Equity Value of Talegaon (INR Mns.)	**646.25**

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DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27	FY28	FY29	FY30
No of days operational		366	365	365	365	366	365	365
Net Sales (a)		1,052.7	1,177.2	1,311.3	1,462.4	1,631.4	1,810.2	2,026.1
Growth Rate		*12.3%*	*11.8%*	*11.4%*	*11.5%*	*11.6%*	*11.0%*	*11.9%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**863.2**	**978.3**	**1,102.4**	**1,243.0**	**981.4**	**1,110.2**	**1,771.6**
Margin		*82.0%*	*83.1%*	*84.1%*	*85.0%*	*60.2%*	*61.3%*	*87.4%*
Less: Depreciation & Amortization		183.2	204.9	228.2	254.5	283.9	315.0	352.6
Earnings Before Interest and Tax		**680.0**	**773.4**	**874.2**	**988.5**	**697.5**	**795.1**	**1,419.0**
Income Tax (b)		145.1	165	186.6	211	148.8	169.7	302.8
Gross Free Cash Flows to Firm		**534.9**	**608.4**	**687.6**	**777.5**	**548.7**	**625.4**	**1,116.2**
Add: Depreciation & Amortization		183.2	204.9	228.2	254.5	283.9	315.0	352.6
Less/(Add): Increase/(Decrease) in DSRA		-	-	200.0	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**718.1**	**813.3**	**1,115.8**	**1,032.0**	**832.6**	**940.5**	**1,468.8**
Present Value Periods in Years (Mid Year Discounting)								
Present Value Factors (c)	10.6%	0.5208	0.4710	0.4261	0.3854	0.3486	0.3153	0.2852
	10.2%							
Present Value of Free Cash Flows to Firm		**374.0**	**383.1**	**475.4**	**397.7**	**290.2**	**296.5**	**418.9**

Footnotes:

INR: Indian Rupees; Mns.: Millions; FY: Financial Year; Talegaon: Talegaon Amravati Toll Road Pvt. Ltd.

(a) Projections for the Financial Years from FY18 to FY37 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(c) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(d) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(e) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(f) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

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DISCOUNTED CASH FLOW ANALYSIS (Free Cash Flows to Firm or FCFF Model)		FY31	FY32	FY33	FY34	FY35	FY 36	FY 37
No of days operational		365	366	365	365	365	366	301
Net Sales (a)		2,253.0	2,499.6	2,771.0	3,076.4	3,419.6	3,795.0	3,453.8
Growth Rate		*11.2%*	*10.9%*	*10.9%*	*11.0%*	*11.2%*	*11.0%*	*10.7%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,985.8**	**2,219.0**	**2,476.4**	**2,274.4**	**2,519.6**	**3,453.3**	**3,095.0**
Margin		*88.1%*	*88.8%*	*89.4%*	*73.9%*	*73.7%*	*91.0%*	*89.6%*
Less: Depreciation & Amortization		392.1	435.0	482.2	535.4	595.1	660.5	601.1
Earnings Before Interest and Tax		**1,593.7**	**1,784.0**	**1,994.2**	**1,739.0**	**1,924.4**	**2,792.8**	**2,493.9**
Income Tax (b)		340.1	380.7	425.6	371.1	410.7	596	532.2
Gross Free Cash Flows to Firm		**1,253.6**	**1,403.3**	**1,568.6**	**1,367.9**	**1,513.7**	**2,196.8**	**1,961.7**
Add: Depreciation & Amortization		392.1	435.0	482.2	535.4	595.1	660.5	601.1
Less/(Add): Increase/(Decrease) in DSRA		-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**1,645.7**	**1,838.3**	**2,050.8**	**1,903.3**	**2,108.9**	**2,857.3**	**2,562.8**
Present Value Periods in Years (Mid Year Discounting)								
Present Value Factors (c)	10.6%	0.2579	0.2333	0.2110	0.1909	0.1726	0.1561	0.1412
	10.2%							
Present Value of Free Cash Flows to Firm		**424.5**	**428.9**	**432.7**	**363.3**	**364.1**	**446.2**	**362.0**

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Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax	@ 34.6% tax
Risk Free Rate (a)	6.9%	6.9%
Relevered Beta (b)	0.67	0.71
Equity Risk Premium (c)	7.4%	7.4%
Adjusted Cost of Equity	**11.9%**	**12.2%**

Cost of Debt Calculation	@ 21.3% tax	@ 34.6% tax
Cost of Debt (d)	**10.5%**	**10.5%**
Less: Tax (e)	21.3%	34.6%
Post-tax Cost Of Debt	8.3%	6.9%

WACC Calculation	Weight (f)	@ 21.3% tax	@ 34.6% tax
Debt	37.2%	8.3%	6.9%
Equity	62.8%	11.9%	12.2%
Adjusted Cost Of Capital		**10.6%**	**10.2%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 10.5% based on the interest rate prevailing as on the Valuation Date.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of Talegaon Project over the projected period from FY18 to FY37.

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Appendix VII - IRB MVR Infrastructure and Tollway Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March									
(Free Cash Flows to Firm or FCFF Model)		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27
No of days operations		365	365	366	365	365	365	366	365	365	135
Net Sales (a)		638.8	698.6	771.0	861.8	963.3	1,076.6	1,203.6	1,344.9	1,496.3	596.1
Growth Rate		*#DIV/0!*	*9.4%*	*10.4%*	*11.8%*	*11.8%*	*11.8%*	*11.8%*	*11.7%*	*11.3%*	*7.7%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**577.5**	**464.1**	**533.3**	**790.9**	**888.9**	**998.4**	**904.3**	**1,041.5**	**1,405.7**	**501.1**
Margin		*90.4%*	*66.4%*	*69.2%*	*91.8%*	*92.3%*	*92.7%*	*75.1%*	*77.4%*	*94.0%*	*84.1%*
Less: Depreciation & Amortization		210.8	230.5	254.4	284.4	317.9	355.2	397.1	443.8	493.7	196.7
Earnings Before Interest and Tax		**366.8**	**233.6**	**278.9**	**506.5**	**571.0**	**643.1**	**507.1**	**597.8**	**912.0**	**304.4**
Income Tax (b)		78.3	49.9	59.5	108.1	121.9	137.3	108.2	127.6	194.6	65
Gross Free Cash Flows to Firm		**288.5**	**183.7**	**219.4**	**398.4**	**449.1**	**505.8**	**398.9**	**470.2**	**717.4**	**239.4**
Add: Depreciation & Amortization		210.8	230.5	254.4	284.4	317.9	355.2	397.1	443.8	493.7	196.7
Less: Negative grant payable to NHAI		540.0	-	-	-	-	-	-	-	-	-
Less/(Add): Increase/(Decrease) in Working Capital		-	-	-	-	-	-	-	-	-	-
Net Free Cash Flows to Firm		**(40.8)**	**414.2**	**473.8**	**682.8**	**767.0**	**861.1**	**796.1**	**913.9**	**1,211.1**	**436.1**
Present Value Periods in Years (Mid Year Discounting)											
Present Value Factors (c)	10.6%	0.9507	0.8592	0.7765	0.7018	0.6343	0.5732	0.5181	0.4682	0.4232	0.3824
	10.0%										
Present Value of Free Cash Flows to Firm		**(38.7)**	**355.9**	**367.9**	**479.2**	**486.5**	**493.6**	**412.4**	**427.9**	**512.5**	**166.8**

Gross Enterprise Value	3,663.8
Add: Cash balance (d)	(35.2)
Add/(Less): Net current assets (including investments) (e)	140.4
Add/(Less): Net cash impact of long term assets and liabilities (e)	1.5
Less: External bank debt (f)	(2,045.0)
Add/(Less): Net dues from /(to) related parties (e)	(1.8)
Equity Value of MVR (INR Mns.)	**1,723.9**

Footnotes:

INR: Indian Rupees; Mns : Millions; FY: Financial Year; MVR: MVR Infrastructure and Tollway Pvt. Ltd.

(a) Projections for the Financial Years of FY18 to FY27 based on the expected tenure of the project, as provided by the management of IRB Infrastructure Private Limited ("Management").

(b) Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Managment.

(c) Present Value factors have been considered based on the WACC of the Project. Please refer to Exhibit 3 for detailed calculation.

(d) Based on the provisional balance sheet as on the 31 December 2016 and adjusted for the debt repayment for the period 1 January 2017 to 31 March 2017 as provided by the Management.

(e) Based on the provisional balance sheet as on the 31 December 2016 as provided by the Management.

(f) Based on the debt repayment schedule provided by the Management as on the Valuation Date.

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Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax	@ 34.6% tax
Risk Free Rate (a)	6.9%	6.9%
Relevered Beta (b)	0.90	0.92
Equity Risk Premium (c)	7.4%	7.4%
Cost of Equity	**13.6%**	**13.8%**

Cost of Debt Calculation	@ 21.3% tax	@ 34.6% tax
Cost of Debt (d)	**10.5%**	**10.5%**
Less: Tax (e)	21.3%	34.6%
Post-tax Cost Of Debt	**8.2%**	**6.8%**

WACC Calculation	Weight (f)	@ 21.3% tax	@ 34.6% tax
Debt	54.8%	8.2%	6.8%
Equity	45.2%	13.6%	13.8%
Adjusted Cost Of Capital		**10.6%**	**10.0%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 December 2016. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected. Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Equity Risk Premium based on Grant Thornton research on ERP for emerging markets.

(d) Cost of debt has been considered to be 10.5% based on the weighted average interest rate on the borrowings of MVR as on the Valuation Date

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of MVR Project over the projected period from FY18 to FY27.

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Appendix VIII – Permits and Licenses of the 6 SPVs

IRB Surat Dahisar Tollway Private Limited

Co. name	Sr. No.	Description of the permits	Issuing Authority	Remark	Current status
IRBSD	1	Consolidated Consent and Authorization (CC&A) No. CCA-NAV-240/224/64798 dtd. 04.12.10 under section 25 of Water (Prevention and Control of Pollution) Act, 1974 and Section 21 of Air (Prevention and Control of Pollution) Act 1981	Environmental Engineer, Gujarat Pollution Control Board	Alipore Hot Mix Plant	**Valid up to 08.07.2020**
IRBSD	2	Factory License - Registration no. 479/26960/2012 and License no. 15153 dtd.01.01.2012	Joint Director Industrial Safety and Health Surat Region.	Alipore Hot Mix Plant	**Valid up to 31.12.2021**
IRBSD	3	Registration in Way bridge Calibration Certification No. & Validity Period. VC Number:44012 dtd. 06.05.2014.	Jr. Inspector, Legal Metrology Officer, Bilimora	Alipore Hot Mix Plant	**Valid up to 28.04.2017**
IRBSD	4	Permission from Pollution Control Board for installation of HMP - No. MPCB/ROT/TR-II/1030/34 dated 07.06.2014	RO, MPCB Thane	Manor Hot Mix Plant	**Valid up to 31.03.2018**
IRBSD	5	License from the inspector of factories- No. Vasai /2 cm (i) 19201/M-0292/329913 dated 16.07.2014	Director, Ind.safety & health, Mumbai	Manor Hot Mix Plant	**Valid up to 31.12.2020**
IRBSD	6	Permission for Installation of 25KVA, 40KVA, 100KVA, 380 KVA DG Set	Electrical Inspector, Inspection Department -1 , Thane	Manor Hot Mix Plant	**Permanent Liecense**
IRBSD		**Labour Licesne under Contract Labour (Regulation and Abolition) Act 1970 and Contract Labour (Regulation and Abolition) Contract Rules 1971**			
		Labour License No. BRC /ALC/LIC/46 (157)/2009 dated 21.03.2016 issued to IRB Surat Dahisar Tollway Private Limited	Regional Labour Commissioner, Vadodara		**Valid up to 13.05.2017**
		Labour License No. BRC /ALC/LIC/46 (122)/2009 dated 10.03.2016 issued to Modern Road Makers Private	Regional Labour Commissioner, Vadodara		**Valid up to 07.04.2017**
		Labour License No. B. ALC (c)-I /46 (203)/2012-L dated 02.07.2012 issued to IRB Surat Dahisar Tollway Private Limited	Regional Labour Commissioner, Vadodara		**Valid up ot 01.07.2017**
		Labour License No. B. ALC (c)-I /46 (273)/2014-L dated 07.08.2014 issued to IRB Surat Dahisar Tollway Private Limited	Regional Labour Commissioner, Vadodara		**Valid up to 06.08.2017**

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IDAA Infrastructure Private Limited

Co. name	Sr. No.	Description of the permits	Issuing Authority	Current status
IDAA		**Labour Licesne under Contract Labour (Regulation and Abolition) Act 1970 and Contract Labour (Regulation and Abolition) Contract Rules 1971**		
IDAA	1	Labour License No. BRC /ALC/LIC/57 (20)/2009 dated 21.03.2011 issued to IDAA Infrastructure Private Limited	Regional Labour Commissioner, Vadodara	Valid up to 21.06.2023
IDAA	2	Labour License No. BRC /ALC/LIC/57 (390)/2014 dated 21.03.2011 issued to IDAA Infrastructure Private Limited	Regional Labour Commissioner, Vadodara	Valid up to 28.12.2017

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IRB Jaipur Deoli Tollway Private Limited

Co. name	Sr. No.	Description of the permits	Issuing Authority	Supporting Docs	Current status
	1	**Labour Licesne under Contract Labour (Regulation and Abolition) Act 1970 and Contract Labour (Regulation and Abolition) Contract Rules 1971**			
		Labour License No.JP (153)/2013-RLC dated 28.09.2015	Regional Labour Commissioner, Vadodara	Annexure A	**Valid up to 02.10.2017**
IRBJD	2	**Provisional permission for energisation of installation (DG set/ captive power) under Rule 63 & 47 A of Indian Electricity Rule 1956**			
	(i)	Barkheda Chandlai Toll Plaza	Sr. Electrical Inspector, Jaipur	Copy enclosed (Annex_B)	**Applied for Renewal up to Mar 2019. License is awaited**
	(ii)	Sonwa Toll Plaza	Sr. Electrical Inspector, Jaipur	Copy enclosed (Annex_C)	**Applied for Renewal up to Mar 2019. License is awaited**
IRBJD	3	**WIM system**			
	(i)	Inspection Certificate for Barkheda Chandlai Toll Plaza No. 2033 dated 27.11.2015	Weigh and Measure department, Jaipur	Copy enclosed (Annex_D)	**Stamping certificate renewed upto 27/11/2017. Certificate is awaited challan towards payment of fees is enclosed.**
	(ii)	Inspection Certificate for Sonwa Toll Plaza No. 4287 dated 01.12.2015	Weigh and Measure department, Tonk	Copy enclosed (Annex_E)	**Stamping certificate renewed upto 17/11/2017**
IRBJD	4	**Static Weigh Bridge**			
	(i)	Inspection Certificate for Static Weight Bridge at Barkheda Chandlai Toll Plaza No. 2089 and 2599	Weigh and Measure department, Jaipur	Copy enclosed (Annex F&G)	**Stamping certificate for WBE 44 (Jaipur side): renewed upto 10/01/2018 & WBE 47 (Tonk side): Renewed upto 26/05/2017**
	(ii)	Inspection Certificate for Static Weight Bridge at Sonwa Toll Plaza No.3776	Weigh and Measure department, Tonk	Copy enclosed (Annex_H&I)	**Stamping certificate for WBE 45 (Jaipur side): renewed upto 01/03/2017 & WBE 46 (Tonk side): Renewed upto 10/04/2017**

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IRB Tumkur Chitradurga Tollway Private Limited

Co. name	Sr. No.	Description of the permits	Issuing Authority	Supporting Docs	Current status
IRBTC	1	Shop & establishments for Project office	Labour Inspector, Hiriyur	IRBTC 117	**Permission renewed up to date 31.12.2020**
IRBTC	2	Principle employer registration No 35(8)2014-B3/BL dated 04.07.2014	Asst. Labour Commissioner (Central), Bangalore	IRBTC 118	**One time permission**
IRBTC	3	Labour License for Local Labours No. 33/2011-AH dated 06.04.2011 and No. 46(34)2011-AH dated 16.03.2014	Asst. Labour Commissioner (Central), Hubli	IRBTC 119	**Valid up to 05.04.2017**
IRBTC	4	Labour License for Local Labours No. 96/2011-B3 dated 31.03.2011 and No. 97/2011-BS dated 31.03.2011	Asst. Labour Commissioner (Central), Bangalore	IRBTC 119(A)	**Valid up to 30.03.2017**
IRBTC	5	License for Generator more than 5 KVA (40kva 62.5 kva and 125 kva)	a) Electrical Inspector, Tumkur (Karjeevana halli toll) b)Electrical Inspector, Chitradurga (Guilalu Toll). c). Electrical inpector chitradurga (Project office).	IRBTC 121	**a) Permission renewed up to date 18.11.2017 b) Permission renewed up to date 20.05.2017 c)Permission renewed up to date -20.05.2017**
IRBTC	6	Insepction Certificate for WIM installed at Guilalu Toll	Assistant Controller, Legal Metrology Departement,		**Valid up to 03.08.2017**
IRBTC	7	Insepction Certificate for WIM installed at Karajeevanhalli Toll No. 9120160352273 and 9120160352274 dated 16.03.2016	Assistant Controller, Legal Metrology Departement,		**Valid up to 15.03.2017**

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IRB Talegaon Amravati Tollway Private Limited

Co. name	Sr. No.	Description of the permits	Issuing Authority	Current status
IRBTA	1	Principle employer registration - No. ALCN/46/L/158/2010/CL, dated 27.11.2015	Office the Regional Labour, Nagpur	**Valid upto 22/12/2017**
IRBTA	2	License for Building & Other Construction activitie s No. ALCN/42 (42)/150/2010/BOCW, dated 21/12/2010	Office the Regional Labour, Nagpur	**Valid upto 30/11/2017**
IRBTA	3	Insepction Certificate for WIM installled at Nandagaon Toll :Plaza	Inspector, Legal Metrology , Amravati	**Valid upto 27/02/2017**

MVR

Co. name	Sr. No.	Description of the permits	Date of submission of applications	Date of Permission obtained	Issuing Authority	Current status
MVR	1	Licence No.M.46/17/2013/B3 under the Contract Labour (Regulation and Abolition) Act, 1970 dated 01.03.2016	08.01.2015	09.01.2015	Regional Labour Commissioner (Central), Chennai	**License expired on 03.02.2017. Applied for renewal for further 1 year**
MVR	2	Permission No.ROC/602/2006/MINES-A, Dated:09.10.2006 under the Tamilnadu Minor Minerals Concession Rules 1959	By way of Auction, 6th July 2006	09.10.2006	District Collector, Salem	**Contract period already over. If necessary, SPV shall participate in the Tender when called for by Tamil Nadu Govt.**
MVR	3	Certificate for registration of DG Sets (40 KVA and 125 KVA) No. 03/2012-13	125 KVA - dt.06.03.2012	24.04.2012	Government of Tamilnadu, Electrical Inspector, Salem	**Valid Up to 23.04.2018**

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Walker Chandiok & Co LLP

Appendix IX – Estimates of major repairs to be carried out by each of the SPVs (INR Million)

IDAA Infrastructure Private Limited

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22
Estimate of major repairs	0.00	0.00	0.00	220.60	0.00	719.60

IRB Surat Dahisar Tollway Private Limited

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22
Estimate of major repairs	360.00	157.50	403.88	479.97	0.00	0.00

IRB Jaipur Deoli Tollway Private Limited

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Estimate of major repairs	-	-	-	411.40	375.50	411.40	-

Major repairs	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Estimate of major repairs	-	-	-	443.50	471.80	443.50	-

Major repairs	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
Estimate of major repairs	0.00	0.00	37.00	375.50	250.90	0.00	0.00	0.00

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IRB Tumkur Chitradurga Tollway Private Limited

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Estimate of major repairs	0.00	0.00	0.00	328.20	0.00	0.00	0.00

Major repairs	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Estimate of major repairs	0.00	328.20	0.00	0.00	0.00	0.00	328.20

Major repairs	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
Estimate of major repairs	0.00	0.00	0.00	0.00	335.60	0.00	0.00	0.00

IRB Talegaon Amravati Tollway Private Limited

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Estimate of major repairs	0.00	0.00	0.00	38.20	0.00	210.50	210.50

Major repairs	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Estimate of major repairs	0.00	0.00	0.00	0.00	254.70	254.70	0.00

Major repairs	FY31	FY32	FY33	FY34	FY35	FY36	FY37
Estimate of major repairs	0.00	0.00	0.00	216.50	216.50	0.00	0.00

MVR

Major repairs	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Estimate of major repairs	0.00	0.00	127.80	127.80	0.00	0.00	0.00

Major repairs	FY24	FY25	FY26	FY27
Estimate of major repairs	127.80	127.80	0.00	0.00

WALKER CHANDIOK & Co LLP MUMBAI CHARTERED ACCOUNTANTS

Auditors' Report on the projections

To,
IDBI Trusteeship Services Limited (As Trustee of the IRB InvIT Fund)
Asian Building, Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai- 400 001

IRB Infrastructure Private Limited (As the Investment Manager of the IRB InvIT Fund)
IRB Complex, Chandivali Farm,
Chandivali Village, Andheri (East)
Mumbai-400072

We have reviewed the attached projected summary profit and loss information, the projected summary cash flow information of the Trust Group for the years ended March 31, 2018, 2019 and 2020, the projected summary revenue from operations, projected summary operating cash flow information of the Project SPVs (defined below) for the financial years ended March 31, 2018, 2019 and 2020 and the Basis and Notes to these projections ("Projections") along with the Significant assumptions underlying the projections ("Projection Assumptions" together with the Projections as ("Revenue, Profit and Cash Flow Projections")) of six subsidiaries of IRB Infrastructure Developers Limited ("IRB" or "Sponsor"), namely IDAA Infrastructure Private Limited, IRB Jaipur Deoli Tollway Private Limited, IRB Surat Dahisar Tollway Private Limited, IRB Talegaon Amravati Tollway Private Limited, IRB Tumkur Chitradurga Tollway Private Limited, M.V.R. Infrastructure and Tollways Private Limited (together called as "Project SPVs" or "Project SPV Group" and individually a "Project SPV") which are proposed to be transferred from the Sponsor to IRB InvIT Fund (the "Trust") in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India.

The Revenue, Profit and Cash Flow Projections have been prepared in relation to the proposed Initial Public Offering of Units of the Trust (the 'Issue'), under the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended from time to time, including pursuant to any circulars and guidelines issued thereunder, ("InvIT Regulations").

The preparation and presentation of the Revenue, Profit and Cash Flow Projections in accordance with the InvIT Regulations, is the responsibility of the Investment Manager of Trust and has been approved by the Investment Manager of the Trust for inclusion in the offer document in connection with the proposed Initial Public Offerings of Units of the Trust ("IPO").

We have examined the evidence supporting the assumptions and other information in the Projections. Our responsibility does not include verification of the accuracy of the Projections. Therefore, we do not vouch for the accuracy of the same. The assumptions used for the preparation of these Projections have been provided to us by the Investment Manager of the Trust and relied upon by us as certain matters included are of technical nature.

We have examined and reviewed the Revenue, Profit and Cash Flow Projections, which comprises of the following:

1. The projected summary profit and loss information of the Trust Group for the years ended March 31, 2018, 2019 and 2020;
2. The projected summary cash flow information of the Trust Group for the years ended March 31, 2018, 2019 and 2020;
3. The projected summary revenue from operations of the respective Project SPVs for the years ended March 31, 2018, 2019 and 2020; and
4. The projected summary operating cash flow information of the respective Project SPVs for the years ended March 31, 2018, 2019 and 2020.

Based on our review of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these Projection Assumptions do not provide a reasonable basis for the Projections and confirm that the Projection Assumptions are appropriate for the purpose of these Projections.

We have verified the arithmetical accuracy of the Projections and found them to be accurate and appropriate.

Further, in our opinion, the Projections are properly prepared on the basis of the assumptions as set forth in the basis and notes to Projections and are consistent with the accounting policies of the Trust Group and with the financial statements of the Project SPVs and the significant accounting policies adopted by the Project SPV Group in line with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules and other accounting principles generally accepted in India and the InvIT Regulations. Our work has been carried out in accordance with Auditing Standards and other practices generally accepted in India.

Events and circumstances frequently do not occur as expected; even if the events anticipated under the hypothetical assumptions described herewith in the attached documents occur. Actual results are still likely to be different from the Projections since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected, for the reasons set out above. Therefore, we do not express any opinion as to the possibility of achievement of the Projections.

This report is issued pursuant to InvIT Regulations requiring the independent auditor to issue a report on the projections and is issued for the sole purpose of the Offering in accordance with the InvIT Regulations. This report is intended solely for inclusion in the offer document in connection with the proposed IPO of the Units of the Trust and is not to be used, referred to or distributed for any other purpose without our written consent.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Registration No. 121750W/ W-100010

(Ramesh Gupta)
Partner
Membership No.: 102306
Place: Mumbai
Dated: March 29, 2017

IRB InvIT Fund

Projected summary of profit & loss information of the Trust Group

All amounts in Rupees Million

Particulars	Refer Assumption	For the financial year ended 31.03.2018	For the financial year ended 31.03.2019	For the financial year ended 31.03.2020
Income				
Revenue from operations	i	10,781.69	11,762.24	12,910.87
Total income		**10,781.69**	**11,762.24**	**12,910.87**
Expenditure				
O&M Expenses (refer note below)	ii	1,840.22	1,985.30	2,421.66
InvIT Expenses (incl IM, Trustee, Valuer Fees)	iii	151.25	155.62	160.99
Earnings before interest, tax, depreciation and amortisation		**8,790.22**	**9,621.32**	**10,328.22**
Depreciation and amortisation expenses	vi	5,553.68	6,092.77	6,705.75
Finance costs - interest on loans from banks/institutions	vii	582.51	503.69	428.48
		6,136.19	**6,596.46**	**7,134.23**
Profit before tax		**2,654.03**	**3,024.86**	**3,193.99**
Tax Expense	viii	10.10	40.30	112.10
Profit after tax		**2,643.93**	**2,984.56**	**3,081.89**

IRB InvIT Fund

Projected summary cash flow information of the Trust Group

All amounts in Rupees Million

Particulars	For the financial year ended 31.03.2018	For the financial year ended 31.03.2019	For the financial year ended 31.03.2020
Net profit before tax	**2,654.03**	**3,024.86**	**3,193.99**
Adjustments to reconcile profit before tax to net cash flows			
Finance costs - interest on loans from banks/institutions	582.51	503.69	428.48
Finance costs - interest on loans from InvIT to Project SPVs	-	-	-
Depreciation and amortisation expenses	5,553.68	6,092.77	6,705.75
Provision for major maintenance expenses	605.00	605.00	605.00
Actual outflow for major maintainance	(157.50)	(531.68)	(1,606.17)
Cash generated from/(used in) operations	**9,237.72**	**9,694.64**	**9,327.05**
Direct taxes paid (net of refunds)	(10.10)	(40.30)	(112.10)
Premium Paid to NHAI	(2,059.47)	(1,382.37)	(2,076.59)
Net cash flows from/(used in) operating activities	**7,168.15**	**8,271.97**	**7,138.36**
Finance costs - interest on loans from banks/institutions	(582.51)	(503.69)	(428.48)
Repayment of bank debt	(711.98)	(1,189.28)	(626.02)
	(1,294.49)	**(1,692.97)**	**(1,054.50)**
Cash generated during the year *	**5,873.66**	**6,579.00**	**6,083.86**

Note:

* Out of the above cash flows, distributions shall be made to unitholders in the form of interest, dividend and buyback of units. The distributions shall be subject to the standalone cash flows of the InvIT, and the provisions of the InvIT Regulations / other applicable laws in this regard.

IRB InvIT Fund

Projected revenue from operations of the Project SPVs

All amounts in Rupees Million

Project SPV	For the financial year ended 31.03.2018	For the financial year ended 31.03.2019	For the financial year ended 31.03.2020
IJDTPL	1,401.83	1,547.12	1,710.86
IDAAIPL	2,153.65	2,354.29	2,599.79
ISDTPL	3,691.85	3,972.76	4,313.93
ITATPL	550.99	606.38	673.90
MITPL	638.81	698.61	770.99
ITCTPL	2,344.56	2,583.08	2,841.40
Total	**10,781.69**	**11,762.24**	**12,910.87**

IRB InvIT Fund

Projected summary operating cash flow information of the Project SPVs for the year ended March 31, 2018

All amounts in Rupees Million

Particulars	IJDTPL	IDAAIPL	ISDTPL	ITATPL	MITPL	ITCTPL	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities										
Net profit before tax	**(291.65)**	**(442.94)**	**(174.30)**	**(350.14)**	**47.42**	**(531.71)**	**4,397.35**	**2,654.03**	**-**	**2,654.03**
Adjustments to reconcile profit before tax to net cash flows										
Finance costs - interest on loans from banks/institutions	166.36	38.44	101.23	70.52	39.14	166.82		582.51		**582.51**
Finance costs - interest on loans from InvIT to Project SPVs	1,067.61	707.35	855.10	537.89	217.20	1,163.45		4,548.60	(4,548.60)	**-**
Depreciation and amortisation expenses	152.04	1,444.16	2,242.68	95.89	209.89	1,409.02		5,553.68		**5,553.68**
Provision for major maintainance expenses	177.47	76.64	194.64	55.37	63.90	36.98		605.00		**605.00**
Actual outflow for major maintainance	-	-	(157.50)	-	-	-		(157.50)		**(157.50)**
Cash generated from/(used in) operations	**1,271.83**	**1,823.65**	**3,061.85**	**409.53**	**577.55**	**2,244.56**	**4,397.35**	**13,786.32**	**(4,548.60)**	**9,237.72**
Direct taxes paid (net of refunds)	-	-	-	-	10.10	-		10.10		**10.10**
Premium Paid to NHAI	-	-	-	-	540.00	1,519.47		2,059.47		**2,059.47**
Net cash flows from/(used in) operating activities	**1,271.83**	**1,823.65**	**3,061.85**	**409.53**	**27.45**	**725.09**	**4,397.35**	**11,716.75**	**(4,548.60)**	**7,168.15**

IRB InvIT Fund

Projected summary operating cash flow information of the Project SPVs for the year ended March 31, 2019

All amounts in Rupees Million

Particulars	IJDTPL	IDAAIPL	ISDTPL	ITATPL	MITPL	ITCTPL	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities										
Net profit before tax	**(129.85)**	**(299.10)**	**173.86**	**(316.71)**	**14.85**	**(523.66)**	**4,105.47**	**3,024.86**	**-**	**3,024.86**
Adjustments to reconcile profit before tax to net cash flows										
Finance costs - interest on loans from banks/institutions	161.61	17.77	53.24	67.83	36.67	166.57		503.69		**503.69**
Finance costs - interest on loans from InvIT to Project SPVs	1,030.10	591.33	641.58	545.83	246.96	1,205.29		4,261.09	(4,261.09)	**-**
Depreciation and amortisation expenses	167.79	1,578.70	2,413.32	105.53	229.53	1,597.90		6,092.77		**6,092.77**
Provision for major maintainance expenses	177.47	76.64	194.64	55.37	63.90	36.98		605.00		**605.00**
Actual outflow for major maintainance	-	-	(403.88)	-	(127.80)	-		(531.68)		**(531.68)**
Cash generated from/(used in) operations	**1,407.12**	**1,965.34**	**3,072.76**	**457.85**	**464.11**	**2,483.08**	**4,105.47**	**13,955.73**	**(4,261.09)**	**9,694.64**
Direct taxes paid (net of refunds)	-	-	37.10	-	3.20	-		40.30		**40.30**
Premium Paid to NHAI	-	-	-	-	-	1,382.37		1,382.37		**1,382.37**
Net cash flows from/(used in) operating activities	**1,407.12**	**1,965.34**	**3,035.66**	**457.85**	**460.91**	**1,100.71**	**4,105.47**	**12,533.06**	**(4,261.09)**	**8,271.97**

IRB InvIT Fund

Projected summary operating cash flow information of the Project SPVs for the year ended March 31, 2020

All amounts in Rupees Million

Particulars	IJDTPL	IDAAIPL	ISDTPL	ITATPL	MITPL	ITCTPL	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities										
Net profit before tax	**(50.51)**	**(237.05)**	**443.22**	**(314.37)**	**82.05**	**(628.09)**	**3,898.74**	**3,193.99**	**-**	**3,193.99**
Adjustments to reconcile profit before tax to net cash flows										
Finance costs - interest on loans from banks/institutions	151.66	3.23	14.14	63.41	30.35	165.69		428.48		**428.48**
Finance costs - interest on loans from InvIT to Project SPVs	1,023.97	444.25	521.33	569.41	231.47	1,269.30		4,059.73	(4,059.73)	**-**
Depreciation and amortisation expenses	185.55	1,743.32	2,620.57	117.28	253.31	1,785.72		6,705.75		**6,705.75**
Provision for major maintainance expenses	177.47	76.64	194.64	55.37	63.90	36.98		605.00		**605.00**
Actual outflow for major maintainance	(411.40)	(220.60)	(479.97)	(38.20)	(127.80)	(328.20)		(1,606.17)		**(1,606.17)**
Cash generated from/(used in) operations	**1,076.74**	**1,809.79**	**3,313.93**	**452.90**	**533.28**	**2,301.40**	**3,898.74**	**13,386.78**	**(4,059.73)**	**9,327.05**
Direct taxes paid (net of refunds)	-	-	94.60	-	17.50	-		112.10		**112.10**
Premium Paid to NHAI	-	-	-	-	-	2,076.59		2,076.59		**2,076.59**
Net cash flows from/(used in) operating activities	**1,076.74**	**1,809.79**	**3,219.33**	**452.90**	**515.78**	**224.81**	**3,898.74**	**11,198.09**	**(4,059.73)**	**7,138.36**

IRB InvIT Fund

Basis and Notes to Revenue, Profit and Cash Flow Projections

1. General information

The IRB InvIT Fund (the "Fund") is a trust constituted by "The Indenture of Trust" dated October 16, 2015 registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 and as amended from time to time. The Fund is settled by the Sponsor, IRB Infrastructure Developers Limited ("IRB" or the "Sponsor"), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the "Trustee"). The Investment manager for the Fund is IRB Infrastructure Private Limited (the "Investment Manager" or the "Management"). The IRB InvIT Fund along with six Project SPVs as stated below shall be together called as the “Trust Group”.

2. Purpose and the basis of preparation of the profit and cash flow projection

The projected revenue and projected statements of summary cash flows of six subsidiaries of the Sponsor, namely IDAA Infrastructure Private Limited ("IDAAIPL"), IRB Jaipur Deoli Tollway Private Limited ("IJDTPL"), IRB Surat Dahisar Tollway Private Limited ("ISDTPL"), IRB Talegaon Amravati Tollway Private Limited ("ITATPL"), IRB Tumkur Chitradurga Tollway Private Limited ("ITCTPL") and M.V.R Infrastructure and Tollway Private Limited ("MITPL") (together called as "Project SPV Group" and individually a "Project SPV") for the years ending March 31, 2018, 2019 and 2020 and the projected combined statement of profit and loss and the projected combined cash flow statement of the Trust Group for the years ending March 31, 2018, 2019 and 2020 (the "Projections"). The Projections have been compiled solely for the purpose of being included in the Offer Document in connection with the offering of the units of the Fund. Therefore, the use of the Projections is not appropriate and should not be used or relied upon for any purpose other than described above.

The Projections have been prepared based on the assumption that once the IPO is complete, the Fund will acquire equity interests in the Project SPVs on March 31, 2017, the Net Proceeds being Rs. 43,000 million, and the Net Proceeds will be infused in the Project SPVs to replace part of the existing bank debt and entire Sponsor Sub Debt, Unsecured loans and Advances. The financials for the nine-month period ended from April 1, 2016 to December 31, 2016 are prepared without considering the IPO transaction.

The Projections are prepared based on the accounting policies that are expected to be used for the Fund's financial information for the corresponding periods in accordance with Indian Accounting Standards ("Ind AS") and / or any addendum thereto as defined in Rule 2(1)(a) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Projections only include the following information:

1. The projected summary profit & loss information of the Trust Group for the years ended March 31, 2018, 2019 and 2020
2. The projected summary cash flow information of the Trust Group for the years ended March 31, 2018, 2019 and 2020
3. The projected revenue from operations of the Project SPVs for the years ended March 31, 2018, 2019 and 2020
4. The projected summary operating cash flow information of the Project SPVs for the years ended March 31, 2018, 2019 and 2020.
5. Basis and Notes to projections.
6. Significant assumptions underlying the projections.

Though the aforesaid Projections are prepared under the Ind-AS framework, they do not provide for all the detailed disclosures as required under Ind-AS.

The accounting year end of the Fund is March 31 of each year. Accordingly, the Projections are prepared for the years ending March 31, 2018, 2019 and 2020. However, the assumed date of acquisition (March 31, 2017) may be postponed and accordingly, the actual result in the first financial period of the Fund will be different from the projection period in the Projections.

The Projections have been prepared and disclosed in INR millions, unless otherwise specifically mentioned.

The Projections contain forecasts and projections that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied.

Significant assumptions for the Projections

The Projections have been prepared based on the significant assumptions summarised below. The Investment Manager considers the assumptions to be appropriate and reasonable as at the date of the report. However, the investors should consider these assumptions as well as the Projections and make their own assessment of the future performance of the Fund.

1. **Income from operations:**

   The Project SPVs' income mainly consists of revenue from operations and other income. Revenue from operations primarily consists of income from toll collection. Revenue projections do not include any other operating income or income from interest / dividend from short term investments as these sources of revenue have not been material historically.

   The significant assumptions used in projection of income from toll collection are described below:-

   The base data for the projections is based on estimated traffic data and tariff rates for the financial year 2017, which is calculated based on the actual traffic data and tariff rates for the financial year 2016 . Key variables for toll revenue growth are traffic growth and the wholesale price index ('WPI') which are based on Management estimates and details of the assumptions are as set forth below:-

   Assumptions for FY 2018

Project SPVs	ISDTPL	IDAAIPL	ITATPL	MITPL	IJDTPL	ITCTPL
Traffic growth rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
WPI rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

   Assumptions for FY 2019

Project SPVs	ISDTPL	IDAAIPL	ITATPL	MITPL	IJDTPL	ITCTPL
Traffic growth rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
WPI rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

Assumptions for FY 2020:

Project SPVs	ISDTPL	IDAAIPL	ITATPL	MITPL	IJDTPL	ITCTPL
Traffic growth rate	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
WPI rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

As per the relevant concession agreements, the tariff rates of ISDTPL, IDAAIPL and MITPL are based on the WPI whereas the tariff rates of IJDTPL, ITCTPL and ITATPL are based on a rate of 3% + 40% of WPI. Management has estimated WPI growth at 3.5% per annum for FY 2018 and 5% per annum for FY 2019 and 2020, which is lower than GMD Consultant's (the "Traffic Consultant") estimate of WPI growth of 5.5% per annum.

2. **Operating and maintenance cost**

The operating and maintenance cost includes routine, periodic/major maintenance, manpower costs and operational expenses, including, but not limited to, road and site work expenses, employee benefit expenses and other operating and maintenance costs. Those costs are projected based on the estimates provided by the operating and maintenance contractor and the traffic reports prepared by the Traffic Consultant for each of the Project SPVs (the "Traffic Report").

The projected operating and maintenance cost corresponds with the projected traffic and the projected revenue and is primarily based on the currently available information on actual operating and maintenance cost associated with the operation of the Project SPVs.

Based on the concession agreements, the potential periodic / major maintenance cost is provided for in the statement of profit and loss for each year, and in the year of actual expenditure the same is adjusted against the provision created for the same. The projections do not envisage any unanticipated expenses which may be incurred due to any unforeseen circumstances.

3. **InvIT expenses**

The Fund expenses are mainly projected based on the quotations obtained from various intermediaries or expected terms and conditions of the relevant agreements and / or based on Management's experience and judgement. The nature for the Fund expenses are described below.

i. **Investment Manager Fee**

Pursuant to the IMA, the Investment Manager is entitled to a Investment Manager fee to be calculated @ 1% per annum, exclusive of Service Tax (GST), of the consolidated toll revenue (net of premium paid / revenue shared with NHAI) of the Fund at the end of the reporting period subject to a floor of Rs. 100 million and a cap of Rs. 250 million.

ii. **Trustee fees**

The Trustee shall be entitled to receive trusteeship fees for the services rendered in relation to the administration and management of the Trust, subject to the condition that the aggregate of service charges payable to the Trustee shall not exceed Rs. 2.50 million plus applicable taxes in any financial year.

iii. Other fund expenses

Other fund expenses include auditors fees, valuer's fees, professional fees, other miscellaneous expenses and are primarily estimated based on quotes (to the extent available) and Management's experience and best judgement.

4. Other income

The interest, income and dividend on short term investment in the Project SPVs are not estimated to be material and hence the same is not considered in the projected profit and loss statement.

5. Capital expenditure

As all the projects are currently under operational phase, Management does not envisage any major capital expenditure.

6. Depreciation and amortisation

Depreciation on tangible assets is calculated based on the written down value method (WDV) using the useful lives as prescribed under the Schedule II to the Companies Act, 2013 or as re-assessed by the Project SPVs.

Toll Collection rights (Including Premium)
As per their respective concession agreements, IRBTC and MVR are obligated to pay the annual fixed amount of premium to National Highway Authorities of India (NHAI). Total premium payable as per the concession agreements has been capitalized as 'Intangible Assets – Toll Collection Rights' and amortised over the concession period.

Toll collection rights including premium obligation are amortised over the period of concession, using revenue based amortisation as per exemption provided in Ind AS 101. Under this method, the carrying value of the rights is amortised in the proportion of actual toll revenue for the year to projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the Management.

7. Finance costs

It is assumed that the proceeds from issue shall be utilised for partial/ full repayment of Project SPV loans from bank/ financial institutions as well as sponsor/ related party debt outstanding as on March 31, 2017. These loans as well as related party debt shall be replaced by debt issued by the Project SPVs to the Fund carrying a coupon rate at 13% per annum. Interest has been calculated on Rs. 27,971.79 million of the debt of the Project SPVs as well as unsecured loan from the Fund to the Project SPVs to the extent of Rs. 7,017.40 million, including any such loans provided in future. The balance bank debt of the Project SPVs is carried at the same rate of interest as per terms of financing agreements. The sub debt to the extent of Rs. 6,985.00 million is interest free. The projections of finance costs comprise only interest costs, which is the major component of finance related costs which may be incurred by the Project SPVs and the Fund.

8. Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount

are those that are enacted or substantively enacted at the reporting date in India where the Group operates and generates taxable income.

All the Project SPVs are eligible for deduction under section 80IA of the Income Tax Act, 1961 for ten consecutive years. Accordingly, the tax is calculated under MAT provisions of Section 115JB of the Income Tax Act, 1961 based on the book profits of the Project SPVs. MAT credit is considered in accordance with the provisions of Section 115JAA of the Income Tax Act, 1961.

9. Changes in working capital

The entire collection of tolls is in cash and routine expenses are in cash or a credit period is available. In these cases the effective working capital deployed is relatively small or negative in certain instances. Further we believe the working capital is fairly stable and not expected to vary drastically over a period of time. Hence, changes in working capital are immaterial and no impact of that has been considered in the projected cash flows.

10. Other Assumptions

The Investment Manager has made the following additional assumptions in preparing the Projections:

i. The initial portfolio of Project SPVs remains unchanged throughout the FYs 2018, 2019 and 2020
ii. No further assets are acquired during the period.
iii. No further capital will be raised during the forecast period.
iv. There will be no material change in taxation legislation or other applicable legislation
v. The relevant tax exemptions, tax remissions, and preferential tax treatments granted remain valid and applicable and that the terms and conditions thereto are complied with.
vi. No further loss/gain has been considered for forex and related derivative instruments.
vii. The Projections are based on assumptions and are subject to a number of factors. Investors should be aware that future events, including actual traffic growth rates, cannot be predicted with any certainty and there may be deviations from the figures projected in the Projections. The Projections have been prepared based on the Traffic Report's base case scenario for traffic volume growth rates, and no analysis has been performed to demonstrate the sensitivity of the Projections to changes in traffic volume growth rates or other assumptions.

For Suresh Surana & Associates LLP
Chartered Accountants
Firm Regn No : 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: March 29, 2017

For and on behalf of IRB Infrastructure Private Limited
(Investment Manager of IRB InvIT Fund)

Vinod Kumar Menon
Whole Time Director

Tushar Kawedia
Chief Financial Officer

Urmil Shah
Company Secretary

Place: Mumbai
Date: March 29, 2017

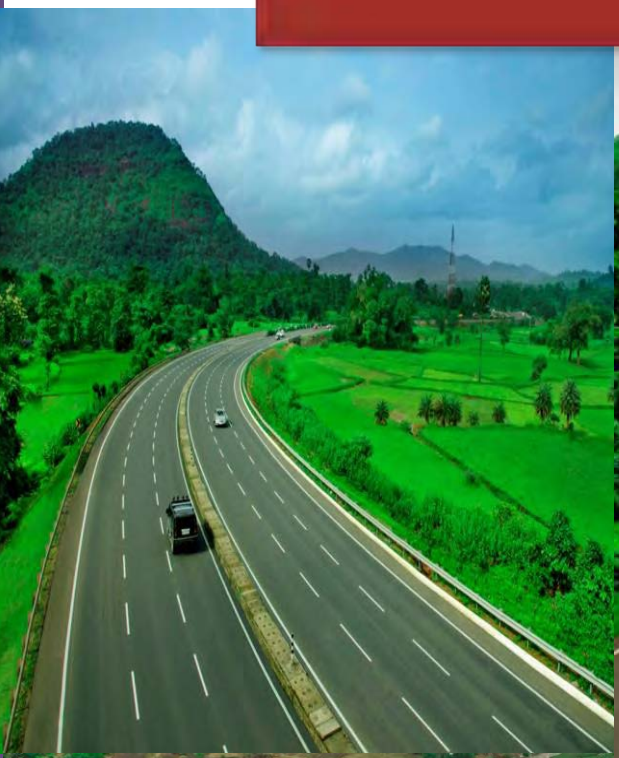
Traffic Reports/Technical Report
by
Technical Consultant

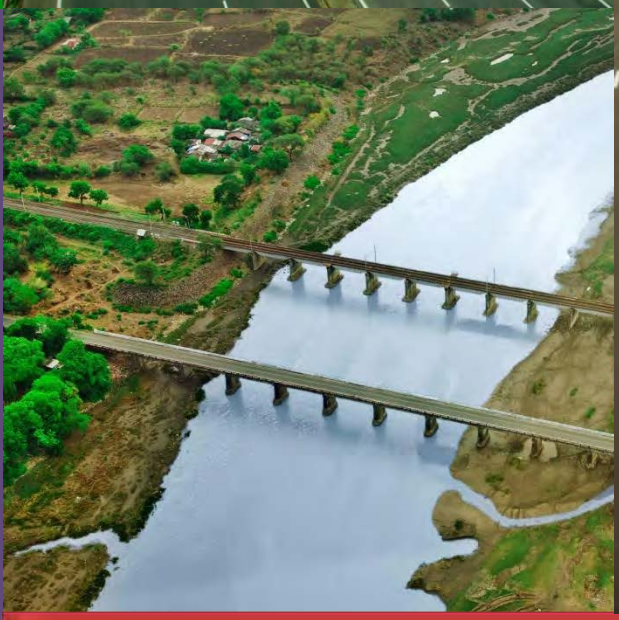
Traffic Consultant
GMD Consultants

For Project SPVs

IRB

SURAT TO DAHISAR
(KM 263.000 TO KM 502.000)
SECTION OF NH-8 IN THE STATE OF
GUJARAT & MAHARASHTRA





TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

MARCH 2017

GMD Consultants

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GMD Consultants
Adding Value

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1
INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, **Surat** and **Dahisar** section of NH-8 from km 263.000 to km 502.000 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. *M/s IRB Surat Dahisar Tollway Pvt. Ltd.* (Concessionaire) has been awarded the Project for a concession period of 12 years starting from 20th February 2009 to 19th February 2021. The Project has been commissioned and is currently in the operation / maintenance phase.

The Project Highway passes through two states namely Gujarat and Maharashtra. It crosses several districts on the way of both states. About 120 km of stretch lies in the state of Gujarat and the balance c. 120 km in Maharashtra state. There are major urban centres, viz. Surat, Navsari, Pardi, Valsad and Vapi etc. and many semi-urban centres along the Project Highway. The Project Highway is joined and/or intersected by a number of State Highways (SH), Major District Roads (MDR), and Other District Roads (ODR).

1.2 Objective of the Study

M/s IRB INVIT FUND has engaged *GMD Consultants* to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as ***"Toll Revenue and O&M Cost Projection Report"*** mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2
PROJECT DETAILS

2.1 Project Corridor

National Highway 8 (NH 8) is a 4-lane (6-lane between Delhi-Jaipur) National Highway in India. According to some estimates, it is one of the busiest highways in the subcontinent; it connects the national capital Delhi to the financial capital Mumbai, as well as important cities Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat. The highway is part of the Golden Quadrilateral project undertaken by National Highways Authority of India (NHAI) and was the first section to be completed. The Delhi-Gurgaon Expressway, Jaipur Kishangarh Expressway, and NE-1 are part of NH 8.

Project stretch from Surat to Dahisar falls on one of the busiest section of NH-8.

The project highway corridor spreads across two states of Gujarat and Maharashtra. Project alignment passes through Surat, Vapi, Navsari, Valsad and Dahisar.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

Figure 2-1 : Index Map of Project Highway - Country Level

Figure 2-2 : Index Map of Project Highway - State Level

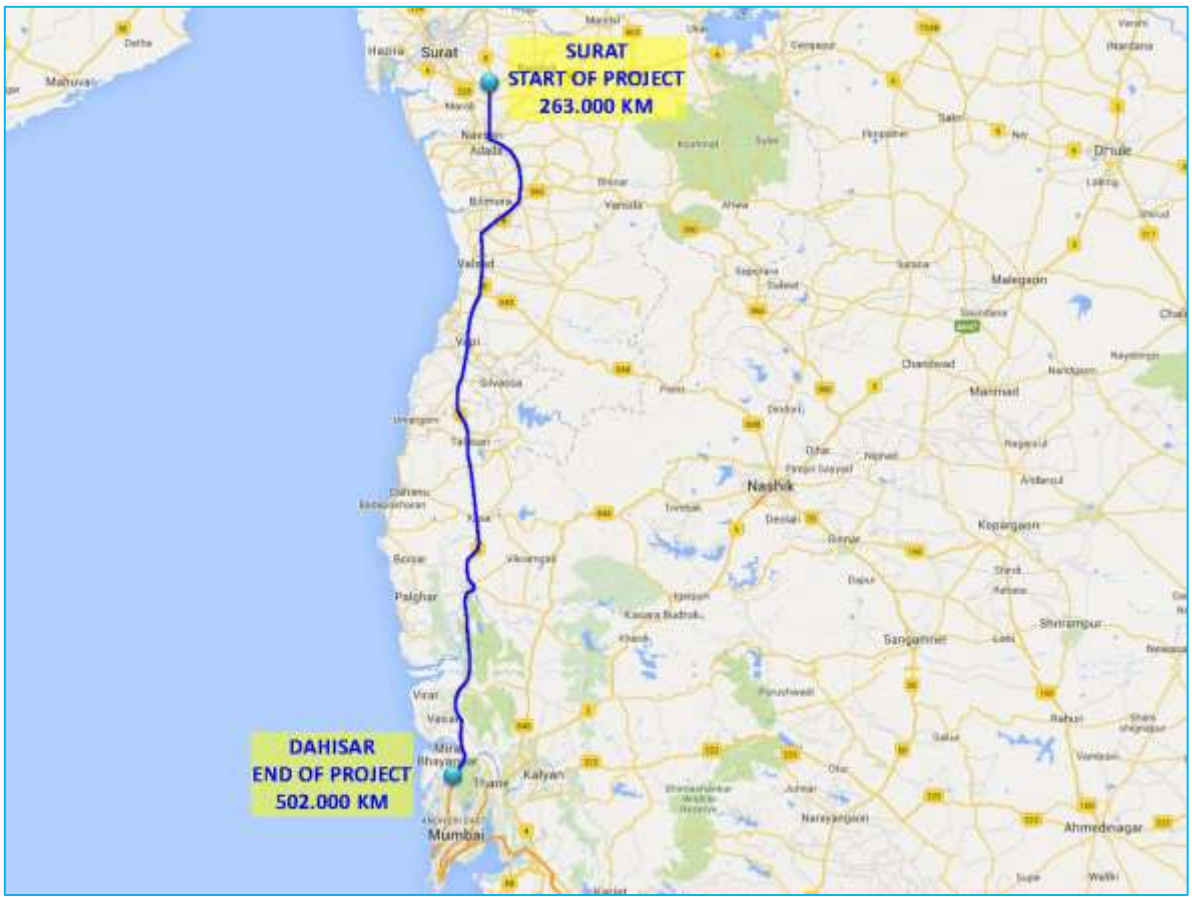

Figure 2-3 : Location Map of the Project Road

2.2 Corridor Description

NH-8 is a part of the western arm of the Golden Quadrilateral corridor. India's most ambitious transportation infrastructure project Delhi Mumbai Industrial Corridor (DMIC) runs parallel to NH-8 in substantial length.

It makes junctions with several other national highways which further increase its importance from a traffic distribution point of view.

The abutting land use is agricultural and barren for most part of alignment but at many places, especially near urban centres, ribbon development has taken place on both side of highway for good length continuously. This phenomenon is very much predominant in the vicinity of urban centers like Surat, Navsari, Valsad, Vapi and Dahisar near the Mumbai end.

2.3 Salient Features

The silent features of the project corridor are as given below;

- Six Laning of Carriageway = 239 Kms
- Major Bridges = 17 Nos.
- Minor Bridges = 37 Nos.
- Flyovers = 25 Nos.
- ROB = 2 Nos.
- Culverts = 496 Nos.
- Pedestrian Under passes = 12 Nos.
- Vehicular Underpass = 16 Nos.
- Major / Minor Intersections = 304 Nos.
- Service Road = 283.369 Kms.
- Toll Plaza Complex = 4 Nos.

The details of the structures are given below.

2.3.1 Flyovers & ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-1 : List of Flyovers along Project Corridor

Sr.	Chainage	Name of Intersecting Roads	Structural Configuration	Span Arrangement
1	275+700	At Vesma	6 - lane	1 x 31.80
2	280+400	At Padgah	6 - lane	1 x 31.80
3	287+700	At Sisodara	6 - lane	1 x 31.80
4	300+400	At Gandeva	6 - lane	3 x 31.80
5	308+980	At Alipore	6 - lane	5 x 31.80
6	328+000	At Kundi Phatak	6 - lane	1 x 31.80
7	333+200	At Gundlao	6 - lane	3 x 31.80
8	341+800	Chanwai crossing	6 - lane	3 x 31.80
9	353+600	At Daman	6 - lane	3 x 31.80
10	358+000	At Vatar	6 - lane	1 x 31.80
11	361+860	At Balitha	6 - lane	1 x 31.80
12	366+575	At United Phosphorus	6 - lane	1 x 31.80
13	369+900	At Moti Daman	6 - lane	1 x 31.80
14	374+800	At Bhilad	6 - lane	3 x 31.80
15	385+586	Sanjan Phata	6 - lane	1 x 31.80
16	436+123	At Boisar	6 - lane	1 x 31.80
17	441+476	At Palghar	6 - lane	2 x 31.80
18	474+621	At Kaner	6 - lane	6 x 31.80
19	479+204	At Valic Phata	6 - lane	3 x 31.80

Sr.	Chainage	Name of Intersecting Roads	Structural Configuration	Span Arrangement
20	481+560	At Tungarphata	6 - lane	3 x 31.80
21	481+560	At Sativala phata	6 - lane	1 x 31.80
22	485+400	At Chinchoti	6 - lane	1 x 31.80
23	497+100	At Ghodbunder road	6 - lane	1 x 31.80
24	500+300 /500+600 /501+000	At X / T Junction Kashimira	6 - lane	1 x 31.80 + 1 x 31.80 + 1 x 31.80
25	418+100	At Charoti	6 - lane	1 x 31.80

Table 2-2 : List of ROB's along Project Corridor

Sr	ROB/ Location	Chainage	Structural Configuration	Span Arrangement
1	AT Over Billimora To Waghai Railway Station	306+600	6 Lane	3 x 31.80
2	At Railway Level Crossing (Udwada)	353+080	6 Lane	3 x 31.80

2.3.2 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-3 : List of Major Bridges along Project Corridor

Sr. No.	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
1	Baleshwar Khadi bridge	266+275	LHS	LHS	LHS
			3 lane	PCC Wall pier with Balanced cantilever	(19.05 x 2) + 31.75
			RHS	RHS	RHS
			3 lane	RCC wall pier with Two span RCC 4 girder T-Beam One span PSC-I girder	(19.05 x 2) + 31.75

Sr. No.	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
2	Mindhola Bridge	271+684	LHS	LHS	LHS
			3 lane	RCC Wall with Two Span RCC 4 girder T- Beam One Span PSC- I Girder	23.325 + 35.625 + 27.049
			RHS	RHS	RHS
			3 Lane	RCC Wall With Balanced Cantilever with Suspended spans	23.325 + 35.625 + 27.049
3	Purna Bridge	282+927	LHS	LHS	LHS
			3 Lane	PCC / RCC wall type pier with PSC-I girder placed on elastomeric bearing	(2 x 34.78) + (2 x 35.3) + (2 x 35.375) + (2 x 35.400)
			RHS	RHS	RHS
			3 Lane	PCC/RCC wall type pier with PSC-I girder -4 Nos Placed	(2 x 34.78) + (2 x 35.3) + (2 x 35.375) + (2 x 35.400)
4	Ambica bridge	298+287	LHS	LHS	LHS
			3 lane	PCC wall Pier with Psc Box Type continuous 5 span girder	(2x 43.50) + (3 x 41.85)
			RHS	RHS	RHS
			3 lane	RCC wall type piers Bow String Girder bridge	(2x 41.605) + (3 x 42.062)
5	Dholdhara Bridge	304+786	LHS	LHS	LHS
			3 lane	PCC Raft Substructure	2 x 18 .288
			RHS	RHS	RHs
			3 lane	RCC raft RCC arch bridge	3 x 20.58 + 1 x 21.75 + 1 x 21.77
6	Kaveri bridge	316 + 233	LHS	LHS	LHS
			3 lane	PCC raft substructure	11 x 13.20
			RHS	RHS	RHS
			3 lane	RCC raft abutments cellular Box RCC	11 x 13.20
7	Kherena Bridge	318+783	LHS	LHS	LHS
			3 lane	PCC raft With piers - wall RCC Abutments Cellular Box RCC	6 x 13 .20
			RHS	RHS	RHS
			3 lane	RCC raft T- Beam slab (4 - Girder)	6 x 13 .20
8	Wanki Bridge	338 355 - 338 + 149	LHS	LHS	LHS
			3 lane	PCC substructure RCC T beam - 3	3 x 12.2 + 28.95
			RHS	RHS	RHS
			3 lane	RCC rectangular pier with RCC T beam + PSC girder RCC T - girder	1 x 28.4 + 1 x 36.3

Sr. No.	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
9	Par River Bridge	343+710	LHS	LHS	LHS
			3 lane	CR Masonry substructure with RCC arch superstructure	2 x 25 .76 + 3 x 27.13 + 4 x 27.74
			RHS	RHS	RHS
			3 lane	R.C. Rectangular pier with 4 Nos PSC girder for each span continuous over three cause through diaphragms on modules make nine spans	28 45 + 27.3 9 + 2 x 27.55 + 27.3 + 2 x 27.55 + 27.3 + 28.045
10	Kolak Khadi Bridge	357+740	LHS	LHS	LHS
			3 lane	Masonry substructure with balanced cantilever & suspended spans	1 x 12.5 + 5 x 24.4 + 1 x 12.2
			RHS	RHS	RHS
			3 lane	Cellular R.C.C. box type rectangular pier with R.C.C. 4 girder and slab system superstructure in all the spans	1 x 12.5 + 5 x 24.4 + 1 x 12.2
11	Vadoli Nala	397 + 595	LHS	LHS	LHS
			3 lane	CR Masonry substructure with RCC voided Slab super structure	15 .900 + 4 x 18.00
			RHS	RHS	RHS
			3 lane	RCC 'C' type abutments and RCC piers with RCC voided slab super structure	3 x 15.100
12	Gulzari Nala Bridge	417+951	LHS	LHS	LHS
			3 lane	CR masonry piers with RCC T - beam and slab super structure	3 x 21.00
			RHS	RHS	RHS
			3 lane	RCC 'C' type abutments and RCC Piers with Voided slab Super structure	3 x 21.00
13	Surya River Bridge	419+467	LHS	LHS	LHS
			3 lane	RCC Cellular box type and RCC pier IRW with RCC T-beam slab super structure	1 x 19.889 + 1x 20.46 + 1 x 20.63 + 2 x 20.56 + 1 x 20.51 + 1 x 20.54 + 1 x 20.57 + 1 x 19.864
			RHS	RHS	RHS
			3 lane	RCC T- beam slab super structure	1 x 19.889 + 1x 20.46 + 1 x 20.63 + 2 x 20.56 + 1 x 20.51 + 1 x 20.54 + 1 x 20.57 + 1 x 19.864

Sr. No.	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
14	Vaitarna Bridge	443+114	LHS	LHS	LHS
			3 lane	PCC abutments & Pier with Surface Reinforcements with RCC T - Beam and slab super structure	2 x 12.2 + 6 x 22.86 + 3 x 27.43
			RHS	RHS	RHS
			3 lane	PCC abutments & Pier with Surface Reinforcements RCC T - Beam and slab super structure	2 x 12.2 + 6 x 22.86 + 3 x 27.43
15	Vandri Bridge	454+825	LHS	LHS	LHS
			3 lane	PCC abutments & pier with surface Reinforcements with RCC T - beam and Slab Super Structure	11 x 10.67
			RHS	RHS	RHS
			3 lane	PCC abutments & pier with surface Reinforcements RCC T - beam and Slab Super Structure	11 x 10.67
16	Tansa Bridge	470+103	LHS	LHS	LHS
			2 Lane	PCC Abutment & Pier with skin reinforcement RCC T- Beam and slab super structure	12 x 14.14
			RHS	RHS	RHS
			2 Lane	PCC Abutment & Pier with skin reinforcement RCC T- Beam and slab super structure	12 x 14.14
17	Kaman Creek Bridge	489+585	LHS	LHS	LHS
			2 lane	RCC / Masonry with PSC Box girder	2 x 26 + 1 x 32.84
			RHS	RHS	RHS
			2 lane	RCC / Masonry with PSC Box girder	2 x 26 + 1 x 32.81

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-4 : List of Minor Bridges along Project Corridor

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
1	Rayam Khadi Bridge	267+416	LHS	LHS	LHS
			3 Lane	PCC substructure with RCC 5 T- Beam	2 x 8.95 + 9.05
			RHS	RHS	RHS
			3 Lane	RCC Wall Abutment & with RCC 4 T - Beam	1 x 27.15
2	Kanai Bridge	291+624	LHS	LHS	LHS
			3 lane	PCC/RCC wall type pier with PSC - I girder	2 x 23.545
			RHS	RHS	RHS
			3 Lane	PCC/RCC wall Type pier with PSCI - I girder - 4 Nos	1 x 52.30
3	Paniyari Bridge	305+844	LHS	LHS	LHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.5
			RHS	RHS	RHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.5
4	Koyali Khadi Bridge	308+455	LHS	LHS	LHS
			3 Lane	C- type RCC With Solid Slab	1 x 10.925
			RHS	RHS	RHS
			3 Lane	C- type RCC With Solid Slab	1 x 10.925
5	Kala Khadi Bridge	312+845	LHS	LHS	LHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.05
			RHS	RHS	RHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.05
6	Minor Bridge	315+460	LHS	LHS	LHS
			3 Lane	RCC Box With RCC Slab	2 x 5
			RHS	RHS	RHS
			3 Lane	RCC Box With RCC Slab	2 x 5

Sr.	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
7	Bhuri Khadi Bridge	316+810	LHS	LHS	LHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.00
			RHS	RHS	RHS
			3 Lane	Cellular Box RCC With Solid slab	1 x 10.00
8	Dharedi Khadi Bridge	320+405	LHS	LHS	LHS
			3 Lane	PCC with sold slab	1 x 13.75
			RHS	RHS	RHS
			3 Lane	PCC with sold slab	1 x 11.70
9	Mircholi Khadi Bridge	322+424	LHS	LHS	LHS
			3 Lane	PCC substructure with RCC T - girder	2 x 10.05
			RHS	RHS	RHS
			3 Lane	Cellular Box RCC with Voided slab	1 x 20.10
10	Kampri Khadi Bridge	329+216 - 329+261	LHS	LHS	LHS
			3 Lane	RCC Piers & RCC cellular Box type structure with solid slab	11.98 + 10.62 + 10.66 + 12.10
			RHS	RHS	RHS
			3 Lane	RCC piers & circular noses RCC cellular Box type structure with RCC girder	2 x 11.5 + 2 x 10.7
11	Kolai Khadi Bridge	332+675 - 332+709	LHS	LHS	LHS
			3 Lane	PCC substructure with RCC girder with deck slab	3 x 10.67
			RHS	RHS	RHS
			3 Lane	RCC cellular box type abutments with PSC girder with deck slab	1 x 34.5
12	Kha Khadi Bridge	334+324 - 334+345	LHS	LHS	LHS
			3 Lane	PCC substructure with RCC girder	2 x 10.20
			RHS	RHS	RHS
			3 Lane	Cellular box type abutments with voided slab	1 x 21.222

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
13	Par River Tributary Bridge	343+510	LHS	LHS	LHS
			3 Lane	RCC cellular box type abutment with RCC 4 girder and slab system superstructure	1 x 20
			RHS	RHS	RHS
			3 Lane	RCC Cellular box type abutment with RCC 4 girder and slab system superstructure	1 x 20
14	Velperva Bridge	349+900	LHS	LHS	LHS
			3 Lane	PCC substructure with PSC girder super structure	1 x 43.34
			RHS	RHS	RHS
			3 Lane	Cellular RCC box with PSC box super structure	1 x 43.34
15	Kantoli Khadi Bridge	356+945	LHS	LHS	LHS
			6 Lane	PCC substructure with RCC T - girder	2 x 19.25
			RHS	RHS	RHS
			3 Lane	Cellular RCC Box abutments with RCC 4 girder and slab system superstructure	2 x 19.25
16	Bil Khadi Bridge	359+790	LHS	LHS	LHS
			3 Lane	RCC Cellular box type abutment with PCC 4 girder and slab system super structure	1 x 19.6
			RHS	RHS	RHS
			3 Lane	RCC Cellular box type abutment with R.C.C. box 4 girder and slab system superstructure	1 x 19.6
17	Adivasi Nala	369+700	LHS	LHS	LHS
			3 Lane	RCC Abutment with solid slab super structure	1 x 11
			RHS	RHS	RHS
			3 Lane	RCC Abutment with solid slab super structure	1 x 11

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
18	Darotha Bridge	373+285	LHS	LHS	LHS
			3 Lane	RCC Abutments with Two span simply supported voided slabs	2 x 20.1 + 1 x 10.05
			RHS	RHS	RHS
			3 Lane	RCC abutments with Two span simply supported voided slabs	2 x 20.1 + 1 x 10.05
19	Satnala Bridge	374+072	LHS	LHS	LHS
			2 Lane	CR masonry with RCC solid slab	3 x 8
			RHS	RHS	RHS
			3 Lane	RCC pier and abutments with R.C.C. 4 girder and slab system super structure	2 x 16
20	Minor Bridge	376+400	LHS	LHS	LHS
			2 Lane	PCC substructure with RCC slab	1 x 9.40
			RHS	RHS	RHS
			3 Lane	PCC substructure with RCC slab	1 x 9.40
21	Haladpada Bridge	401+806	LHS	LHS	LHS
			3 Lane	CR Masonry superstructure and with RCC solid slab	6 x 7.8
			RHS	RHS	RHS
			3 Lane	RCC 'C' type abutments and RCC piers With RCC Voided slab super structure	3 x 15.100
22	Karangvilla Bridge	404+928	LHS	LHS	LHS
			3 Lane	LHS	9.0 + 9.4 + 9.5
			RHS	RHS	RHS
			3 Lane	RCC 'C' type abutments and RCC piers With RCC Voided slab super structure	1 x 26.90
23	Bridge Over Nala	406+030	LHS	LHS	LHS
			3 Lane	RCC cellular box type abutments with RCC solid slab	2 x 3
			RHS	RHS	RHS
			3 Lane	RCC cellular box type abutments with RCC solid slab	1 x 6

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
24	Susari Nala Bridge	410+499	LHS	LHS	LHS
			3 Lane	RCC Cellular box type abutments RCC T beam and slab super structure	6 x 9.10
			RHS	RHS	RHS
			3 Lane	RCC piers with RCC T beam and slab super structure	3 x 17.80
25	Ghol Bridge	421+250	LHS	LHS	LHS
			3 Lane	RCC 'C' type abutment and RCC piers with RCC solid slab super structure	6.0 x 3 + 5.5 x 2 + 5.44
			RHS	RHS	RHS
			3 Lane	RCC 'C' type abutment and RCC piers with RCC T beam slab super structure	6.0 x 3 + 5.5 x 2 + 5.44
26	Tawa Bridge	423+223	LHS	LHS	LHS
			3 Lane	PCC abutment piers with RCC T beam and slab super structure	13.24 + 12.97 + 13.42
			RHS	RHS	RHS
			3 Lane	PCC abutment piers with RCC T beam and slab super structure	3 x 13.00
27	Chinchpada Bridge	424+602	LHS	LHS	LHS
			3 Lane	RCC 'C' abutments with RCC T beam and slab super structure	3 x 14.00
			RHS	RHS	RHS
			3 Lane	RCC Cellular box type abutment with RCC T beam and slab super structure	3 x 14.00
28	Bridge Over Nala	433+111	LHS	LHS	LHS
			3 Lane	CR masonry abutments and piers with RCC slab	2 x 4.21 + 4.31
			RHS	RHS	RHS
			3 Lane	RCC .C. type abutments with RCC T beam And Slab super structure	1 x 12.9

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
29	Minor Bridge	449+634	LHS	LHS	LHS
			3 Lane	PCC abutments & pier with surface RCC T beam and slab super structure	2 x 6
			RHS	RHS	RHS
			3 Lane	PCC abutments & pier with surface RCC T beam and slab super structure	2 x 6
30	Minor Bridge	452+222	LHS	LHS	LHS
			3 Lane	PCC abutments * pier with skin reinforcement with RCC slab	2 x 6
			RHS	RHS	RHS
			3 Lane	PCC abutments * pier with skin reinforcement with RCC slab	2 x 6
31	Minor Bridge	452+422	LHS	LHS	LHS
			3 Lane	PCC abutments * pier with skin reinforcement with RCC slab	2 x 9
			RHS	RHS	RHS
			3 Lane	PCC abutments * pier with skin reinforcement with RCC slab	2 x 9
32	Minor Bridge	461+391	LHS	LHS	LHS
			3 Lane	PCC abutments with RCC slab	2 x 6
			RHS	RHS	RHS
			3 Lane	PCC abutments with RCC slab	2 x 6
33	Minor Bridge	474+886	LHS	LHS	LHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 5.95
			RHS	RHS	RHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 5.95
34	Minor Bridge	478+301	LHS	LHS	LHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 7.82
			RHS	RHS	RHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 7.82

Sr	Name of Bridge	Chainage	Structural Configuration	Structure Type	Span Arrangement
35	Minor Bridge	480+567	LHS	LHS	LHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	(3 x 7.958) + (2 x 8.117)
			RHS	RHS	RHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	(3 x 7.958) + (2 x 8.117)
36	Minor Bridge	481+330	LHS	LHS	LHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 9.5
			RHS	RHS	RHS
			3 Lane	PCC abutments & piers skin reinforcements with RCC slab	2 x 9.5
37	Minor Bridge	493+299	LHS	LHS	LHS
			3 Lane	PCC abutments & pier with RCC Slab	2 x 9.05 + 2 x 8.90
			RHS	RHS	RHS
			3 Lane	PCC abutments & pier with RCC Slab	2 x 9.05 + 2 x 8.90

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4 : Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

The Consultants have collected the required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at toll plaza locations on Surat- Dahisar section of NH-8 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of the project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into four homogenous sections from traffic point of view.

These sections can be

- Surat to Navsari
- Navsari to Valsad
- Valsad to Vapi
- Vapi to Dahisar (End)

Table 3-1 below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Data Details

SR. NO	LOCATION	CTV	Single Journey Traffic	Daily Return Journey	Monthly Pass	Local Pass
1	Km 470.00 Toll Plaza at Khanivade	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016
2	Km 420.34 Toll Plaza at Charoti	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016
3	Km 356.20 Toll Plaza at Bhagwada	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016
4	Km 297.30 Toll Plaza at Boriyach	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

Toll plaza no. 1 & 2 are located in Maharashtra while Toll plaza no. 3 & 4 are located in Gujarat. The locations of each of the traffic survey are illustrated in ***Figure 3-1***.

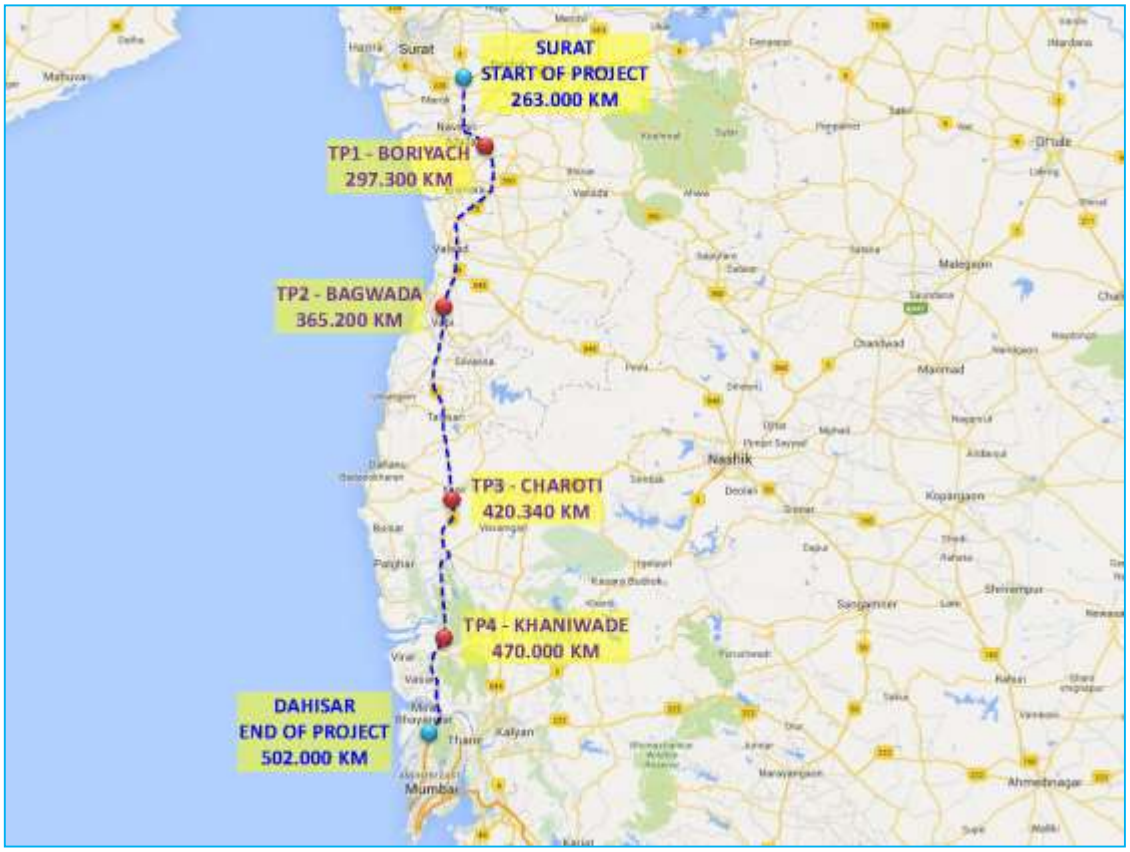

Figure 3-1 : Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by the concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in

Table 3-1.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in

Table 3-2.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / van
- Min Bus /LCV
- Truck / Bus
- Multi Axle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial

traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under for all four toll plazas -

Table 3-3 : Traffic Data at Toll Plaza at Km 470.000

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	12540	11745
2	LCV	6233	6533
3	Truck/Bus	3486	3470
4	Multi Axle	7953	7745
	Total	**30212**	**29493**

Table 3-4 : Traffic Data at Toll Plaza at Km 420.340

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	9720	9589
2	LCV	4800	5034
3	Truck/Bus	3704	3648
4	Multi Axle	8043	8068
	Total	**26268**	**26339**

Table 3-5 : Traffic Data at Toll Plaza at Km 356.200

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	8494	7302

2	LCV	5565	5544
3	Truck/Bus	4525	4626
4	Multi Axle	7839	7916
	Total	**26423**	**25388**

Table 3-6 : Traffic Data at Toll Plaza at Km 297.300

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	11330	11481
2	LCV	5152	5325
3	Truck/Bus	4569	4596
4	Multi Axle	8135	8549
	Total	**29186**	**29951**

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of the traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in ***Table 3-7.***

Table 3-7 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0

Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-8 : Traffic in PCU at Project Stretch

Toll Plaza Location (Km)	Period	Traffic No	PCU	PCU Index
470.000	FY 2016	30212	68142	2.26
	FY 2017 upto Dec 2016	29493	66807	2.27
420.340	FY 2016	26268	64226	2.45
	FY 2017 upto Dec 2016	26339	64390	2.44
356.200	FY 2016	26423	65697	2.49
	FY 2017 upto Dec 2016	25388	65118	2.56
297.300	FY 2016	29186	69374	2.38
	FY 2017 upto Dec 2016	29951	71727	2.39

It can be observed from above that project traffic has PCU index close to 2.5 which is an indicator of high proportion of commercial traffic in traffic mix in project corridor. Following figure illustrates variation of PCU index at four toll plaza locations.

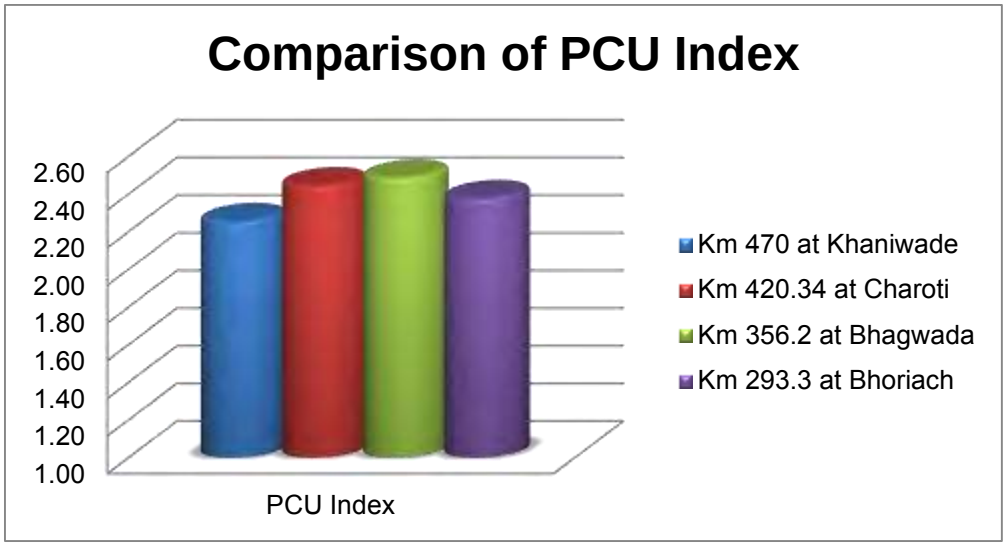

Figure 3-2 : Comparison of PCU Index

It can be observed that PCU index is consistent at all four toll plaza locations.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that car traffic forms about 30%- 40% of total traffic at toll plaza locations while multi axle commercial vehicles are about 25% -30% of total traffic. Truck / Bus and LCV share about 15% and 20 % of traffic volume respectively.

Another important bifurcation of traffic is components of traffic with respect various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

The following table provides numbers of vehicles falling in each of above category on base year 2015-16 and 2016-17 (upto Dec 2016)

Table 3-9 : Journey Type Bifurcation of Traffic at KM 470.000

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	18041	18189
2	Return Journey	9856	9465
3	Monthly Pass	2315	1839

Most dominant part of the above is the single journey type followed by return journey at project stretch. Monthly pass commuters are a very low fraction of the total traffic on the project corridor.

The single journey component in total traffic numbers is a high as 60%. Return journey component is 32%. The number of monthly pass is 8% at toll plaza at Km 470.000

Following tables give the detail of journey distribution at other toll plaza locations

Table 3-10 : Journey Type Bifurcation of Traffic at KM 420.340

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	16892	17095
2	Return Journey	8756	8812
3	Monthly Pass	618	432

Table 3-11 : Journey Type Bifurcation of Traffic at KM 356.200

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	18086	18404

2	Return Journey	6170	6197
3	Monthly Pass	2167	787

Table 3-12 : Journey Type Bifurcation of Traffic at KM 297.300

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	18487	19150
2	Return Journey	9720	10322
3	Monthly Pass	978	479

It is observed that the project corridor demonstrates a similar pattern of single journey dominated mix of traffic across the entire stretch which is typical of major national highways.

3.5 Secondary Data Collection

There are several other factors which have a substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or Industrial projects
- Special Industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from various other sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth

d) Per Capita Income growth

e) Industrial Growth

f) Special Industry Potential

g) Regional and National development vision / plan

h) Any other relevant data

3. Competing road network

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies like blind horizontal curves and steep vertical gradients etc,
- Configuration of road
- Riding quality
- Traffic delays,
- Length of road,
- Passing through built up or Urban Area,
- Terrain,
- Facilities,

The following analysis provides alignment of competing road network and quality analysis of competing road network.

We have selected the following sets of urban origin and destination for this analysis

- Surat to Navsari
- Navsari to Valsad
- Valsad to Vapi
- Vapi to Dahisar (End)

Following figures depict competing road network of above pair of origin & destinations

Figure 4-1 : Project Alignment Surat to Dahisar

Figure 4-2 : Competing Roads Surat to Navsari

Figure 4-3 : Competing Roads Navsari to Valsad

Figure 4-4 : Competing Roads Valsad to Vapi

Figure 4-5 : Competing Roads Vapi to Kasa

Figure 4-6 : Competing Roads Kasa to Dahisar

It can be observed that project highway forms the main spine of the corridor between Surat and Dahisar. There are several local roads and state highways which if integrated can form a potential competing road network. Most of these roads run across the project corridor covering much longer distances for same of pairs of origin and destination as compared to the project highway. More so, the geometry and riding quality of these alternate roads is inferior as compared to the project section of NH-8 adding to travel time. They have sharp turns, bottlenecks and patches of damaged pavement. Following table provide a quantitative cum qualitative analysis of competing roads discussed above.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
Surat to Navsari						
1	Surat to Navsari via competing road (SH-611 & SH-6) on West side	Competing Road	31	40	47	Competing roads of poor geometry and lesser widths, passes through settlements. Shifting of traffic from NH-8 not expected
	Surat to Navsari via Project Road NH-8	**Project Road**	**39**	**70**	**33**	
Navsari to Valsad						
2	Navsari to Valsad via competing road (SH-88 & SH-104)) on West side	Competing Road	55	40	83	Competing roads of poor geometry and lesser widths, passes through settlements. Shifting of traffic from NH-8 not expected
	Navsari to Valsad via Project Road NH-8	**Project Road**	**50**	**70**	**43**	
	Navsari to Valsad via competing road (SH-180, SH-179, SH-15, SH-181 & SH-67) on East side	Competing Road	75	40	113	
Valsad to Vapi						
3	Valsad to Vapi via competing road (SH-186, & SH-185) on West side	Competing Road	39	40	59	Competing roads of poor geometry and lesser widths, passes through settlements. Shifting of traffic from NH-8 not expected
	Valsad to Vapi via Project Road NH-8	**Project Road**	**28**	**70**	**24**	
	Valsad to Vapi via competing road (SH-5) on East side	Competing Road	65	40	98	

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
Vapi to Kasa						
4	Vapi to Kasa via competing road (SH-5) on West side	Competing Road	76	40	114	Competing roads of poor geometry and lesser widths, passes through settlements. Shifting of traffic from NH-8 not expected
	Vapi to Kasa via Project Road NH-8	**Project Road**	**55**	**70**	**47**	
	Vapi to Kasa via competing road (SH-185) on East side	Competing Road	65	40	98	
Kasa to Dahisar						
5	Kasa to Dahisar via competing road (SH-74) on West side	Competing Road	129	40	194	Competing roads of poor geometry and lesser widths, passes through settlements. Shifting of traffic from NH-8 not expected
	Kasa to Dahisar via Project Road NH-8	**Project Road**	**81**	**70**	**69**	
	Kasa to Dahisar via competing road (SH-76) on East side	Competing Road	121	40	182	

As can be observed from table above, vehicular traffic can save a significant amount of time and consequently cost savings by using the project highway. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the projections of other factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Surat - Dahisar section of NH-8 has been done taking the above factors into consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of growth is to assume the same rate of growth as in the past. Although such a method is more suitable to projects of short durations say 5-10 years, however for long term projections it would-be erroneous to assume that the past rate of growth will continue to prevail for a long time in future. Economic conditions, which are major influencing factors, are bound to change over a long period of time. Thus it would be necessary to modify the past trends of growth suitably.

Elasticity model of growth projection is one of the most widely acceptable methods for traffic forecast. The same is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method the past trend of vehicular data is paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicle traffic varies for different type of vehicle. It is a proven fact that the growth pattern for passenger and goods vehicle is different. Traffic growth on any highway typically depends on number of economic parameters. Most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It can be observed that the ownership of a car is more closely related to affordability; hence per capita is the index which closely fits the growth of car traffic among other criteria. In a similar fashion, the following can be pairs of vehicle type and independent variable for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Goods Vehicle – NSDP

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to a change in the corresponding indicator selected. Hence, In order to estimate the elasticity of traffic demand, it is necessary to establish relationship between the growth in number of given category of vehicles with the relevant economic variable considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is given as below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P = *Number of Vehicles (Mode wise)*

EI = *Economic Indicator*

A = *Regression constant*

k = *Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on the Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

The project corridor spreads across two states. Toll plazas at km 470.000 and km 420.340 are in the state of Maharashtra and at Km 356.200 and km 297.300 are in Gujarat. For elasticity calculations, working data from both states has been analyzed.

Following tables and graphs depict regression and elasticity of growth model for stretch falling in Maharashtra State.

Table 5-1 : Per Capita Income Vs Car Maharashtra

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2005	36077	1479877	4.56	6.17		
2006	40671	1648379	4.61	6.22	13%	
2007	45582	1822458	4.66	6.26	12%	
2008	50138	1979191	4.70	6.30	10%	
2009	50183	2182969	4.70	6.34	0%	
2010	54246	2440404	4.73	6.39	8%	
2011	59587	2750167	4.78	6.44	10%	
2012	61468	3162000	4.79	6.50	3%	
2013	64218	3439300	4.81	6.54	4%	7.6%

Regression analysis of same is given in figure below

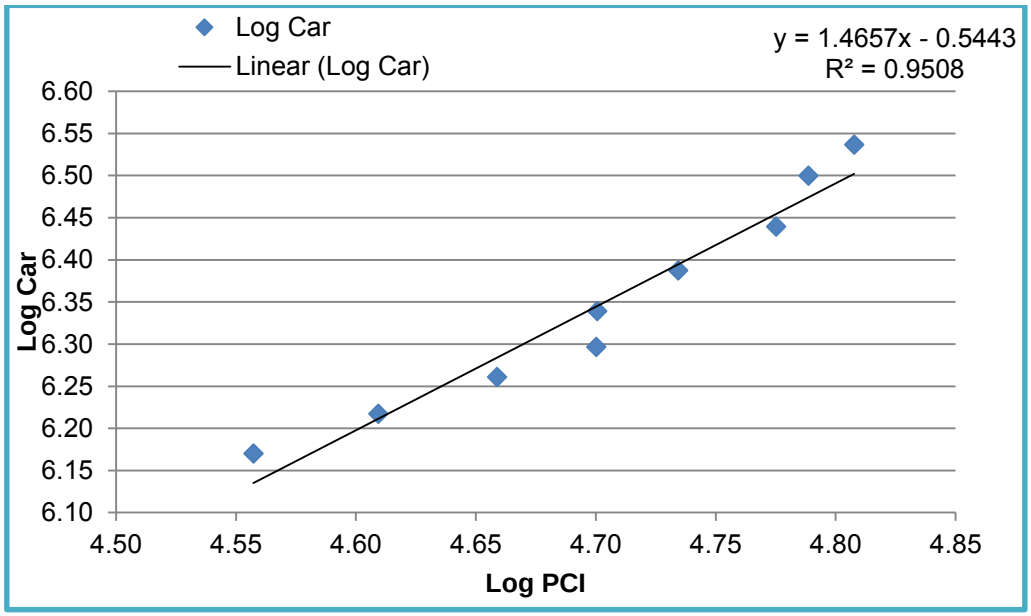

Figure 5-1 : Regression and Elasticity PCI vs. Car – Extrapolation Maharashtra

Table 5-2 : Population Vs Bus Maharashtra

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2005	103218000	60426	8.01	4.78		
2006	104804000	64357	8.02	4.81	2%	
2007	106386000	69589	8.03	4.84	2%	
2008	107972000	71813	8.03	4.86	1%	
2009	109553000	74712	8.04	4.87	1%	
2010	111118000	80290	8.05	4.90	1%	
2011	112374333	89540	8.05	4.95	1%	
2012	114184000	96600	8.06	4.98	2%	
2013	115697000	105400	8.06	5.02	1%	1.44%

Regression analysis of same is given in figure below

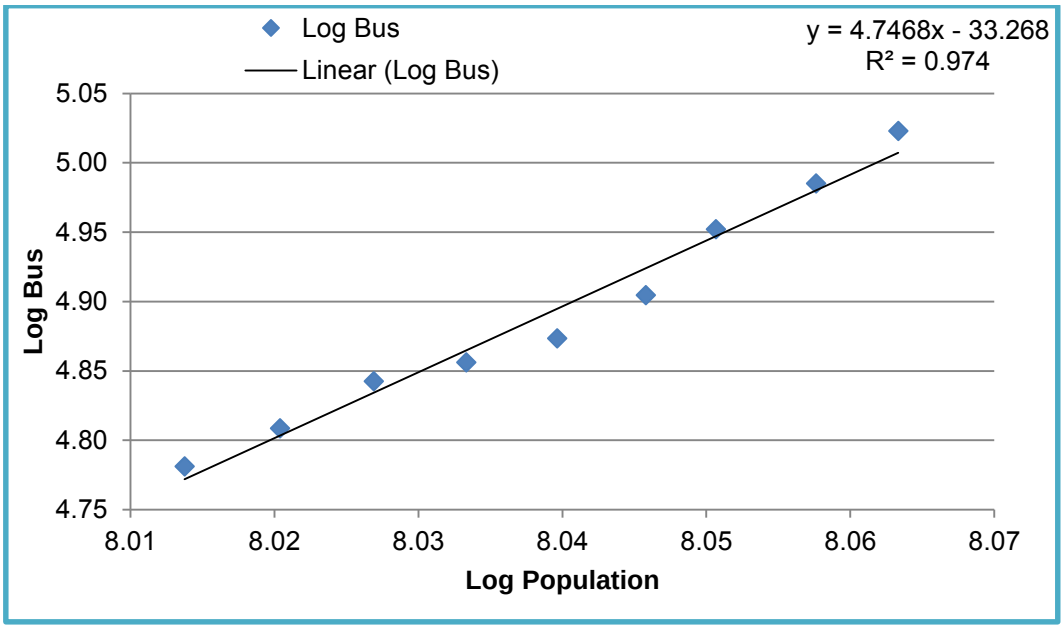

Figure 5-2 : Regression and Elasticity Population vs. Bus – Extrapolation Maharashtra

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP Maharashtra

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2005	42363200	621971	7.63	5.79		
2006	48198300	700356	7.68	5.85	14%	
2007	53808100	780992	7.73	5.89	12%	
2008	54653300	845617	7.74	5.93	2%	
2009	59933800	896397	7.78	5.95	10%	
2010	66762500	973788	7.82	5.99	11%	
2011	69590400	1067825	7.84	6.03	4%	
2012	74913700	1140900	7.87	6.06	8%	
2013	80559300	1249600	7.91	6.10	8%	7.01%

Following figure depict regression analysis and extrapolation.

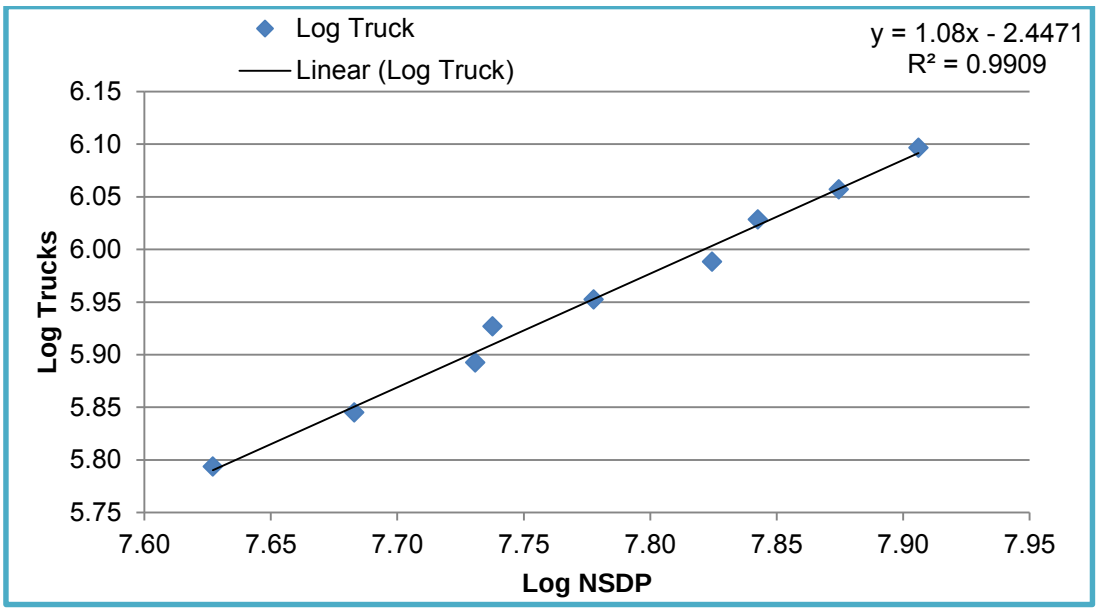

Figure 5-3 : Regression and Elasticity NSDP vs. Goods Traffic - extrapolation Maharashtra

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R2 statistical measure of how close the data are

to the fitted regression line. It varies from 0 to 1. Higher the value of R2 more representative is the regression model of data.

The results of these analyses for *the good fit* regression as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis Maharashtra

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Maharashtra	Car/Jeep	PCI	y = 1.4657x - -0.5443	R^2 = 0.9508	1.4657	7.56%	11.08%
	Bus	Population	y = 4.7468x - -33.2683	R^2 = 0.974	4.7468	1.44%	6.82%
	Truck	NSDP	y = 1.08x - - 2.4471	R^2 = 0.9909	1.0800	7.01%	7.57%

Similar analysis has been done for the stretch of the Project Corridor in Gujarat and details of the same are presented as under.

Table 5-5 : Per Capita Income Vs Car Gujarat

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	24143	749963	4.38	5.88		
2005	28067	826832	4.45	5.92	16%	
2006	30332	912933	4.48	5.96	8%	
2007	31754	1004822	4.50	6.00	5%	
2008	33901	1093965	4.53	6.04	7%	
2009	36202	1210368	4.56	6.08	7%	
2010	38048	1378830	4.58	6.14	5%	

2011	38856	1579889	4.59	6.20	2%	
2012	39904	1775502	4.60	6.25	3%	6.6%

Regression analysis of same is given in figure below

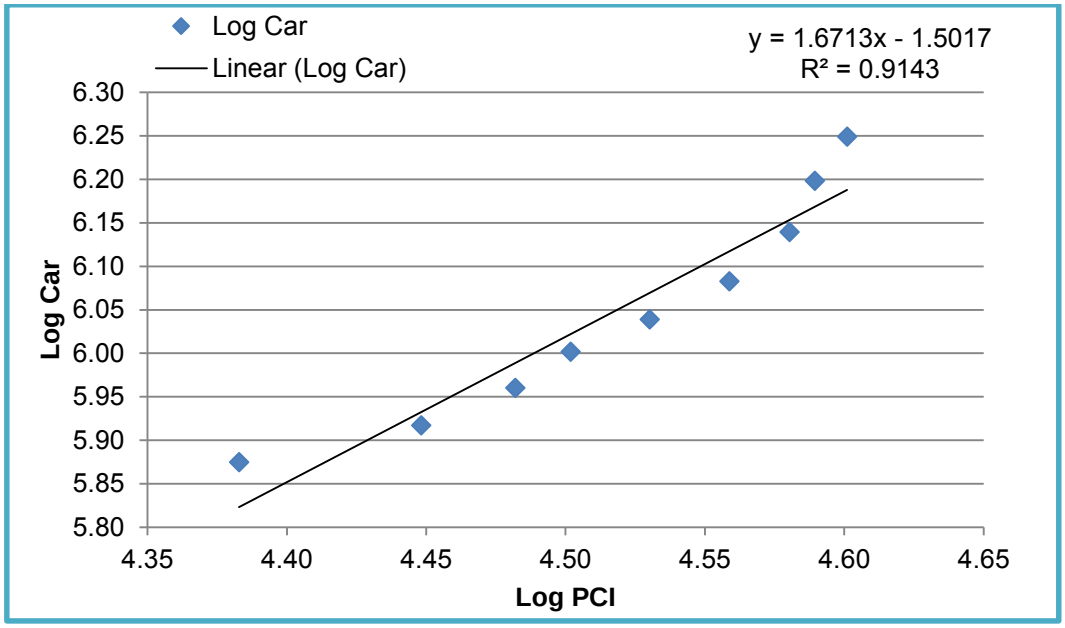

Figure 5-4 : Regression and Elasticity PCI vs. Car – Extrapolation Gujarat

Table 5-6 : Population Vs Bus Gujarat

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	54140000	52286	7.73	4.72		
2005	54979000	54446	7.74	4.74	2%	
2006	55808000	54214	7.75	4.73	2%	
2007	56626000	56214	7.75	4.75	1%	
2008	57434000	58253	7.76	4.77	1%	
2009	58232000	68659	7.77	4.84	1%	
2010	59020000	73924	7.77	4.87	1%	
2011	59800000	80627	7.78	4.91	1%	
2012	60569000	87946	7.78	4.94	1%	

2013	61329000	93262	7.79	4.97	1%	
2014	62081000	96500	7.79	4.98	1%	1.38%

Regression analysis of same is given in figure below

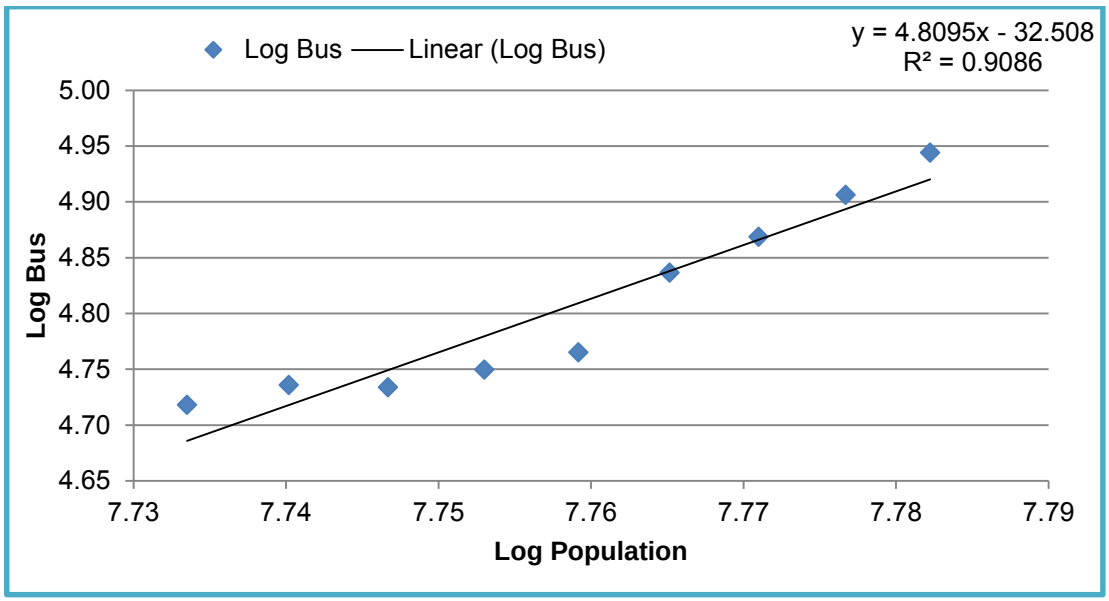

Figure 5-5 : Regression and Elasticity Population vs. Bus – Extrapolation Gujarat

Elasticity of goods traffic has been worked out using regression analysis with NSDP as independent variable. The following table includes calculations for the same.

Table 5-7 : Goods Traffic Vs NSDP Gujarat

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	17226500	418811	7.24	5.62		
2005	19727000	457702	7.30	5.66	15%	
2006	21395400	508880	7.33	5.71	8%	
2007	23925300	553792	7.38	5.74	12%	
2008	24948000	586598	7.40	5.77	4%	
2009	28473200	626344	7.45	5.80	14%	
2010	31589200	678804	7.50	5.83	11%	
2011	33688600	750491	7.53	5.88	7%	

2012	35647700	818484	7.55	5.91	6%	
2013	38547200	875103	7.59	5.94	8%	9.42%

Following figure depict regression analysis and extrapolation.

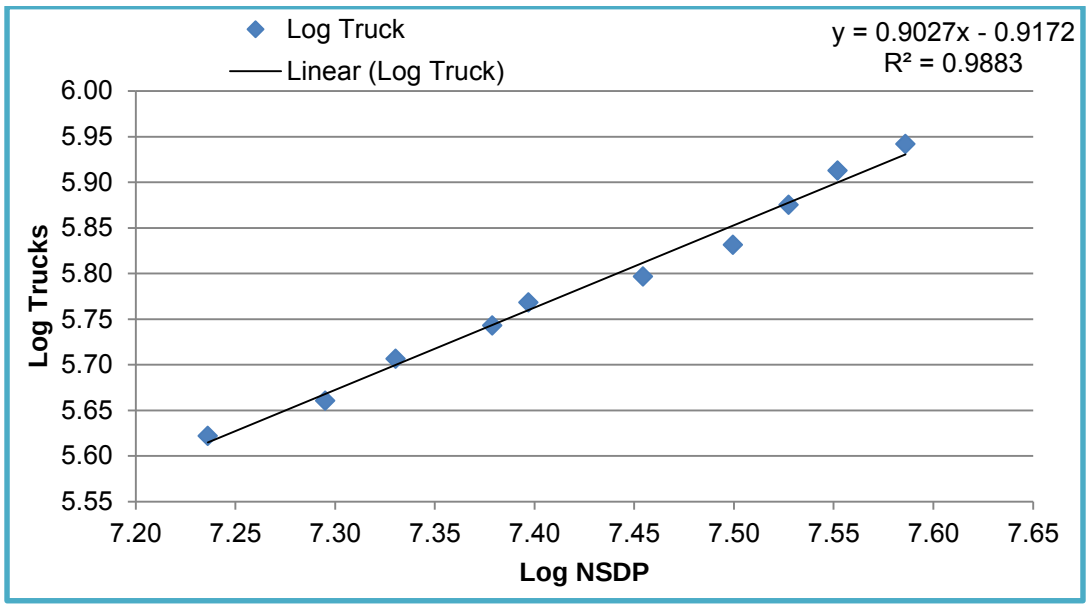

Figure 5-6 : Regression and Elasticity NSDP vs. Goods Traffic – extrapolation Gujarat

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth.

The results of these analyses for the *good fit regression* as reflected by R^2 values are presented in the Table below

Table 5-8 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Gujarat	Car/Jeep	PCI	y = 1.6713x - -1.5017	R² = 0.9143	1.6713	6.56%	10.96%
	Bus	Population	y = 4.8095x - -32.5085	R² = 0.9086	4.8095	1.38%	6.63%
	Truck	NSDP	y = 0.9027x - -0.9172	R² = 0.9883	0.9027	9.42%	8.50%

Economical model for predicting growth is good tool, however other local, regional, national factors should also be considered before finalizing growth factors. Considering factors such as proposed developments and other influencing economic factors, moderated growth should be considered. These factors are discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historical traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Surat to Dahisar has recently been commissioned and is under tolling operation since 2013. As traffic data available with the project concessionaire of three years, we do not have sufficient data points to be able to establish a reliable past trend of traffic growth. A minimum of about 5 years' traffic data is required for establishing a reliable past trend.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economical, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

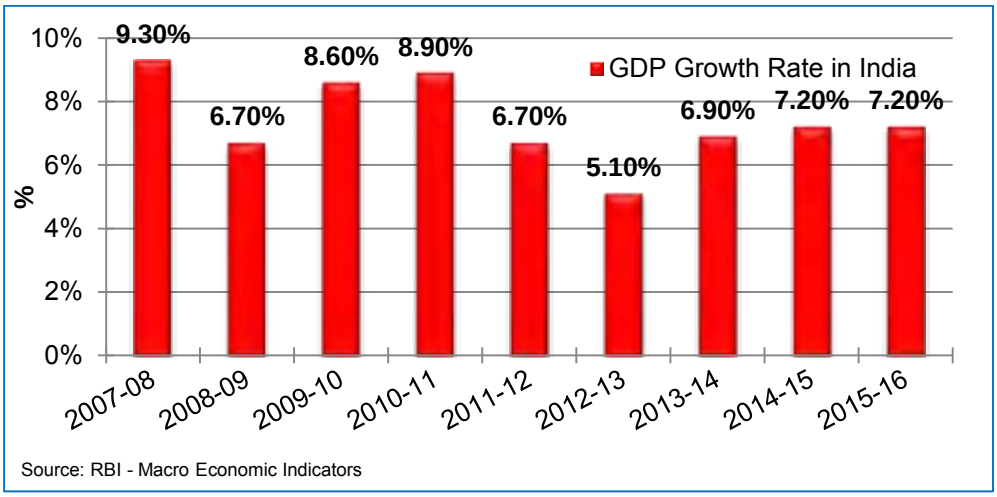

Figure 5-7 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments along and around the Project Corridor & State

Gujarat is one of the fastest growing states of India. The Gujarat model of development has resulted in equal growth of agriculture, services and industries. Owing to the rapid turnaround the state witnessed in the last 10 years, several industries have come up in the state. In addition to this there are many other initiatives which government has taken. As a result there are a number of infrastructure and educational projects coming up in region. These projects have potential of positive impact on project highway from a traffic point of view.

On the other hand, Maharashtra is one of the most developed states in India, contributing 25% of the country's industrial output and 23.2% of its GDP. Agriculture and industries are the major contributors to the state's economy. Major industries include chemical products, electrical and non-electrical machinery, textiles, petroleum and allied products.

5.6.1 Developments around Surat Area

Surat is a major hub of diamond cutting and polishing. The city accounts for:

- 90% of the world's total rough diamond cutting and polishing;
- 99.99% of the nation's total rough diamond cutting and polishing;
- 90% of the nation's total diamond exports;

Surat is known as the textile hub of the nation or the Silk City of India. It is very famous for its cotton mills too. Surat is the biggest centre of MMF (man-made fibre) in India. It has a total of 381 dyeing and printing mills and 41,100 power loom units. There are over a hundred thousand units and mills in total. The overall annual turnover is around 5 billion rupees. The city accounts for:

- 40% of the nation's total manmade fabric production;
- 28% of the nation's total manmade fibre production;
- 18% of the nation's total manmade fibre export; and
- 12% of the nation's total fabric production.

Along with Textile and Diamond, there are other sectors in the city like Petroleum, Oil & Gas, Shipping, Cement, Metallurgy, Paper, Chemical,

Fertilizer etc. Hazira INA, Magadalla, Ichchhapore, Olpad near Surat city have giant industries like ONGC, GAIL, ABG Shipyard, Narmada Cement, Ambuja Cement, Ultratech Cement, NTPC-KGPP Power Plant, ESSAR group of Industries (Steel/Power/Chemical/Oil/Shipping), L&T, Reliance PVC, Reliance Petroleum, Kribhco-Fertilizer mammoth, Cairn India Limited-Oil Drilling and Exploration Giant, GSPC, Gujarat Gas, Shell, LNG, Niko Gas, Rama Paper Mill etc. operating from this region

5.6.2 Developments around Mumbai Region

Mumbai is India's largest city (by population) and is the financial and commercial capital of the country. It serves as the economic hub of India, contributing 10% of factory employment, 25% of industrial output, 33% of income tax collections, 60% of customs duty collections, 20% of central excise tax collections, 40% of India's foreign trade and ₹4000 crore (US$600 million) in corporate taxes.

The key sectors contributing to the city's economy are: finance, gems & jewellery, leather processing, IT and ITES, textiles, and entertainment. Nariman Point and Bandra Kurla Complex (BKC) are Mumbai's major financial centres. The Santacruz Electronic Export Processing Zone (SEEPZ) and the International Infotech Park (Navi Mumbai) offer excellent facilities to IT companies.

The port and shipping industry is well established, with Mumbai Port being one of the oldest and most significant ports in India.

Some of the big projects benefiting the project corridor are detailed below.

5.6.3 Delhi Mumbai Industrial Corridor (DMIC)

DMIC alignment is running through the project corridor of NH-8. The Delhi-Mumbai Industrial Corridor Project is a State-Sponsored Industrial Development Project of the Government of India. It is a $100 billion ambitious project aimed at developing Industrial zones spanning across six states in India which would spur economic development in the region and develop industries.

It would be the biggest infrastructure project India has ever attempted in its history. The project will see major expansion of Infrastructure and Industry - including smart cities, industrial clusters along with rail, road, port, and air connectivity - in the states along the route of the Corridor. Many smart cities would be developed alongside, such as the Dholera SIR in Gujarat, which is envisaged to be 6 times the size of Shanghai and 2 times the size of Delhi.

The backbone of the project would be the Dedicated Freight Corridor that would cut the logistical costs of manufactured goods to make it the lowest in the world. India needs to employ over 100 million people within the next decade and so this project assumes vital importance to develop manufacturing centers that could employ millions.

5.6.4 Virar - Alibaug Multi Modal Corridor

MMRDA is planning an ambitious 126-km Virar - Alibaug multi-modal corridor in phases. The road will connect the Mumbai Trans Harbour Link (MTHL), proposed Navi Mumbai international airport, Delhi Mumbai Industrial Corridor (DMIC) and growth centres in the region including Kalyan, Dombivli and Panvel.

The multi-modal corridor will be executed in two stages. The first phase will connect Kalyan, Dombivli and Panvel through the 79-km Navghar (Virar)-Chirner phase and will cost Rs 9,326 crore. It will be executed on a PPP basis and has been granted administrative approvals. The second phase from Chirner to Alibaug (47km) will cost Rs 3,649 crore.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under. Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case for corridor in both states.

5.7.1 Recommended Growth Rates of Traffic for Maharashtra Part of Stretch

Table 5-9 : Recommended Growth Rates Optimistic Maharashtra

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
Mini Bus /LCV	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Multi Axle	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

Table 5-10 : Recommended Growth Rates Pessimistic Maharashtra

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	4.4%	5.5%	5.5%	5.7%	7.0%	6.5%	6.0%	5.5%	5.0%
Mini Bus /LCV	3.5%	4.4%	4.4%	4.6%	5.5%	5.0%	4.5%	4.0%	3.5%
Truck / Bus	3.8%	4.7%	4.7%	5.0%	6.0%	5.5%	5.0%	4.5%	4.0%
Multi Axle	4.1%	5.1%	5.1%	5.4%	6.5%	6.0%	5.5%	5.0%	4.5%

Table 5-11 : Recommended Growth Rates Most Likely Maharashtra

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Mini Bus /LCV	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%
Truck / Bus	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Multi Axle	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%

5.7.2 Recommended Growth Rates of Traffic for Gujarat Part of Stretch

Table 5-12 : Recommended Growth Rates Optimistic Gujarat

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Mini Bus /LCV	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Truck / Bus	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Multi Axle	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%

Table 5-13 : Recommended Growth Rates Pessimistic Gujarat

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	3.9%	4.9%	4.9%	5.1%	6.5%	6.0%	5.5%	5.0%	4.5%
Mini Bus /LCV	3.9%	4.9%	4.9%	5.1%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	3.6%	4.5%	4.5%	4.7%	6.0%	5.5%	5.0%	4.5%	4.0%
Multi Axle	4.2%	5.2%	5.2%	5.5%	7.0%	6.5%	6.0%	5.5%	5.0%

Table 5-14 : Recommended Growth Rates Most Likely Gujarat

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Mini Bus /LCV	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Truck / Bus	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Multi Axle	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

Traffic and revenue has been worked out on the basis of above growths and same is presented in subsequent chapter of report.

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth up to concession period

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage 470.000 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	14766	7136	4029	9277	**35208**	**82161**
2018-19	16021	7635	4332	10019	**38007**	**88646**
2019-20	17383	8169	4657	10820	**41029**	**95645**
2020-21	18774	8700	4983	11631	**44088**	**102719**
2021-22	20276	9266	5331	12504	**47377**	**110319**
2022-23	21898	9869	5703	13442	**50912**	**118483**
2023-24	23650	10511	6102	14450	**54713**	**127254**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 2- Chainage 420.340 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	11441	5497	4280	9382	**30600**	**76646**
2018-19	12413	5881	4602	10133	**33029**	**82690**
2019-20	13469	6292	4946	10943	**35650**	**89213**
2020-21	14546	6701	5291	11763	**38301**	**95806**
2021-22	15709	7136	5662	12645	**41152**	**102887**
2022-23	16966	7599	6058	13594	**44217**	**110494**
2023-24	18324	8094	6482	14614	**47514**	**118665**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 3- Chainage 356.200 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	9910	6491	5231	9227	**30859**	**85239**
2018-19	10703	7010	5624	10011	**33348**	**92187**
2019-20	11559	7572	6046	10862	**36039**	**99702**
2020-21	12427	8140	6469	11730	**38766**	**107333**
2021-22	13359	8750	6923	12668	**41700**	**115550**
2022-23	14360	9407	7407	13681	**44855**	**124397**
2023-24	15438	10113	7926	14776	**48253**	**133923**

Table 6-4 : Total Tollable Traffic @ Toll Plaza 4- Chainage 297.300 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	13215	6010	5282	9576	**34083**	**91725**
2018-19	14273	6491	5679	10390	**36833**	**99203**
2019-20	15414	7010	6104	11273	**39801**	**107293**
2020-21	16570	7537	6531	12175	**42813**	**115508**
2021-22	17812	8101	6988	13148	**46049**	**124354**
2022-23	19148	8710	7477	14200	**49535**	**133879**
2023-24	20584	9363	8000	15336	**53283**	**144135**

Table 6-5 : Total Tollable Traffic @ Toll Plaza 1- Chainage 470.000 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	13807	6733	3790	8698	**33028**	**77072**
2018-19	14561	7028	3970	9142	**34701**	**80933**
2019-20	15395	7349	4167	9631	**36542**	**85182**
2020-21	16473	7754	4417	10257	**38901**	**90605**
2021-22	17627	8180	4681	10924	**41412**	**96375**
2022-23	18861	8631	4962	11634	**44088**	**102513**
2023-24	20181	9106	5261	12390	**46938**	**109052**

Table 6-6 : Total Tollable Traffic @ Toll Plaza 2- Chainage 420.340 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	10699	5185	4026	8798	**28708**	**71913**
2018-19	11284	5412	4217	9246	**30159**	**75505**
2019-20	11931	5659	4426	9740	**31756**	**79468**
2020-21	12766	5971	4692	10374	**33803**	**84536**
2021-22	13659	6299	4973	11049	**35980**	**89929**
2022-23	14615	6644	5271	11767	**38297**	**95667**
2023-24	15636	7010	5587	12531	**40764**	**101772**

Table 6-7 : Total Tollable Traffic @ Toll Plaza 3- Chainage 356.200 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	9260	6065	4902	8592	**28819**	**79570**
2018-19	9711	6360	5123	9040	**30234**	**83543**
2019-20	10207	6685	5365	9535	**31792**	**87918**
2020-21	10870	7120	5687	10203	**33880**	**93795**
2021-22	11576	7583	6029	10917	**36105**	**100062**
2022-23	12328	8076	6390	11681	**38475**	**106753**
2023-24	13129	8601	6773	12498	**41001**	**113889**

Table 6-8 : Total Tollable Traffic @ Toll Plaza 4- Chainage 297.300 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	12346	5613	4948	8917	**31824**	**85650**
2018-19	12948	5886	5172	9383	**33389**	**89931**
2019-20	13610	6187	5418	9898	**35113**	**94654**
2020-21	14495	6589	5743	10591	**37418**	**100984**
2021-22	15437	7018	6087	11332	**39874**	**107736**
2022-23	16440	7474	6453	12125	**42492**	**114950**
2023-24	17509	7960	6840	12974	**45283**	**122657**

Table 6-9 : Total Tollable Traffic @ Toll Plaza 1- Chainage 470.000 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	14631	7070	3992	9190	**34883**	**81402**
2018-19	15801	7530	4272	9879	**37482**	**87419**
2019-20	17065	8020	4573	10619	**40277**	**93884**
2020-21	18344	8501	4870	11362	**43077**	**100359**
2021-22	19721	9012	5186	12157	**46076**	**107282**
2022-23	21200	9553	5523	13008	**49284**	**114686**
2023-24	22790	10128	5882	13919	**52719**	**122602**

Table 6-10 : Total Tollable Traffic @ Toll Plaza 2- Chainage 420.340 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	11337	5445	4240	9295	**30317**	**75937**
2018-19	12243	5799	4536	9992	**32570**	**81546**
2019-20	13223	6176	4854	10742	**34995**	**87571**
2020-21	14215	6546	5169	11494	**37424**	**93604**
2021-22	15281	6939	5505	12298	**40023**	**100055**
2022-23	16427	7356	5862	13159	**42804**	**106952**
2023-24	17659	7796	6244	14080	**45779**	**114327**

Table 6-11 : Total Tollable Traffic @ Toll Plaza 3- Chainage 356.200 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	9819	6432	5183	9143	**30577**	**84453**
2018-19	10556	6915	5546	9875	**32892**	**90914**
2019-20	11347	7433	5933	10665	**35378**	**97871**
2020-21	12141	7954	6319	11465	**37879**	**104873**
2021-22	12990	8511	6730	12325	**40556**	**112377**
2022-23	13899	9107	7167	13249	**43422**	**120419**
2023-24	14872	9744	7632	14242	**46490**	**129038**

Table 6-12 : Total Tollable Traffic @ Toll Plaza 4- Chainage 297.300 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	13094	5956	5231	9488	**33769**	**90878**
2018-19	14077	6404	5598	10246	**36325**	**97834**
2019-20	15133	6884	5991	11066	**39074**	**105323**
2020-21	16192	7366	6381	11897	**41836**	**112860**
2021-22	17325	7881	6796	12790	**44792**	**120939**
2022-23	18537	8432	7238	13749	**47956**	**129598**
2023-24	19835	9022	7709	14780	**51346**	**138878**

6.2 Modification in Concession Period

As per Article 29 of the concession agreement, if actual traffic on the project falls short or exceeds Target Traffic on project highway on defined date, concession period shall be modified subject to calculation stipulated therein. For Surat - Dahisar project, the Target Date and Target Traffic are defined as under:

Target Date - 1st January 2017

Target Traffic - 82043 in PCU

It was observed that as per traffic projections, average traffic volume falls short of target traffic in most likely and pessimistic scenarios. Probable extension of concession period is estimated according to article 29 of concession agreement which is summarized as under –

Scenario	Projected Traffic in PCUs (average of traffic on target date, one year before target date and one year after target date)	Expected extension in Concession Period
Optimistic	83,145	-
Most Likely	77,480	About a year i.e. 330 days with concession period now extending upto January 14, 2022
Pessimistic	75,099	1.4 years i.e. 526 days with concession period now extending upto July 30, 2022

Traffic forecast and revenue projections are done for probable extended period accordingly.

CHAPTER 7
FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

The fee schedule in the CA of Surat- Dahisar section of NH-8 is based on the old toll policy. As per the Toll Notification (Schedule - G) the discounts and special provisions have been considered. In addition to discounts as per Fee Notification concessionaire has declared special category rates also. Salient features of toll rate structure are given as under

1. Monthly Pass: For frequent users monthly pass would be issued at fee 30 time the single journey fee. Additionally, concessionaire has announced special monthly passes for LCV and Bus / Truck at Rs. 450 and Rs. 750 respectively which will be escalated every year as per the inflation rate.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. Local Discounts: There are several categories of local discounts.
    a) Local Car Jeep Van I - Rs. 150 per month (for locals residing within a radius of 10 kms from toll plaza)
    b) Local Car Jeep Van II - Rs. 300 per month (for locals residing within a radius of between 10 kms - 20 kms from toll plaza)
    c) Local LCV - Rs. 15 per trip
    d) Local Truck Bus - Rs. 25 per Trip
    e) School Bus - Rs. 1000 per month

Building of inflation and escalation of rate on the basis of WPI are done as per toll notification (Schedule G) as given under as extract from concession agreement.

The aforesaid Fee will be revised once in every year. The revised Fee shall be computed ("Computed Fee") as follows:-

$$\text{Base Fee} \quad X \quad \frac{\text{WPI-B}}{\text{WPI-A}} \quad X \quad \text{....Km for one way journey}$$

Where

WPI-B = is the Average Wholesale Price Index available for the year ending March 31st preceding the Fee revision date.

WPI-A = is the Wholesale Price Index on June 1997 i.e (131.4%)

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates June 1997

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV) / Mini Bus	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule R. WPI numbers are available up to 2016. A moderate growth in Wholesale Price Index (WPI) has been assumed after that. The following graph provides historical rate of inflation (WPI) in India. Data has been sourced from the Office of Economic Advisor web site (www.eaindustry.nic.in)

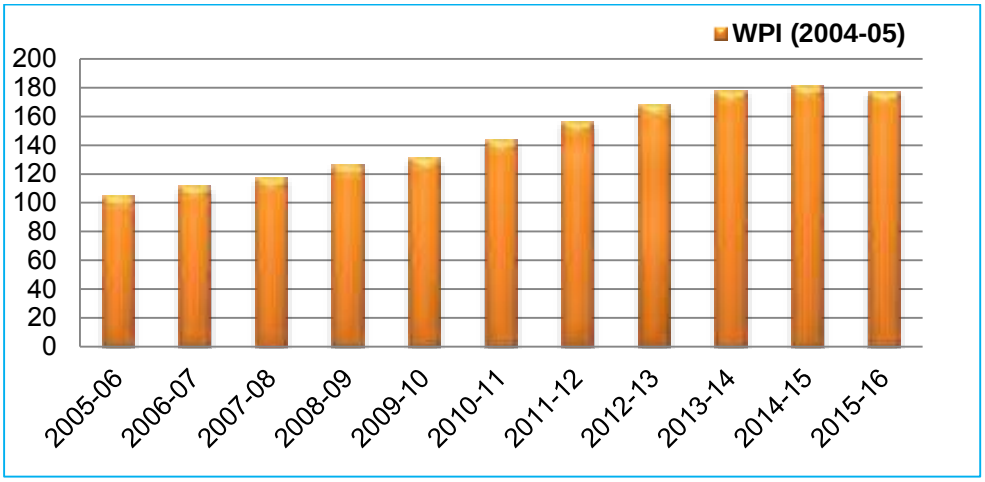

Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same has been considered for projection of WPI in future years

There is no bypass or structure to be factored in for rates calculations.

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs.) for the concession period and are given below.

Thus worked out rates for various categories of vehicle and discounts are given as under

Table 7-2 : Toll Rates for Single Journey @ Km 470.000

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	69	120	240	386
2018-19	72	127	254	407
2019-20	76	134	267	430
2020-21	81	141	282	454
2021-22	85	149	298	478
2022-23	90	157	314	505

2023-24	95	166	331	533

Table 7-3 : Toll Rates for Single Journey @ Km 420.340

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	63	109	219	352
2018-19	66	116	231	371
2019-20	70	122	244	392
2020-21	73	129	257	413
2021-22	78	136	271	436
2022-23	82	143	286	460
2023-24	86	151	302	485

Table 7-4 : Toll Rates for Single Journey @ Km 356.200

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	69	120	240	386
2018-19	72	127	254	407
2019-20	76	134	267	430
2020-21	81	141	282	454
2021-22	85	149	298	478
2022-23	90	157	314	505
2023-24	95	166	331	533

Table 7-5 : Toll Rates for Single Journey @ Km 297.300

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	60	105	211	338
2018-19	63	111	222	357
2019-20	67	117	234	377
2020-21	71	124	247	397
2021-22	75	130	261	419
2022-23	79	138	275	442
2023-24	83	145	290	467

Table 7-6 : Toll Rates for Daily Pass @ Km 470.000

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	103	180	360	579
2018-19	109	190	380	611
2019-20	115	201	401	645
2020-21	121	212	423	680
2021-22	128	223	447	718
2022-23	135	236	471	757
2023-24	142	249	497	799

Table 7-7 : Toll Rates for Daily Pass @ Km 420.340

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	94	164	328	528
2018-19	99	173	347	557
2019-20	104	183	366	588
2020-21	110	193	386	620
2021-22	116	203	407	654
2022-23	123	215	429	690
2023-24	129	226	453	728

Table 7-8 : Toll Rates for Daily Pass @ Km 356.200

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	103	180	360	579
2018-19	109	190	380	611
2019-20	115	201	401	645
2020-21	121	212	423	680
2021-22	128	223	447	718
2022-23	135	236	471	757
2023-24	142	249	497	799

Table 7-9 : Toll Rates for Daily Pass @ Km 297.300

Year	Car	Mini Bus /LCV	Truck/Bus	Heavy Truck
2017-18	90	158	316	508
2018-19	95	167	333	536
2019-20	100	176	352	565
2020-21	106	185	371	596
2021-22	112	196	391	629
2022-23	118	206	413	663
2023-24	124	218	436	700

Table 7-10 : Toll Rates for Local Ticket @ all Toll Plaza

Year	Mini Bus /LCV	Truck/Bus
2017-18	15	25
2018-19	15	25
2019-20	15	25
2020-21	15	25
2021-22	15	25
2022-23	15	25
2023-24	15	25

Table 7-11 : Toll Rates for Monthly Pass @ Km 470.000

Year	CAR (local)	CAR (local2)	CAR (Reg.)	LCV (loca1)	LCV (Reg.)	Bus/ Truck (local)	Bus/ Truck (	Bus/ Truck (Regular)	MAV

							School Bus)		
2017-18	150	300	2060	484	3605	807	1000	7210	11587
2018-19	150	300	2173	511	3803	851	1000	7606	12224
2019-20	150	300	2293	539	4012	898	1000	8025	12897
2020-21	150	300	2419	569	4233	947	1000	8466	13606
2021-22	150	300	2552	600	4466	999	1000	8932	14354
2022-23	150	300	2692	633	4711	1054	1000	9423	15144
2023-24	150	300	2840	668	4971	1112	1000	9941	15977

Table 7-12 : Toll Rates for Monthly Pass @ Km 420.340

Year	CAR (local)	CAR (local2)	CAR (Reg.)	LCV (local)	LCV (Reg.)	Bus/ Truck (loca1)	Bus/ Truck (School Bus)	Bus/ Truck (Regular)	MAV
2017-18	150	300	1877	484	3284	807	1000	6569	10557
2018-19	150	300	1980	511	3465	851	1000	6930	11138
2019-20	150	300	2089	539	3656	898	1000	7311	11750
2020-21	150	300	2204	569	3857	947	1000	7713	12397
2021-22	150	300	2325	600	4069	999	1000	8138	13078
2022-23	150	300	2453	633	4293	1054	1000	8585	13798
2023-24	150	300	2588	668	4529	1112	1000	9057	14557

Table 7-13 : Toll Rates for Monthly Pass @ Km 356.200

Year	CAR (local)	CAR (local2)	CAR (Reg.)	LCV (local)	LCV (Reg.)	Bus/ Truck (loca1)	Bus/ Truck (School Bus)	Bus/ Truck (Regular)	MAV
2017-18	150	300	2060	484	3605	807	1000	7210	11587

2018-19	150	300	2173	511	3803	851	1000	7606	12224
2019-20	150	300	2293	539	4012	898	1000	8025	12897
2020-21	150	300	2419	569	4233	947	1000	8466	13606
2021-22	150	300	2552	600	4466	999	1000	8932	14354
2022-23	150	300	2692	633	4711	1054	1000	9423	15144
2023-24	150	300	2840	668	4971	1112	1000	9941	15977

Table 7-14 : Toll Rates for Monthly Pass @ Km 297.300

Year	CAR (local)	CAR (local2)	CAR (Reg.)	LCV (local)	LCV (Reg.)	Bus/ Truck (loca1)	Bus/ Truck (School Bus)	Bus/ Truck (Regular)	MAV
2017-18	150	300	1805	484	3159	807	1000	6317	10152
2018-19	150	300	1904	511	3332	851	1000	6665	10711
2019-20	150	300	2009	539	3516	898	1000	7031	11300
2020-21	150	300	2119	569	3709	947	1000	7418	11921
2021-22	150	300	2236	600	3913	999	1000	7826	12577
2022-23	150	300	2359	633	4128	1054	1000	8256	13269
2023-24	150	300	2489	668	4355	1112	1000	8710	13999

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated in all three scenarios based on above rates and projected traffic. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2022-23 (2 years from the end of original Concession Period) starting from the year 2017-18 are shown in tables below.

Table 7-15 : Toll Revenue Optimistic Scenario
(Rs. Crores)

Year	Toll Plaza Km 470.000	Toll Plaza Km 420.340	Toll Plaza Km 356.200	Toll Plaza Km 297.300	Total
2017-18	197.52	180.25	197.52	173.30	**748.60**
2018-19	224.65	205.00	224.65	197.04	**851.34**
2019-20	255.69	233.34	255.69	224.32	**969.05**
2020-21	289.82	264.15	289.82	254.10	**1097.89**
2021-22	328.19	299.18	328.19	287.83	**1243.38**
2022-23	371.80	339.04	371.80	326.04	**1408.68**

Table 7-16 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll Plaza Km 470.000	Toll Plaza Km 420.340	Toll Plaza Km 356.200	Toll Plaza Km 297.300	Total
2017-18	185.35	169.15	185.35	162.63	**702.49**
2018-19	205.23	187.27	205.23	180.00	**777.72**
2019-20	227.88	207.96	227.88	199.92	**863.64**
2020-21	255.87	233.21	255.87	224.34	**969.29**
2021-22	287.05	261.67	287.05	251.74	**1087.51**
2022-23	322.12	293.75	322.12	282.48	**1220.47**

Table 7-17 : Toll Revenue Most Likely Scenario

(Rs. Crores)

Year	Toll Plaza Km 470.000	Toll Plaza Km 420.340	Toll Plaza Km 356.200	Toll Plaza Km 297.300	Total
2017-18	195.70	178.59	195.70	171.70	**741.69**
2018-19	221.56	202.18	221.56	194.33	**839.63**
2019-20	250.99	229.05	250.99	220.19	**951.22**
2020-21	283.15	258.07	283.15	248.25	**1072.63**

2021-22	319.15	290.94	319.15	279.90	**1209.15**
2022-23	359.85	328.15	359.85	315.56	**1363.40**

CHAPTER 8
OPERATION & MAINTAINENACE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on the pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc have been analyzed.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	239	Km
Main Carriageway	Paved Area	5736000	SQM
Service Road	Paved Area	2059580	SQM
Busbays	Paved Area	36750	SQM
Truck Laybye	Paved Area	13162.5	SQM
Structure		**291905**	SQM
Major Bridge	Area	127364	SQM
Minor Bridge	Area	124855	SQM
Flyover	Area	39686	SQM
RCC Crash Barrier	Length	47800	RMT
Metal Beam Crash Barrier	Length	95600	RMT
Guard Post	Nos	95600	No.
Kerb Detail	Length	478000	RMT

Operation and maintenance cost of the project depends on a number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc).

8.4 Operation & Maintenance Cost

The following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is the estimate made on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Surat to Dahisar on NH-8 in state of Gujarat& Maharashtra.

a) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll collections, toll plaza maintenance, other services mile medical help and rescue operations etc.

b) **Periodic Maintenance** This will be done on periodic basis say. It usually consists of overlaying of wearing course, painting and marking. Some pavement strengthening is also anticipated in few sections. As project stretch is long periodic maintenance items have also been spread on annual basis from execution point of view. Since the project is commissioned and traffic is running for 2 years, periodic maintenance shall be as per condition of pavement and other infrastructure. Inputs of the concessionaire have been taken in this regard.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Operation & Maintenance Cost

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System	Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
					Annual				
2017-18	51.07	1.05	7.94	0.88	2.42	63.36	1.10	69.85	Regular O & M + Pavement Repair
2018-19	51.07	1.05	7.94	0.88	2.42	63.36	1.16	73.34	Regular O & M + Pavement Repair
2019-20	51.07	1.05	7.94	0.88	2.42	63.36	1.22	77.01	Regular O & M + Pavement Repair
2020-21	51.07	1.05	7.94	0.88	2.42	63.36	1.28	80.86	Regular O & M + Pavement Repair
2021-22	51.07	1.05	7.94	0.88	2.42	63.36	1.34	84.91	Regular O & M + Pavement Repair
2022-23	51.07	1.05	7.94	0.88	2.42	63.36	1.41	89.15	Regular O & M + Pavement Repair
2023-24	51.07	1.05	7.94	0.88	2.42	63.36	1.48	93.61	Regular O & M + Pavement Repair

Following graph depicts Year wise operation and maintenance cost illustratively.

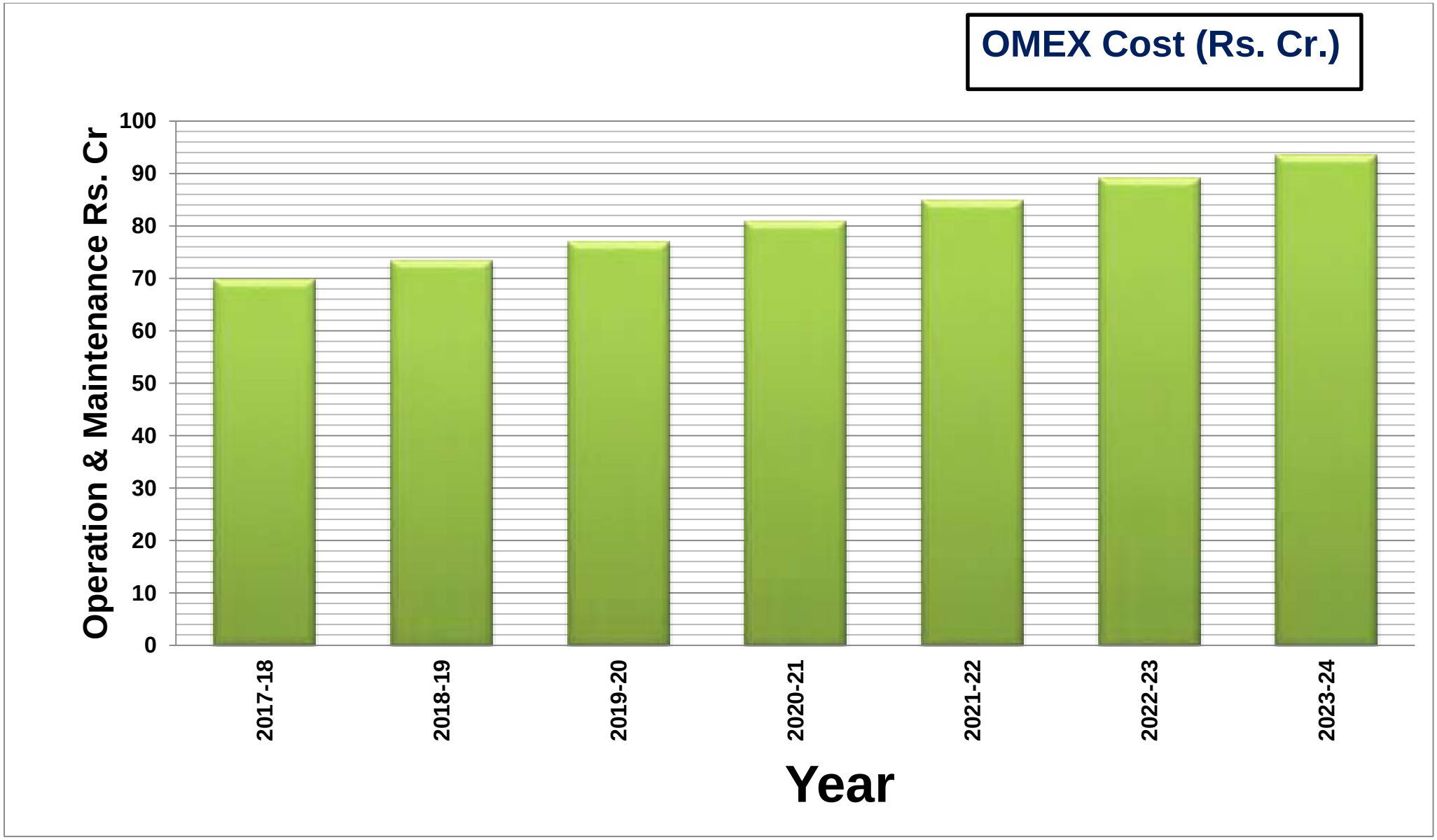

Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9
CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Surat to Dahisar section of NH-8 in state of Gujarat from km 263.000 to km 502.000 is currently a six lane road. The road is in sound condition and serves healthy traffic volumes. Project corridor is a part of the most busy and prominent national highway NH-8 which connects political and financial capitals of India. This is one of the most important trunk road which spreads across many states. There are large number of townships, industrial corridors and other business establishment coming up along project corridor. As discussed, dominant portion of traffic is long route traffic, which is more sensitive towards the growth of national economy. As Indian economy is poised to grow at 7%+, the project corridor is expected to pick up the same trend in terms of traffic flow. All these developments have potential to give positive impact to traffic flow on project. The following can be considered as major outcomes of the study

a) There is good amount of tollable traffic running on project

b) Project corridor has potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor has committed traffic as long route traffic and does not run a risk of traffic leakage due to quality competing road

d) Project infrastructure is in good condition and its maintenance costs are reasonable

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

TUMKUR TO CHITRADURGA
(KM 75.000 TO KM 189.000)
SECTION OF NH-4 IN THE STATE OF KARNATAKA

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

MARCH 2017

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Tumkur - Chitradurga Section of NH-4 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. *M/s IRB Tumkur Chitradurga Tollway Pvt. Ltd*. (Concessionaire) has been awarded the Project for concession period of 26 years starting from June 4th 2011 to June 3rd 2037. The Project has been commissioned and is currently in the operation / maintenance phase.

1.2 Objective of the Study

M/s IRB INVIT FUND has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost Projection Report***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

The project road is part of the National Highway-4 (which connects Thane, Pune, Kolhapur, Belgaum, Bangalore and Chennai) from Km 75 near Tumkur to Km 189 near Chitradurga (hereinafter, referred to as the Project Corridor)

The project corridor is in the state of Karnataka and passes through districts, viz. Tumkur and Chitradurga. En-route, it passes few major/minor urban centres, viz. Tumkur, Sira, Hiriyur and Chitradurga along its length.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

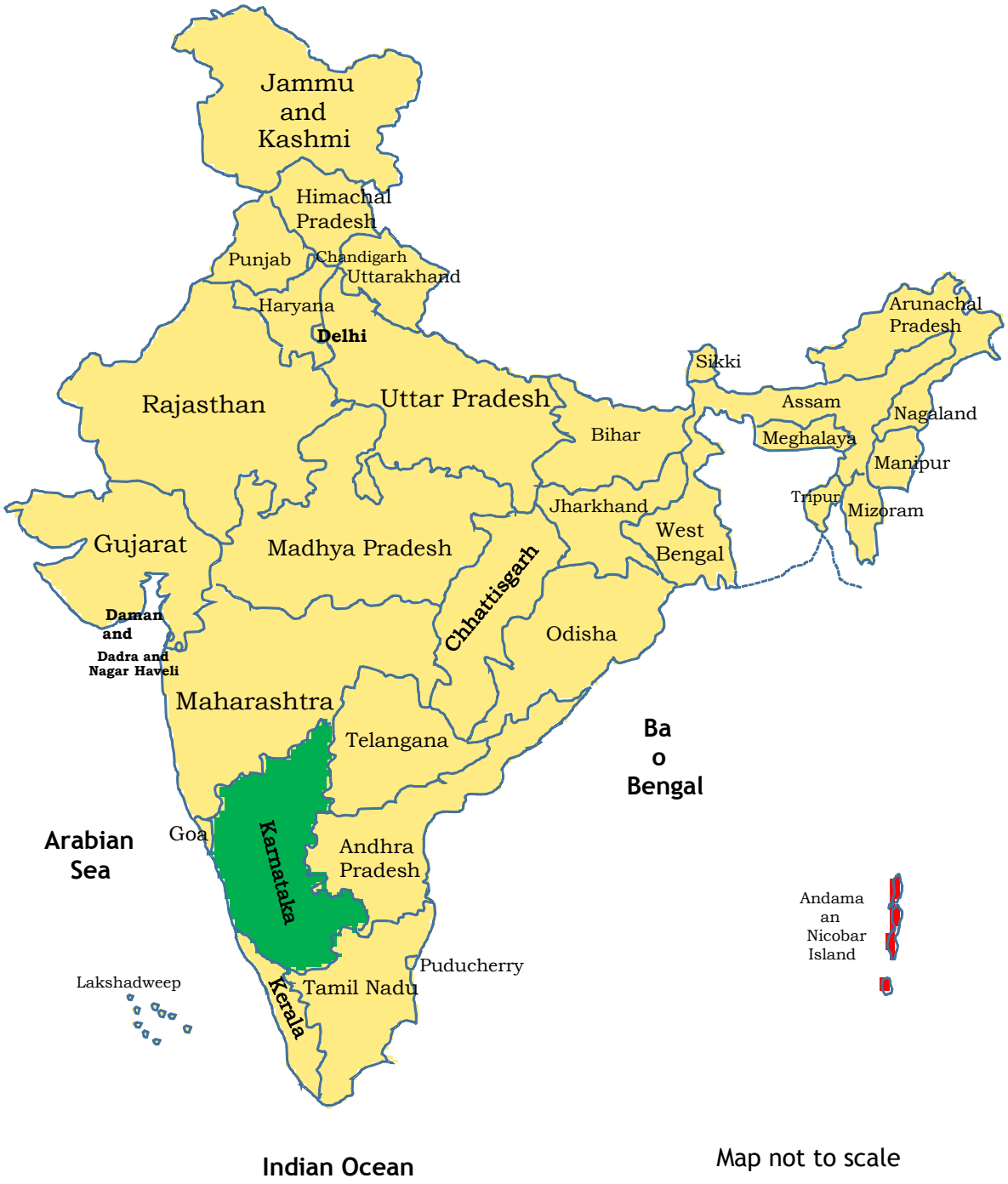


Figure 2-1 : Index Map of Project Highway - Country Level

Figure 2-2 : Index Map of Project Highway - State Level

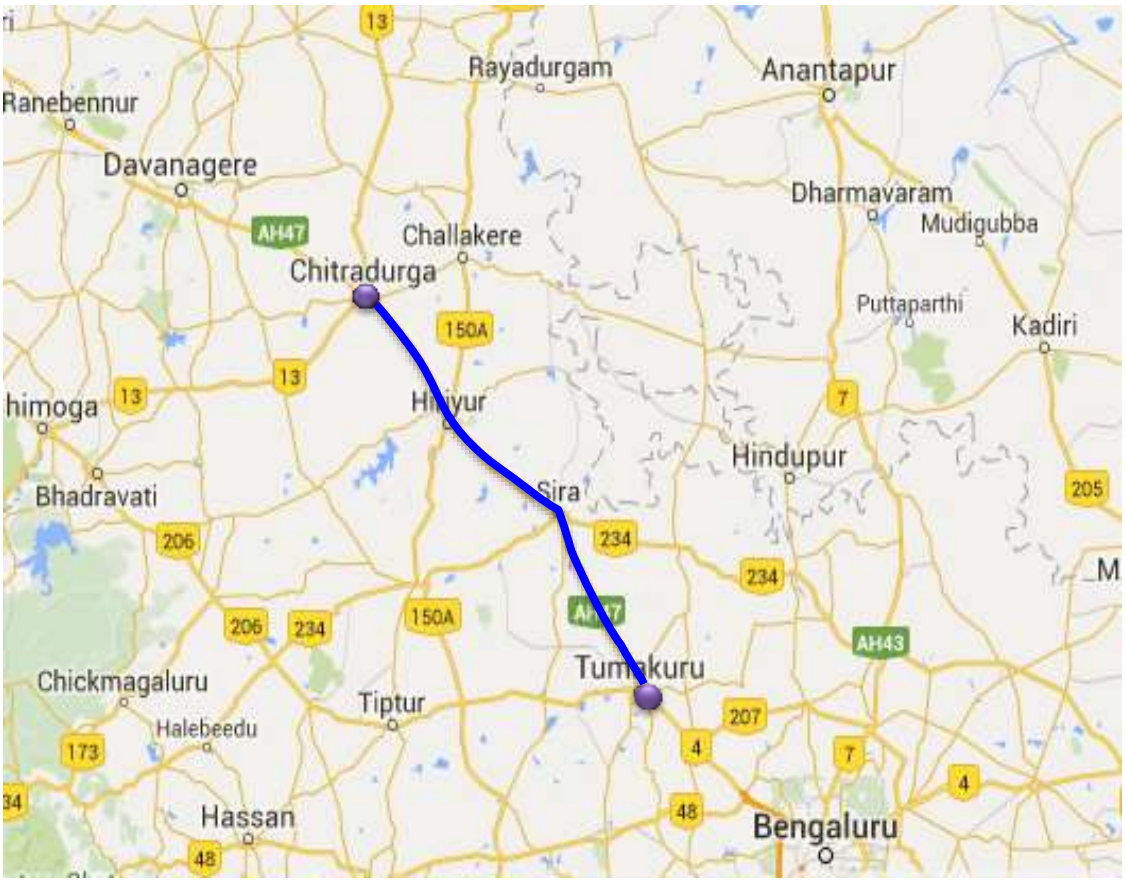


Figure 2-3 : Location Map of the Project Road

2.2 Corridor Description

The National Highway No. 4 which connects Thane and Chennai via Pune, Kolhapur, Belgaum and crosses NH-9 at Pune, NH-4A at Belgaum, NH-63 & l\IH-218 at Dharwad, NH-13 at Chitradurga, NH-206 at Tumkur, NH-48 and NH-207 at Nelamangala. The said National Highway passes through three states viz. Maharashtra, Karnataka and Tamil Nadu. On its way from Thane to Chennai, it connects major urban centres / state capital cities such as Thane, Pune, Kolhapur, Belgaum, Dharwad, Hubli, Chitradurga, Tumkur, Bangalore and Chennai.

The project corridor under study extends from km 75/0 (Tumkur) to Km 189/0 (Chitradurga) of NH-4. The corridor is at present a six lane carriageway with median, paved shoulders; and side drains on both sides with flyovers constructed at major intersections.

This study section of NH-4 caters to various types of traffic such as urban, suburban and regional traffic. The development alongside the highway indicates mixed land use on both sides of the highway consisting of agricultural and barren lands, residential, commercial, small & medium scale industrial establishments such as

textiles, woolen blankets, ropes, watches etc. The corridor in general has significant potential for future development along the highway and in the influence area, discussed further in this Report.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Six Laning of Carriageway = 114.45 Kms
- Major Bridges = 3 Nos.
- Minor Bridges = 21 Nos.
- Flyovers = 6 Nos.
- Culverts = 147 Nos.
- Pedestrian Under passes = 20 Nos.
- Major intersection = 36 Nos.
- Service Road = 4.2 Kms.
- Entry /Exit Ramps = 66 Nos.
- Bus Bays = 38 Nos.
- Trucks Lay Bye = 7 Nos.
- Toll Plaza Complex = 2 Nos.

The details of the structures are given below.

2.3.1 Flyovers

The list of flyovers along the project corridor is as given below

Table 2-1 : List of Flyovers along Project Corridor

Sr.	Chainage	Name of Intersecting Roads	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	107+320	Kallambella (LHS)	6 Lane Flyover	PSC Voided Slab	1 x 24m	28.5 m (2 x 12.5 m separated by 3.5m median gap)
2	112+670	Mysore (SH-48)	6 Lane Flyover	RCC/PSC Voided Slab	1 x 15m + 1 x 24 m + 1 x 15m	28.5 m (2 x 12.5 m separated by 3.5m median

						gap)
3	116+700	Sira Town (Bypass Start) (Old NH-4)	6 Lane Flyover	RCC/PSC Voided Slab	1 x 15m + 1 x 24 m + 1 x 15m	28.5 m (2 x 12.5 m separated by 3.5m median gap)
4	123+910	Sira Town (Bypass End) (Old NH-4)	6 Lane Flyover	RCC/PSC Voided Slab	1 x 15m + 1 x 24 m + 1 x 15m	28.5 m (2 x 12.5 m separated by 3.5m median gap)
5	153+480	For U-Turn and Service Road connectivity	6 Lane Flyover	PSC Voided Slab	1 x 24m	28.5 m (2 x 12.5 m separated by 3.5m median gap)
6	162+530	Hosdurga (SH-24)	6 Lane Flyover	RCC/PSC Voided Slab	1 x 15m + 1 x 24 m + 1 x 15m	28.5 m (2 x 12.5 m separated by 3.5m median gap)

2.3.2 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-2 : List of Major Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	131/2	131+177	4 Lane Bridge	RCC T Beam, RCC Solid abutment/pier	5 x 13m	1 x 17.75 m
2	140/1	139+278	4 Lane Bridge	RCC T Beam	4 x 21.05 m	17.75m (8 + 9.75)
3	158/2	157+816	4 Lane Bridge	RCC T Beam	8 x 14m	17.75m (7 + 10.75)

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	80/1	79+177	3 Lane Bridge	RCC Slab, RCC Solid Abutment	2 x 7.5m	2 x 14.25m
2	127/3	127+254	4 Lane Bridge	RCC Slab, RCC Solid Abutment	4 x 11.25m	1 x 17.75m
3	84/1	83+069	3 Lane Bridge	RCC Box Structure	3 x 3m	14.25m
4	88/1	87+620	3 Lane Bridge	RCC Box Structure	3 x 3m	14.25m
5	93/1	92+006	3 Lane Bridge	RCC Slab, RCC Solid Abutment	3 x 8.5m	14.25m
6	98/2	97+843	3 Lane Bridge	RCC Slab, RCC Solid Abutment	2 x 7.5m	14.25m
7	111/4	110+682	3 Lane Bridge	RCC Slab, RCC Solid Abutment	3 x 8.5m	14.25m
8	118/1	117+257	3 Lane Bridge	RCC Slab, RCC Solid Abutment	1 x 11m	14.25m

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
9	122/1	122+192	3 Lane Bridge	RCC Box Structure	1 x 9.5m	14.25m
10	124/1	123+588	3 Lane Bridge	RCC Box Structure	3 x 4.5m	14.25m
11	126/1	126+175	3 Lane Bridge	RCC Box Structure	3 x 4.5m	14.25m
12	127/3	127+254	3 Lane Bridge	RCC Slab, RCC Solid Abutment	4 x 10.3m	14.25m
13	134/4	134+350	3 Lane Bridge	RCC Box Structure	3 x 3m	14.25m
14	135/3	135+210	3 Lane Bridge	RCC Box Structure	3 x 4.5m	14.25m
15	142/1	142+470	3 Lane Bridge	RCC Slab, RCC Solid Abutment	1 x 8.76m	14.25m
16	152/1	152+224	3 Lane Bridge	RCC Slab, RCC Solid Abutment	3 x 10m	14.25m
17	156/2	156+070	3 Lane Bridge	RCC T Beam, RCC Solid Abutment/Pier	1 x 26.5m	14.25m
18	159/1	159+265	3 Lane Bridge	RCC Slab, RCC Solid Abutment	1 x 10.84m	14.25m
19	173/1	172+740	3 Lane Bridge	RCC Box Structure	3 x 4.5m	14.25m
20	179/2	179+235	3 Lane Bridge	RCC Box Structure	3 x 3m	14.25m
21	186/3	185+805	3 Lane Bridge	RCC Slab, RCC Solid Abutment	6 x 4.5m	14.25m

2.4 Project Corridor Illustration

Following photographs depict project section along the corridor

KM 75	KM 76
KM 77	KM 80
KM 82	KM 93
KM 102	KM 104

KM 154	KM 160
KM 163	KM 166
KM 178	KM 189

Figure 2-4 : Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

In the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at the two toll plaza locations on Tumkur Chitradurga section of NH-4 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

The project can be divided into two homogenous sections from traffic point of view.

These sections can be

1. Chitradurga to Sira
2. Sira to Tumkur

Traffic of both sections is represented by toll plaza in each section.

Table 3-1 below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Survey Locations

Sr. No.	Location	CTV	Single Journey Traffic	Return Journey Traffic	Monthly Pass Traffic	Local Traffic
1	Km 172.770 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016
2	Km 104.530 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1 : Traffic Survey Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations were indicated in ***Figure 3-1*** and listed in ***Table 3-1.***

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since the project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the types of vehicles as per the Concession Agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- HCM/ EME/ MAV

3.3 Traffic Characteristic

Toll revenue of the project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have significant potential to affect toll revenue. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, portion of monthly pass traffic are some such characteristics of traffic. These will be discussed in subsequent sections of this report.

3.3.1 Traffic Data

The Concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under for both toll plazas -

Table 3-3 : Traffic Data at Toll Plaza at Km 172.770

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	4395	4918
2	LCV	2205	2209
3	Truck/Bus	2898	2981
4	HCM /EME/ MAV	5356	5338
5	Oversized Vehicles	47	26
	Total	**14901**	**15472**

Similar traffic data for toll plaza at Km 104.530 is given as under

Table 3-4 : Traffic Data at Toll Plaza at Km 104.530

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	5340	6356
2	LCV	2494	2606
3	Truck/Bus	3577	3674
4	HCM /EME/ MAV	6116	6022

5	Oversized Vehicles	166	34
	Total	**17693**	**18692**

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in ***Table 3-5.***

Table 3-5 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-6 : Traffic in PCU at both sections

Toll Plaza Location	Period	Traffic No	PCU	PCU Index
172.770	FY 2016	14901	40743	2.70
	FY 2017 upto Dec 2016	15472	42465	2.74
104.530	FY 2016	17693	48464	2.65
	FY 2017 upto Dec 2016	18692	49764	2.66

It can be observed from above that project traffic has PCU index close to 3 which indicates higher component of commercial and goods traffic as compared to passenger traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A Larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that Car traffic forms only 30% of total traffic while as HCM / EME / MAV comprise 36% of total traffic. Over all about 70% of traffic is commercial in nature.

Another important bifurcation of traffic is components of traffic with respect various type of toll ticketing

1. Single Journey
2. Return Journey
3. Local Single Journey (Concessionaire provided special tariff for this category)
4. Monthly Pass Journey

Following table provides numbers of vehicle falling in each of above category

Table 3-7 : Journey Type Bifurcation of Traffic at KM 172.770

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	11733	12198
2	Return Journey	2642	2730
3	Local Single Journey	286	283
4	Monthly Pass	240	261

A significant part of the traffic at KM 172.770 is single journey (80%) followed by return journey (18%) with a very low component of local single journey and monthly pass traffic.

Similarly, traffic numbers for type of journey at KM 104.530 are given in following table.

Table 3-8 : Journey Type Bifurcation of Traffic at KM 104.530

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	13121	13619
2	Return Journey	3700	4017
3	Local Single Journey	378	423
4	Monthly Pass	494	633

Here too it was observed that single journey is the most dominant component of traffic consistent across entire length of the project highway

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or Industrial projects

- Special Industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETOWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies like blind horizontal curves and steep vertical gradients etc.,
- Configuration of road
- Riding quality
- Traffic delays,
- Length of road,
- Passing through built up or Urban Area,
- Terrain,
- Facilities,

Following sets of urban origin and destination have been selected for this analysis

- Chitradurga – Hiriyur
- Chitradurga – Sira
- Chitradurga – Tumkur

We have included images of the competing networks for the above mentioned travel points in this report.

Figure 4-1 : Project Alignment Chitradurga to Tumkur

Figure 4-2 : Competing Roads Chitradurga to Hiriyur

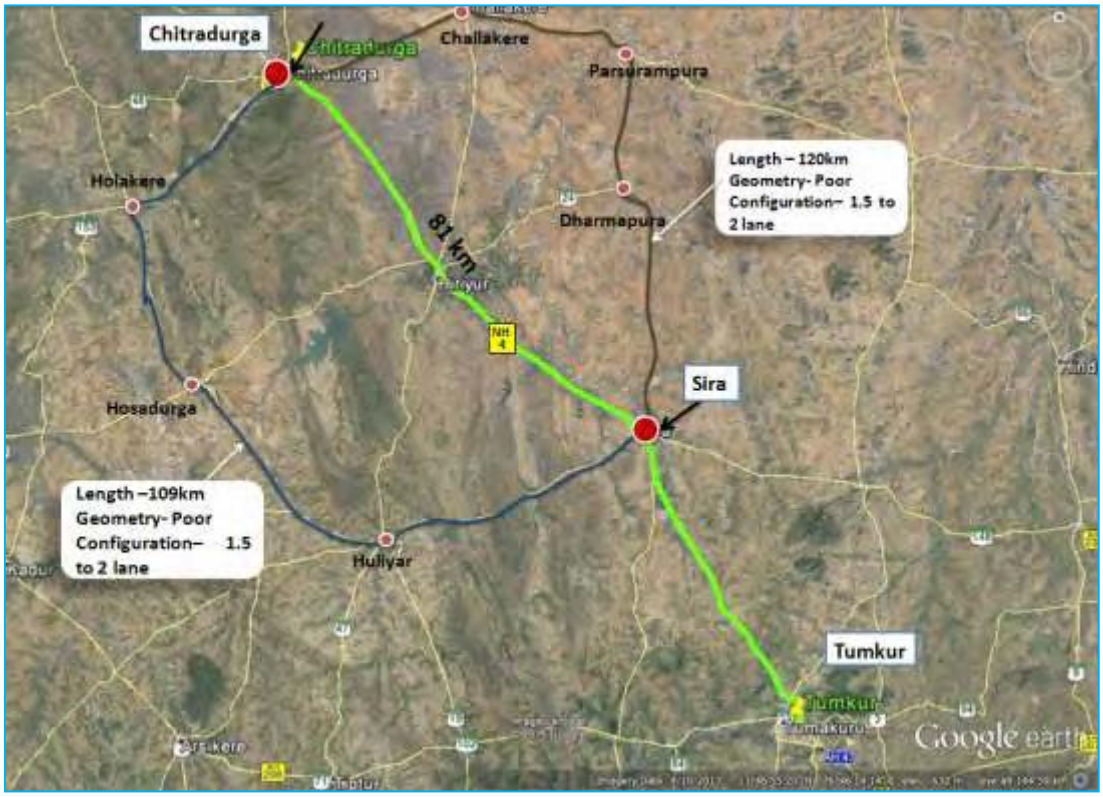


Figure 4-3 : Competing Roads Chitradurga to Sira

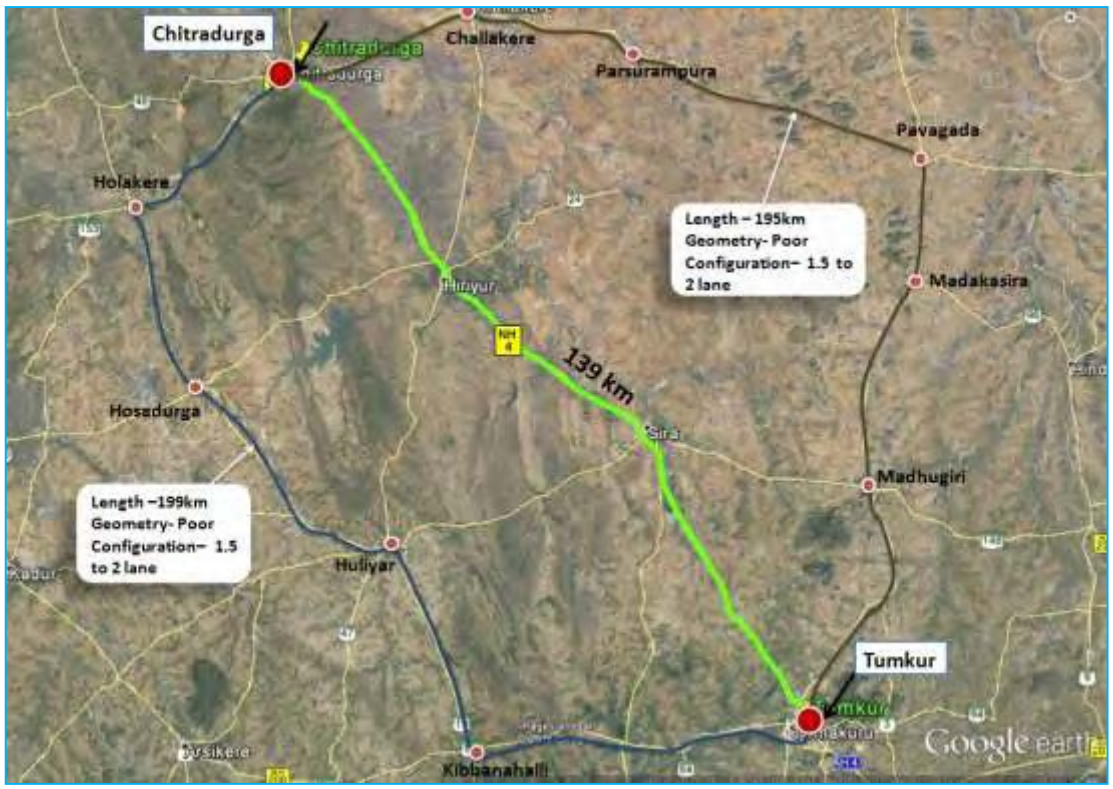


Figure 4-4 : Competing Roads Chitradurga to Tumkur

It can be observed that project highway forms the main spine of the corridor between Bangalore and Hubli. There are several other local roads and state highways which if integrated can act as a competing road network. However, most of these run across project

highway NH-4, covering a much longer distance. More so, the geometry and condition of these highways is inferior as compared to the project highway adding to the duration of travel. These have sharp turns, bottlenecks and patches of damaged pavement The following table provides a quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Length (Km)	Avg. Speed (KMPH)	Time Taken	Observations
1	Chitradurga to Hiriyur via competing road **(SH-48, Challakere village, SH-19, Hiriyur)** on East side	109	40	163 Min	Competing roads of poor geometry and lesser widths, passes Through villages. Shifting of traffic from NH-4 not expected
	Chitradurga to Hiriyur via Project Road NH-4	**39**	**70**	**34 Min**	
	Chitradurga to Hiriyur via competing road **(NH-13, SH-47, Hosadurga, TH Road, Hiriyur) on** West side	75	40	113 Min	
2	Chitradurga to Sira via competing road **(SH-48, Challakere village, Parasurampura Village, Lakkanhali Village, Sira)** on East side	120	40	180 Min	Competing roads of poor geometry and lesser widths, passes Through villages. Shifting of traffic from NH-4 not expected
	Chitradurga to Sira via Project Road NH-4	**81**	**70**	**70 Min**	
	Chitradurga to Sira via competing road **(NH-13, SH-47, Hosadurga, Huliyar Village, NH-234, Sira)** on West side	109	**40**	**163 Min**	
3	Chitradurga to Tumkur via competing road **(SH-48, Challakere village, Parasurampura Village, Pavagada Village, SH-3, Madakasira, Madhugiri, Koratogere, SH-33, Tumkur)** on East side	199	40	298 Min	Competing roads of poor geometry and lesser widths, passes Through villages. Shifting of traffic from NH-4 not expected
	Chitradurga to Tumkur via Project Road NH-4	**139**	**70**	**120 Min**	
	Chitradurga to Tumkur via competing road **(NH-13, SH-47, Hosadurga, Huliyar Village, SH-19, Kibbanhalli, NH-206, Nittur, SH-84, Tumkur)** on West side	195	**40**	**292 Min**	

As can be observed from table above, there is significant time saving and consequently cost savings for traffic which aligns to the project highway. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor viz. Tumkur – Chitradurga section of NH-4 has been done after taking the above factors into consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast**.**

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Elasticity model of growth projection is one of the most widely acceptable methods for traffic forecast. The same is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways.**

In this method past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicle traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on a number of economic parameters. The most important

and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP

Time series data of vehicle (both passenger and goods) Registered in state of Karnataka is used as the base data for analysis of growth.

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P	=	*Number of Vehicles (Mode wise)*
EI	=	*Economic Indicator*
A	=	*Regression constant*
k	=	*Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on the Population and Per Capita Domestic Product (PCDP) respectively and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2005	26804	583322	4.43	5.77		
2006	31166	677194	4.49	5.83	16%	
2007	35969	730991	4.56	5.86	15%	
2008	42345	829333	4.63	5.92	18%	
2009	47604	931829	4.68	5.97	12%	
2010	52097	1045516	4.72	6.02	9%	
2011	62251	1172430	4.79	6.07	19%	
2012	68053	1311609	4.83	6.12	9%	
2013	77168	1464030	4.89	6.17	13%	
2014	89545	1616812	4.95	6.21	16%	
2015	101594	1787088	5.01	6.25	13%	14.3%

Regression analysis PCI Vs Car data is presented in the figure below

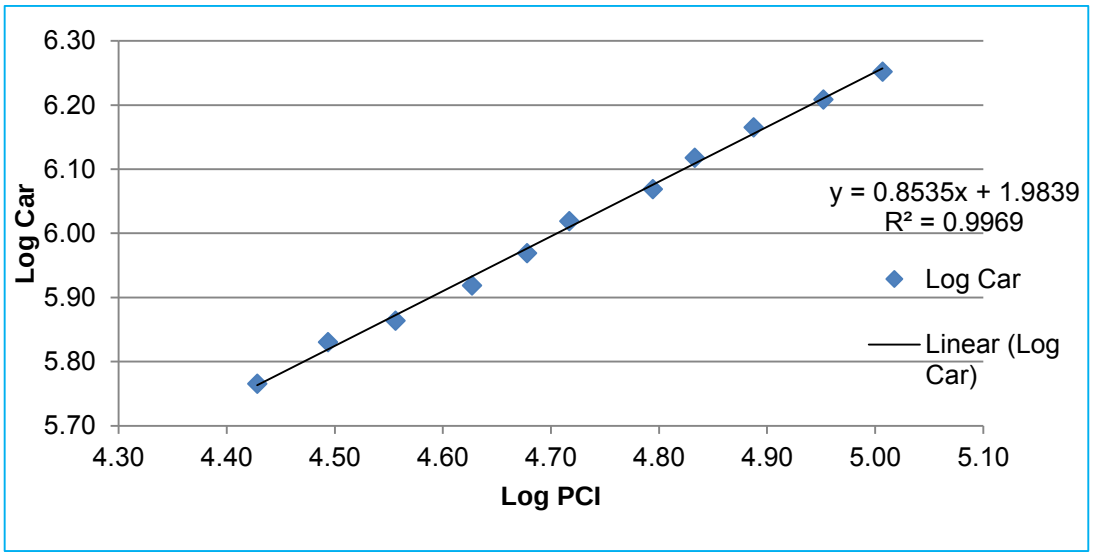


Figure 5-1 : Regression and Elasticity PCI vs. Car – Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2005	55992	38052	4.75	4.58		
2006	56647	40819	4.75	4.61	1%	
2007	57292	45211	4.76	4.66	1%	
2008	57927	49586	4.76	4.70	1%	
2009	58552	44308	4.77	4.65	1%	
2010	59170	53874	4.77	4.73	1%	
2011	59780	58012	4.78	4.76	1%	
2012	60382	62501	4.78	4.80	1%	
2013	60975	69718	4.79	4.84	1%	
2014	61560	75529	4.79	4.88	1%	
2015	62140	80938	4.79	4.91	1%	1.05%

Regression analysis of population Vs. Bus Traffic is presented in figure below

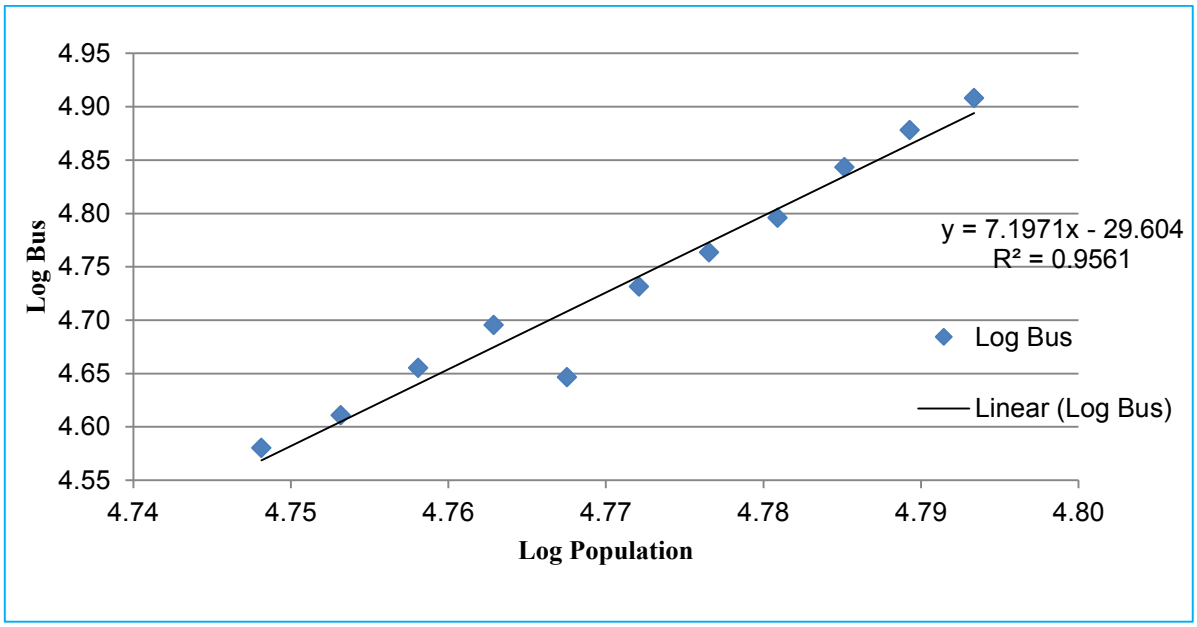


Figure 5-2 : Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic demand has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth
2005	16674700	276013	7.22	5.44		
2006	18427700	312272	7.27	5.49	11%	
2007	20266000	344764	7.31	5.54	10%	
2008	22820200	366597	7.36	5.56	13%	
2009	24442100	377495	7.39	5.58	7%	
2010	24759000	415491	7.39	5.62	1%	
2011	27272100	454582	7.44	5.66	10%	
2012	28278400	660959	7.45	5.82	4%	
2013	29824100	736023	7.47	5.87	5%	
2014	31435600	814354	7.50	5.91	5%	6.53%

The following figure depicts regression analysis and extrapolation of NSDP vs. goods traffic

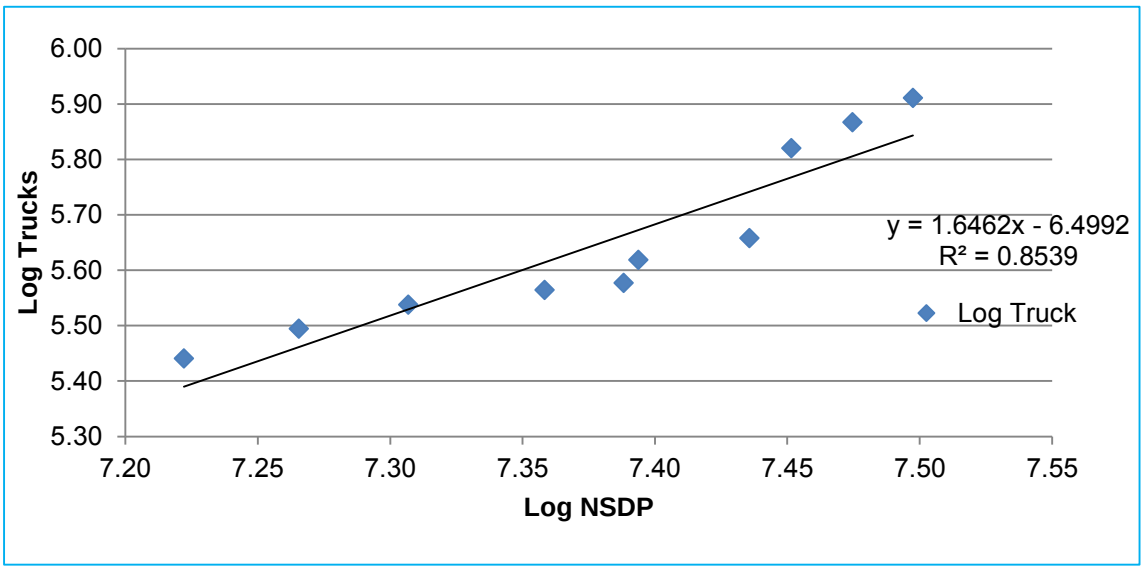


Figure 5-3 : Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient	Average Growth	Growth Elastic Model
Karnataka	Car/Jeep	PCI	y = 1.1164x - 2.7365	R^2 = 0.9969	0.8535	14.30%	12.20%
	Bus	Population	y = 1.8755x - 10.293	R^2 = 0.956	7.197	1.05%	7.54%
	Truck	NSDP	y = 1.1164x - 2.7365	R^2 = 0.8539	1.42	6.53%	9.27%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections

5.4 Analysis of Historic Traffic Data

Traffic growth on a particular section of the highway depends on a number of factors. Some of these are local and some have regional or national context. Regional or national economy development has a marked impact on traffic growth. Still, historical traffic volume data at the project highway provides a meaningful insight into traffic development on corridor.

Recently there has been tremendous up-gradation in the logistics industry in terms of processes, technology and mode of transportation. Improvement in road networks has opened way for larger freight vehicles to be used for transportation of goods. This has added substantial value to logistical operations all across the country. It has been observed that volume of the typical 2 Axle truck has reduced and multi axle trucks or larger size have come in their place. This phenomenon is observed at project highway under study as well.

Following historical traffic data have been used for our analysis.

a) Traffic Numbers provided in Contract document pertaining to year 2008

b) Traffic Numbers provided in Report of Lea Associates pertaining to year 2010

c) Traffic Numbers provided in by concessionaire pertaining to year 2016

Traffic numbers pertaining to tollable category of contract have been compared.

The following tables provide historical traffic numbers at both toll plaza locations i.e. at Km 104.530 (Near Sira) and Km 172.770 (Near Chitradurga)

Table 5-5 : Historical Traffic Volume at Sira

Location	Year		
At Sira	2008	2010	2016
CAR	2571	3061	5340
LCV	493	1462	2494
Truck/Bus	9211	4386	3577
HCM /EME/ MAV	524	5498	6116
Oversized Vehicles	0	0	166
Total	**12799**	**14407**	**17693**

Table 5-6 : Historical Traffic Volume at Chitradurga

Location	Year		
At Chitradurga	2008	2010	2016
CAR	1664	2356	4395
LCV	385	1475	2205
Truck/Bus	7907	9628	2898
HCM /EME/ MAV	524	564	5356
Oversized Vehicles	0	0	47
Total	**10480**	**14023**	**14901**

Following bar diagrams illustrate growth in traffic volume at both locations

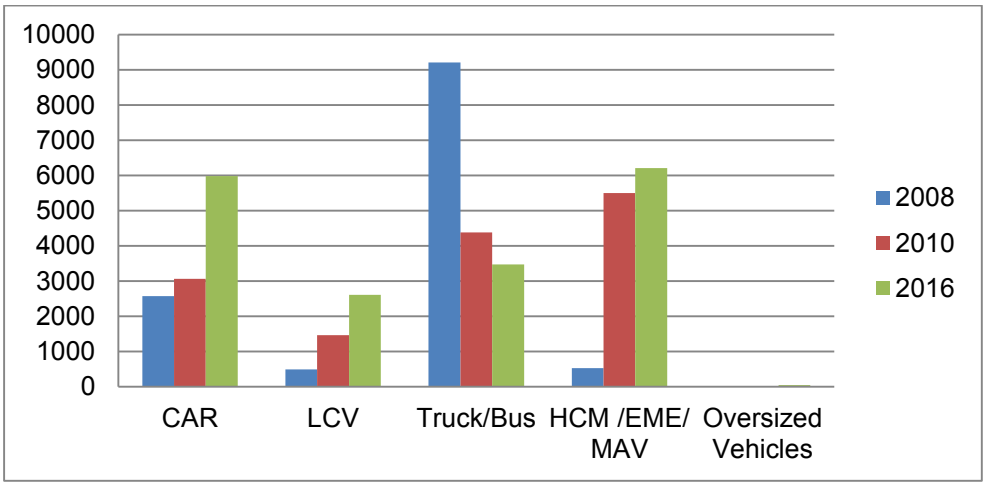


Figure 5-4 : Traffic Growth in numbers at Sira

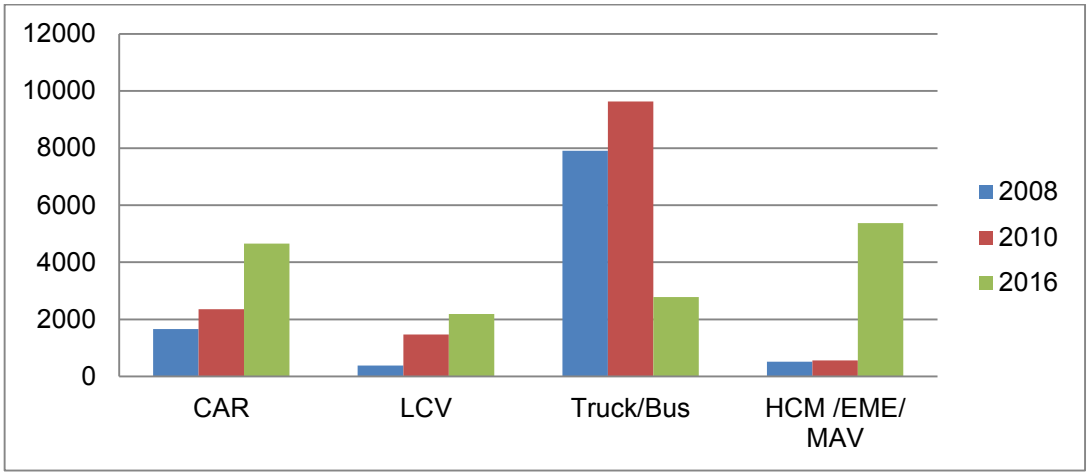


Figure 5-5 : Traffic Growth in numbers at Chitradurga

From the above, it appears that though all categories of vehicles have grown in number over period of time. There is tremendous increase in HCM/EME category of vehicles which are large vehicles with improved multi axle configuration. Overall traffic volume per annum has grown at CAGR of 5.5% at Sira and 6.2% at Chitradurga between 2008 and 2016.

The truck traffic volumes appear to be on a decline. This is the same phenomenon which is discussed in opening of this section. It is a global phenomenon that larger vehicles are replacing smaller trucks for transportation of goods. This brings efficiency into the logistics industry.

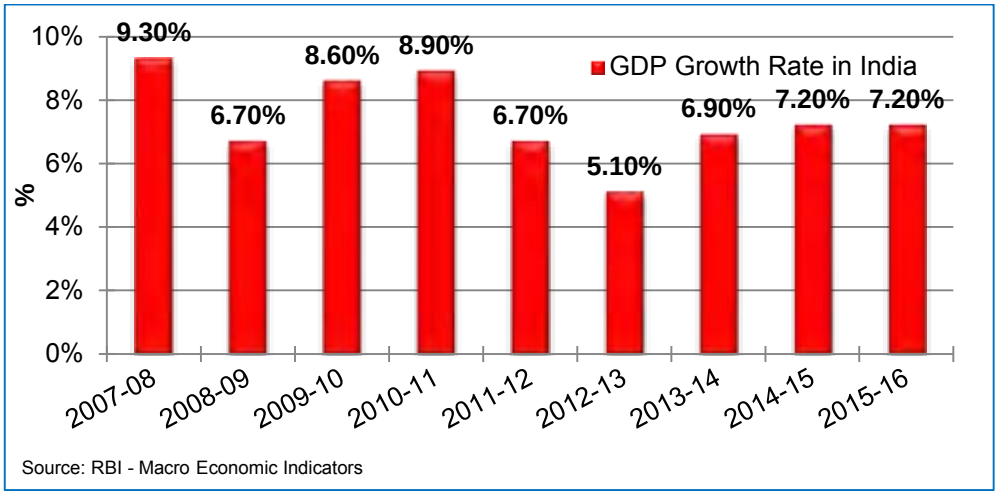
5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

Economy

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.



Source: RBI Macro Economic Indicators

Figure 5-6 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Upcoming Developments along Project Corridor

Karnataka is a fast developing state. Bengaluru has already established itself as IT capital of India. In addition to this, there are other initiatives which the government has taken. As a result, there are a number of infrastructure and educational projects coming up in the region. These projects have the potential of having a positive impact on project highway. There is a large amount of information available on open platform regarding this. Information relevant to the study has been summarized below.

5.6.1 Suvarna Karnataka Development Corridor Programme

Under the Suvarna Karnataka Development Corridor Programme major industrial corridors/zones/nodes are proposed along the following.

- Tumkur-Honnavar via Shivamogga
- Chitradurga-Mangalore via Shivamogga -Udupi
- Chitradurga-Hospet-Koppal-Raichur
- Chitradurga-Hospet-Bagalkot-Bijapur
- Bidar-Gulbarga-Bellary-Hiriyur

Additionally, Department of Industries & Commerce, Government of Karnataka proposes to develop following six Special Industrial Zones through PPP model.

- Steel: Covering Bellary, Koppal, Raichur, Bagalkot, Haveri and other Districts.
- Cement: Covering Gulbarga, Bagalkot, Chitradurga, Belgaum and other Districts.
- Food Processing: Covering Bangalore Rural, Kolar, Shivamogga, Bagalkot, Bijapur, Davanagere and other Districts.
- IT / BT: Covering Mysore, Mangalore, Hubli-Dharwad, Belgaum, Shivamogga and Gulbarga. Automobile: Covering Ramanagara, Shivamogga and Hubli-Dharwad.
- Garment: Covering Bangalore Rural, Tumkur, Kolar, Mandya, Belgaum, Bidar, Dharwad and other Districts.

5.6.2 Mumbai-Bangalore Industrial Corridor

Proposed alignment of Mumbai Bangalore Industrial Corridor passes through the project corridor. This is also called as Peninsular Region Industrial Development Corridor. Once a reality this has the potential to have a significant positive impact on project traffic.

5.6.3 Integrated Machine Tool Park planned near Tumkur

India's first integrated machine tool industry park (IMTP) is set to come up near Bangalore. The Indian Machine Tool Manufacturers' Association (IMTMA), an apex body of machine tool makers, had conceived the idea of setting up the park and has chalked out a blue print for its execution.

The park will be a cluster of machine tool builders, makers of accessories, components, foundry among others. It will have a common facility centre for all companies setting up shop in the park. The IMTMA has proposed to set up the park on a 300-acre plot at Hosa Narasapur Industrial Area near Tumkur, with a provision to scale it up to 500 acres.

5.6.4 National Investment and Manufacturing Zone (NIMZ)

The Karnataka government has set the ball rolling for the development of National Investment and Manufacturing Zone (NIMZ) at Tumkur near

Bangalore. The Central government has already approved the setting up of NIMZ at Tumkur, for which the state government has already approved 9,000 acres. Another 3,500 acres are under acquisition.

47 companies have proposed to set up their manufacturing units at the upcoming NIMZ, about 8 kms from Tumkur towards Sira on the national highway No 4. There will be many industrial clusters at the NIMZ, such as machine tool cluster, auto components and aerospace components among others.

5.6.5 India Food Park (IFP), Tumkur

The India Food Park, located 100km from Bangalore on the NH4 connecting Chennai and Mumbai, is spread across 110 acres of land.

The food park was developed by Integrated Food Park Private Ltd (IFPPL), a public-private partnership between India's Ministry of Food Processing Industry (MOFPI) and the country's leading retail company Future Group. The food park became partially functional in 2014 and involves an investment of more than INR10bn ($163.9m) for full commissioning.

Food products produced at the facility will be sold in the market through Future Group's retail formats including Big Bazaar, Food Bazaar, Foodhall, KB's Fairprice, Big Apple and Aadhaar.

The integrated food processing project is expected to create jobs for more than 10,000 farmers, producers and agri-entrepreneurs living within a radius of 250 km in Kolar, Tumkur and Shimoga.

5.6.6 Hardware Park, Kolar, Tumkur

The Karnataka government plans to set up an electronics hardware parks in Kolar and Tumkur respectively.

5.6.7 Solar Parks with 500 MW Capacity

Karnataka Government had invited a tender for generating up to 50 MW's grid connected Solar Power Projects based on the new Solar Energy Policy. After the competitive bidding phase 8 companies have been allocated close to 500 MW generation capacities as follows.

- Asian Fab Tec Ltd. - Tumkur - 15 MW

- Azure Power - Chitradurga - 130 MW
- Bhoruka Power - Chitradurga - 20 MW
- Kavit Industries - Chitradurga - 5 MW
- Sun Edisor Energy - Chitradurga - 150 MW
- Surana Power - Tumkur - 10 MW
- Today Green Power - Tumkur - 70 MW
- Welspun Energy - Koppal - 100 MW

KREDL (Karnataka Renewable Energy Development Limited) is the nodal agency for facilitating implementation of these solar projects.

The Commissioning deadlines for the projects are between 18-30 months from the date of signing of PPA. The state will see a Solar Capacity addition of 500 MW's by 2017.

5.6.8 Defense and Atomic Research Projects under Chitradurga Techno Hub

- Nearly 4,500 acres of Amrit Mahal Kaval grasslands have been diverted for manufacture and testing of weaponised drones by the Defense Research and Development Organisation (DRDO).
- Bhabha Atomic Research Centre (BARC) has planned a special material (uranium) enrichment facility to supply nuclear fuel to reactors and weapons production on over 1,800 acres.
- Indian Institute of Science (IISc) has been provided 1,500 acres to build a synchrotron - an underground circular magnetic tunnel that would have particles colliding with each other at the speed of sound.
- Indian Space Research Organisation (ISRO) has been given 600 acres to build a space applications centre.
- Sagitaur, a private entity, has been provided 1,200 acres of Kaval land to build a solar park for lease rent of Rs 33 lakh

5.7 Recommended Growth Rates of Traffic

Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not

sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under.

Table 5-7 : Recommended Growth Rates in an Optimistic Scenario

Year/ Vehicle Type	2015-20	2020-25	2025-30	2030-35	2035-40	2040-45
CAR	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
LCV	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
Truck / Bus	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
HCM /EME/ MAV	8.2%	7.7%	7.2%	6.7%	6.2%	5.7%
Oversized Vehicles	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%

Table 5-8 : Recommended Growth Rates in a Pessimistic Scenario

Year/ Vehicle Type	2017	2018	2019	2020	2021-25	2025-30	2030-35	2035-40	2040-45
CAR	4.1%	5.1%	5.1%	5.4%	6.5%	6.0%	5.5%	5.0%	4.5%
LCV	4.1%	5.1%	5.1%	5.4%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	3.5%	4.4%	4.4%	4.6%	5.5%	5.0%	4.5%	4.0%	3.5%
HCM /EME/ MAV	4.1%	5.1%	5.1%	5.4%	6.5%	6.0%	5.5%	5.0%	4.5%
Oversized Vehicles	4.1%	5.1%	5.1%	5.4%	6.5%	6.0%	5.5%	5.0%	4.5%

Table 5-9 : Recommended Growth Rates in a Most Likely Scenario

Year/ Vehicle Type	2015-20	2020-25	2025-30	2030-35	2035-40	2040-45
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
LCV	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Truck / Bus	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
HCM /EME/ MAV	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Oversized Vehicles	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

CHAPTER 6

TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in the previous section of the Report are used to arrive at traffic projections for future years. Traffic projections at the respective toll plazas are presented in the tables below.

These projections have been done for following three growth scenarios:

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage 172.770 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5175	2596	3329	6304	55	**17459**	**47783**
2018-19	5614	2816	3579	6839	60	**18908**	**51747**
2019-20	6091	3055	3847	7419	65	**20477**	**56042**
2020-21	6577	3298	4115	8012	70	**22072**	**60414**
2021-22	7104	3561	4402	8653	76	**23796**	**65128**
2022-23	7671	3845	4710	9345	82	**25653**	**70210**
2023-24	8284	4152	5040	10093	89	**27658**	**75690**
2024-25	8947	4483	5391	10900	96	**29817**	**81599**
2025-26	9618	4819	5740	11717	103	**31997**	**87562**
2026-27	10339	5181	6113	12595	111	**34339**	**93962**
2027-28	11114	5570	6509	13539	119	**36851**	**100832**
2028-29	11947	5988	6931	14553	128	**39547**	**108205**
2029-30	12842	6437	7381	15644	138	**42442**	**116119**
2030-31	13741	6888	7824	16739	148	**45340**	**124033**
2031-32	14703	7370	8292	17910	158	**48433**	**132488**
2032-33	15731	7886	8789	19163	169	**51738**	**141521**
2033-34	16830	8437	9316	20504	181	**55268**	**151171**
2034-35	18008	9028	9875	21939	194	**59044**	**161483**
2035-36	19178	9615	10417	23365	207	**62782**	**171692**
2036-37	20424	10240	10990	24884	220	**66758**	**182549**
2037-38	21752	10906	11593	26502	234	**70987**	**194095**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 2- Chainage 104.530 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	6286	2937	4117	7200	196	**20736**	**56828**
2018-19	6820	3186	4426	7812	213	**22457**	**61539**
2019-20	7400	3456	4757	8477	231	**24321**	**66640**
2020-21	7992	3732	5088	9155	250	**26217**	**71832**
2021-22	8631	4031	5445	9887	270	**28264**	**77430**
2022-23	9321	4353	5825	10677	291	**30467**	**83465**
2023-24	10067	4701	6232	11531	314	**32845**	**89972**
2024-25	10873	5077	6667	12453	339	**35409**	**96987**
2025-26	11687	5458	7099	13387	364	**37995**	**104066**
2026-27	12563	5868	7561	14391	391	**40774**	**111664**
2027-28	13505	6308	8052	15470	420	**43755**	**119817**
2028-29	14519	6781	8576	16630	452	**46958**	**128568**
2029-30	15607	7290	9132	17877	486	**50392**	**137960**
2030-31	16700	7800	9680	19128	520	**53828**	**147350**
2031-32	17869	8346	10261	20467	557	**57500**	**157381**
2032-33	19119	8930	10875	21900	596	**61420**	**168097**
2033-34	20457	9554	11528	23433	638	**65610**	**179546**
2034-35	21889	10222	12219	25074	682	**70086**	**191777**
2035-36	23313	10886	12892	26704	726	**74521**	**203885**
2036-37	24827	11592	13601	28440	773	**79233**	**216760**
2037-38	26440	12345	14348	30288	823	**84244**	**230451**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- Chainage 172.770 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	4810	2413	3114	5863	52	**16252**	**44492**
2018-19	5056	2538	3251	6164	55	**17064**	**46717**
2019-20	5328	2675	3400	6497	58	**17958**	**49165**
2020-21	5674	2849	3586	6919	62	**19090**	**52272**
2021-22	6043	3035	3782	7369	66	**20295**	**55569**
2022-23	6436	3233	3989	7847	70	**21575**	**59074**
2023-24	6854	3443	4207	8357	75	**22936**	**62803**
2024-25	7300	3666	4439	8899	80	**24384**	**66769**
2025-26	7737	3885	4660	9432	85	**25799**	**70649**
2026-27	8200	4118	4893	9998	90	**27299**	**74756**
2027-28	8691	4364	5137	10598	95	**28885**	**79106**
2028-29	9213	4626	5394	11234	101	**30568**	**83713**
2029-30	9766	4903	5663	11908	107	**32347**	**88586**
2030-31	10303	5172	5918	12563	113	**34069**	**93308**
2031-32	10869	5456	6184	13254	119	**35882**	**98277**
2032-33	11466	5756	6462	13983	126	**37793**	**103511**
2033-34	12096	6073	6753	14752	133	**39807**	**109028**
2034-35	12761	6406	7057	15563	140	**41927**	**114834**
2035-36	13399	6726	7338	16341	147	**43951**	**120387**
2036-37	14068	7062	7632	17157	154	**46073**	**126203**
2037-38	14770	7415	7937	18014	162	**48298**	**132304**

Table 6-4 : Total Tollable Traffic @ Toll Plaza 2- Chainage 104.530 KM

(Pessimistic Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5844	2732	3853	6695	181	**19305**	**52917**
2018-19	6145	2872	4022	7039	190	**20268**	**55557**
2019-20	6476	3026	4207	7419	200	**21328**	**58474**
2020-21	6898	3223	4437	7901	213	**22672**	**62159**
2021-22	7346	3433	4680	8415	227	**24101**	**66081**
2022-23	7825	3655	4935	8961	242	**25618**	**70246**
2023-24	8333	3892	5207	9543	258	**27233**	**74682**
2024-25	8875	4144	5492	10162	275	**28948**	**79388**
2025-26	9407	4392	5767	10772	292	**30630**	**84003**
2026-27	9972	4656	6055	11419	310	**32412**	**88888**
2027-28	10571	4935	6357	12105	329	**34297**	**94065**
2028-29	11205	5230	6674	12831	349	**36289**	**99543**
2029-30	11877	5543	7008	13600	370	**38398**	**105333**
2030-31	12529	5848	7322	14348	390	**40437**	**110939**
2031-32	13218	6169	7653	15137	411	**42588**	**116843**
2032-33	13946	6508	7997	15970	434	**44855**	**123065**
2033-34	14713	6865	8356	16848	458	**47240**	**129620**
2034-35	15522	7243	8731	17775	483	**49754**	**136529**
2035-36	16298	7605	9080	18665	507	**52155**	**143127**
2036-37	17112	7985	9442	19598	532	**54669**	**150038**
2037-38	17967	8383	9818	20578	558	**57304**	**157281**

Table 6-5 : Total Tollable Traffic @ Toll Plaza 1- Chainage 172.770 KM

(Most Likely Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5126	2571	3297	6246	55	**17295**	**47342**
2018-19	5534	2777	3527	6745	59	**18642**	**51034**
2019-20	5975	2999	3773	7284	64	**20095**	**55014**
2020-21	6423	3224	4017	7830	69	**21563**	**59031**
2021-22	6903	3466	4278	8417	74	**23138**	**63341**
2022-23	7420	3726	4555	9049	80	**24830**	**67968**
2023-24	7976	4005	4851	9727	86	**26645**	**72933**
2024-25	8574	4305	5166	10457	92	**28594**	**78262**
2025-26	9173	4606	5475	11189	98	**30541**	**83590**
2026-27	9814	4928	5803	11972	105	**32622**	**89282**
2027-28	10501	5272	6150	12809	112	**34844**	**95363**
2028-29	11236	5641	6519	13705	120	**37221**	**101860**
2029-30	12022	6036	6910	14663	128	**39759**	**108800**
2030-31	12803	6428	7290	15615	136	**42272**	**115671**
2031-32	13635	6846	7690	16629	145	**44945**	**122978**
2032-33	14521	7291	8113	17710	154	**47789**	**130748**
2033-34	15465	7765	8559	18861	164	**50814**	**139011**
2034-35	16470	8269	9028	20087	175	**54029**	**147797**
2035-36	17458	8765	9479	21292	186	**57180**	**156403**
2036-37	18506	9290	9951	22570	197	**60514**	**165511**
2037-38	19615	9847	10449	23923	209	**64043**	**175152**

Table 6-6 : Total Tollable Traffic @ Toll Plaza 2- Chainage 104.530 KM

(Most Likely Growth Scenario)

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	6228	2909	4079	7133	195	**20544**	**56305**
2018-19	6726	3142	4365	7704	211	**22148**	**60690**
2019-20	7265	3393	4670	8320	228	**23876**	**65418**
2020-21	7809	3647	4973	8943	245	**25617**	**70188**
2021-22	8395	3921	5296	9614	263	**27489**	**75306**
2022-23	9025	4215	5641	10336	283	**29500**	**80799**
2023-24	9701	4531	6007	11112	304	**31655**	**86695**
2024-25	10429	4871	6396	11945	327	**33968**	**93021**
2025-26	11159	5212	6779	12781	350	**36281**	**99346**
2026-27	11941	5576	7186	13676	374	**38753**	**106101**
2027-28	12776	5966	7617	14633	400	**41392**	**113318**
2028-29	13670	6384	8074	15657	428	**44213**	**121028**
2029-30	14627	6831	8558	16753	457	**47226**	**129264**
2030-31	15578	7275	9028	17841	486	**50208**	**137416**
2031-32	16590	7748	9524	19001	517	**53380**	**146084**
2032-33	17668	8251	10048	20236	551	**56754**	**155301**
2033-34	18817	8787	10600	21552	587	**60343**	**165101**
2034-35	20040	9358	11183	22953	625	**64159**	**175523**
2035-36	21243	9919	11741	24330	663	**67896**	**185727**
2036-37	22518	10514	12328	25790	703	**71853**	**196528**
2037-38	23870	11145	12943	27337	745	**76040**	**207959**

6.2 Modification of Concession Period

As per Article 29 of the concession agreement, if actual traffic on the project falls short or exceeds Target Traffic on project highway on defined date, concession period shall be modified subject to calculation stipulated therein. For Tumkur - Chitradurga project, the Target Date and Target Traffic are defined as under:

Target Date - 1st April 2020

Target Traffic - 54558 in PCU

Projected Traffic (average of traffic on all toll plazas on target date, one year before target date and one year after target date) - 64636 PCU

It was observed that as per traffic projections, traffic volume exceeds Target Traffic in all scenarios. This warrants for shortening of the concession period as per provisions of concession agreement which is summarized as under -

Scenario	Projected Traffic in PCUs (average of traffic on target date, one year before target date and one year after target date)	Expected reduction/shortening in Concession Period
Optimistic	66,248	2.6 years
Most Likely	64,636	2.6 years
Pessimistic	57,288	0.6 year

However, it has also been stipulated that in case the actual traffic exceeds the design capacity of the project, NHAI may at its option cause the Concessionaire to undertake suitable capacity augmentation of the project.

The concession agreement states that the concession period would be suitably increased over and above the existing concession period to yield a post-tax equity IRR of 16% to the Concessionaire for incurring this additional cost of capacity augmentation.

The concession agreement clarifies that in case of capacity augmentation, there shall be no reduction in concession period as may have been originally accepted under relevant provisions of the concession agreement.

In the case of Tumkur - Chitradurga project, it is seen that the actual traffic exceeds the design capacity in the years of original concession period which would stand curtailed considering reduction in concession period based on Target Traffic.

Hence, traffic and toll revenue have been considered up to end of original concession period as any additional expenditure incurred by Concessionaire for capacity augmentation may offset by toll revenues accruing in the extended concession period.

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

As per the Toll Notification (Schedule R) the following discounts have been considered:

1. Monthly Pass: For frequent users monthly pass is issued for 50 trips per month. The discount factor works out to 33.33% for 50 journeys.
2. Daily Pass (for Return Trip): A 25% discount will be offered for a return pass.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers.
4. Local Car / Jeep / Van to be charged at Rs 150 per month (2007)

The inflation and escalation of toll rate on the basis of WPI has been built up as per toll notification (Schedule R) as given under

The formula for determining the applicable rate of fee shall be as follows:-

$$\text{Applicable rate of fee} = \text{base rate} + \text{base rate} \times \left\{ \frac{\text{WPI A} - \text{WPI B}}{\text{WPI B}} \right\} \times 0.4$$

Concessionaire has further declared special discount rates which are applicable on project corridor.

These categories and rate on base year (2015-16) are given as under

Table 7-1 : Special Local Monthly Rate

Category	Monthly Rate
CAR (Local 2)	370.00
CAR (Local 3)	615.00
LCV (Local 1)	615.00
LCV (Local 2)	1,850.00
Truck/Bus (Local 1)	3085.00
Truck/Bus (Local 2)	5185.00

Normal escalation in the basis of WPI would be applicable to these rates as well.

In addition to above Concessionaire has also declared special rates for single local journey as under

Table 7-2 : Special Local Single Journey Rate

Category	Rate
CAR	30.00
LCV	40.00
Truck/Bus	70.00
HCM /EME/ MAV	95.00

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2015-16. A moderate growth in Wholesale Price Index (WPI) has been assumed after that. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (*www.eaindustry.nic.in).*

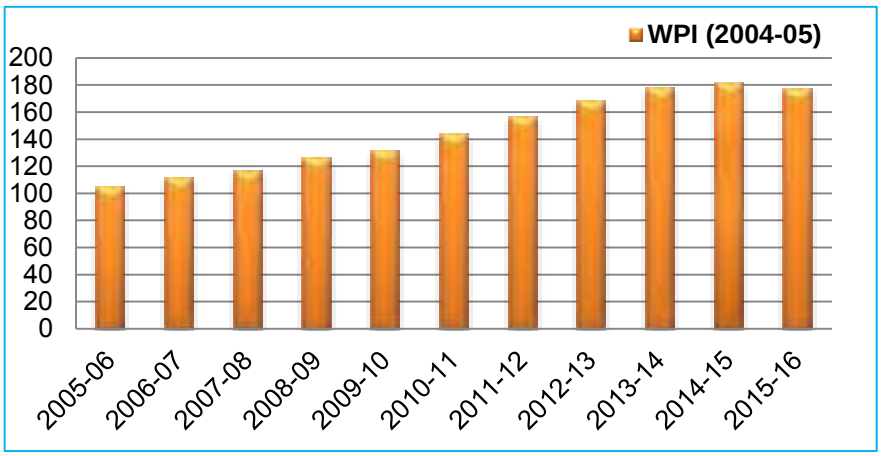


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same is considered for projection of WPI in future years.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules, 2008.

Table 7-3 : Base Toll Rates 2007 - 08

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Light Motor Vehicle	0.65
Light Commercial Vehicle, Light Goods Vehicle or Mini Bus	1.05
Bus or Truck (2 Axle)	2.2
Three Axle commercial vehicles	2.4
Heavy Construction Machinery (HCM) or Earth Moving Equipment (EME) or Multi Axle Vehicle (MAV) (4-6 axles)	3.45
Oversized Vehicle (seven or more axles)	4.2

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2015-16. A moderate growth in Wholesale Price Index (WPI) has been assumed after that as discussed above.

Table 7-4 : Tollable Length PKG-I

Toll Plaza Chainage	Length (Km)	Tollable Highway + Structure length (Km)
172.770	57.00	57.00
104.530	57.00	57.00

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs. five) for the concession period and are given below. Since applicable length of highway length is equal for both plazas, applicable toll rates are also same

Thus worked out rates for various categories of vehicle and discounts are given as under

Table 7-5 : Toll Rates for Single Journey

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles
2017-18	60	100	205	**325**	**395**
2018-19	65	105	220	**340**	**415**
2019-20	70	110	230	**360**	**440**
2020-21	70	115	240	**380**	**460**
2021-22	75	120	255	**400**	**485**
2022-23	80	130	270	**420**	**510**
2023-24	85	135	285	**445**	**540**
2024-25	90	140	300	**465**	**570**
2025-26	95	150	315	**495**	**600**
2026-27	100	160	330	**520**	**635**
2027-28	105	165	350	**550**	**670**
2028-29	110	175	370	**580**	**705**
2029-30	115	185	390	**610**	**745**
2030-31	120	195	410	**645**	**785**
2031-32	130	210	435	**680**	**830**
2032-33	135	220	460	**720**	**875**
2033-34	145	230	485	**760**	**925**
2034-35	150	245	515	**805**	**980**
2035-36	160	260	545	**850**	**1035**
2036-37	170	275	575	**900**	**1095**
2037-38	180	290	610	**955**	**1160**

Table 7-6 : Toll Rates for Return Journey

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles
2017-18	90	150	310	**485**	**590**
2018-19	95	155	325	**510**	**625**
2019-20	100	165	345	**540**	**655**
2020-21	105	175	360	**570**	**690**
2021-22	115	180	380	**600**	**730**
2022-23	120	190	400	**630**	**770**
2023-24	125	200	425	**665**	**810**
2024-25	130	215	445	**700**	**855**
2025-26	140	225	470	**740**	**900**
2026-27	145	235	495	**780**	**950**
2027-28	155	250	525	**825**	**1000**
2028-29	165	265	555	**870**	**1055**
2029-30	175	280	585	**915**	**1115**
2030-31	180	295	615	**970**	**1180**
2031-32	195	310	650	**1025**	**1245**
2032-33	205	330	690	**1080**	**1315**
2033-34	215	350	730	**1140**	**1390**
2034-35	230	370	770	**1210**	**1470**
2035-36	240	390	815	**1280**	**1555**
2036-37	255	410	860	**1350**	**1645**
2037-38	270	435	910	**1430**	**1740**

Table 7-7 : Toll Rates for Local Single Journey

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV
2017-18	30	40	75	100
2018-19	30	40	80	105
2019-20	30	40	85	110
2020-21	30	40	90	115
2021-22	30	40	95	120
2022-23	30	40	100	125
2023-24	30	40	105	130
2024-25	30	40	110	135
2025-26	30	40	115	140
2026-27	30	40	120	150
2027-28	30	40	125	160
2028-29	30	40	130	170
2029-30	30	40	135	180
2030-31	30	40	140	190
2031-32	30	40	150	200
2032-33	30	40	160	210
2033-34	30	40	170	220
2034-35	30	40	180	230
2035-36	30	40	190	245
2036-37	30	40	200	260
2037-38	30	40	210	275

Table 7-8 : Toll Rates for Monthly Pass

Year	CAR (Regular)	CAR (Local 1)	CAR (Local 2)	CAR (Local 3)	LCV (Regular)	LCV (Local 1)	LCV (Local 2)	Truck/Bus (Regular)	Truck/Bus (Local 1)	Truck/Bus (Local 2)	HCM /EME/ MAV	Oversized Vehicles	Truck / Bus (60 Trips)	Truck / Bus (80 Trips)
2017-18	2040	245	380	635	3290	635	1905	6895	3175	5330	10815	13165	8275	11035
2018-19	2145	260	390	655	3465	655	1960	7260	3265	5485	11385	13860	8710	11615
2019-20	2260	275	405	670	3650	670	2015	7645	3360	5650	11990	14595	9175	12230
2020-21	2380	290	415	695	3845	695	2080	8050	3465	5820	12625	15370	9660	12880
2021-22	2505	305	430	715	4050	715	2145	8480	3570	6000	13300	16190	10180	13570
2022-23	2640	320	440	735	4265	735	2210	8935	3685	6195	14015	17060	10725	14300
2023-24	2785	340	455	760	4495	760	2285	9420	3805	6395	14770	17980	11305	15070
2024-25	2935	355	470	785	4740	785	2360	9930	3935	6610	15575	18960	11915	15890
2025-26	3095	375	490	815	5000	815	2440	10470	4065	6835	16425	19995	12565	16755
2026-27	3265	395	505	840	5270	840	2525	11045	4210	7070	17325	21090	13255	17675
2027-28	3445	420	525	870	5565	870	2615	11655	4355	7320	18280	22255	13990	18650
2028-29	3635	440	540	905	5870	905	2710	12305	4515	7585	19295	23490	14765	19685
2029-30	3840	465	560	935	6200	935	2810	12990	4680	7865	20370	24800	15590	20785
2030-31	4055	490	585	970	6550	970	2915	13720	4855	8155	21515	26190	16465	21950
2031-32	4280	520	605	1010	6915	1010	3025	14495	5040	8465	22730	27670	17390	23190
2032-33	4525	550	630	1045	7310	1045	3140	15315	5235	8795	24020	29240	18380	24505
2033-34	4785	580	655	1090	7725	1090	3265	16190	5440	9140	25390	30905	19430	25905
2034-35	5060	615	680	1130	8170	1130	3395	17120	5655	9505	26845	32680	20540	27390
2035-36	5350	650	705	1175	8640	1175	3530	18105	5885	9885	28390	34565	21725	28970
2036-37	5660	685	735	1225	9140	1225	3675	19155	6125	10290	30040	36570	22985	30645
2037-38	5990	725	765	1275	9675	1275	3830	20270	6380	10720	31785	38700	24325	32430

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2037-38 (End of Concession Period) starting from the year 2017-18 are shown in tables below.

Table 7-9 : Toll Revenue Optimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 172.770	Toll at Plaza 104.530	Total
2017-18	116.20	135.85	**252.04**
2018-19	132.50	154.83	**287.33**
2019-20	152.16	177.81	**329.96**
2020-21	171.47	200.40	**371.87**
2021-22	195.04	227.95	**423.00**
2022-23	221.65	258.98	**480.62**
2023-24	253.39	296.00	**549.39**
2024-25	285.32	333.34	**618.66**
2025-26	324.88	379.52	**704.40**
2026-27	366.40	428.02	**794.42**
2027-28	416.49	486.54	**903.03**
2028-29	470.20	549.32	**1019.52**
2029-30	530.90	620.27	**1151.17**
2030-31	597.99	698.52	**1296.52**
2031-32	678.28	792.25	**1470.53**
2032-33	763.26	891.51	**1654.77**
2033-34	861.16	1005.83	**1866.99**
2034-35	973.21	1136.69	**2109.90**
2035-36	1096.87	1280.94	**2377.80**
2036-37	1230.68	1437.19	**2667.88**
2037-38	1387.35	1620.05	**3007.40**

Table 7-10 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 172.770	Toll at Plaza 104.530	Total
2017-18	108.21	126.47	**234.68**
2018-19	119.63	139.76	**259.40**
2019-20	133.49	155.97	**289.46**
2020-21	148.37	173.34	**321.72**
2021-22	166.41	194.42	**360.83**
2022-23	186.48	217.81	**404.29**
2023-24	210.19	245.50	**455.70**
2024-25	233.42	272.62	**506.04**
2025-26	262.08	306.05	**568.13**
2026-27	291.43	340.32	**631.74**
2027-28	326.62	381.45	**708.06**
2028-29	363.60	424.66	**788.25**
2029-30	404.78	472.80	**877.58**
2030-31	449.54	524.97	**974.51**
2031-32	502.74	587.01	**1089.75**
2032-33	557.75	651.28	**1209.02**
2033-34	620.46	724.48	**1344.93**
2034-35	691.29	807.24	**1498.53**
2035-36	768.13	896.81	**1664.95**
2036-37	849.68	991.95	**1841.63**
2037-38	944.35	1102.31	**2046.67**

Table 7-11 : Toll Revenue Most Likely Scenario
(Rs. Crores)

Year	Toll at Plaza 172.770	Toll at Plaza 104.530	Total
2017-18	115.15	134.59	**249.75**
2018-19	130.71	152.71	**283.42**
2019-20	149.42	174.54	**323.97**
2020-21	167.62	195.83	**363.45**
2021-22	189.78	221.70	**411.48**
2022-23	214.69	250.71	**465.40**
2023-24	244.28	285.24	**529.52**
2024-25	273.80	319.75	**593.55**
2025-26	310.35	362.35	**672.70**
2026-27	348.37	406.75	**755.12**
2027-28	394.10	460.20	**854.30**
2028-29	442.89	517.15	**960.04**
2029-30	497.72	581.24	**1078.96**
2030-31	557.96	651.50	**1209.46**
2031-32	629.95	735.46	**1365.40**
2032-33	705.52	823.75	**1529.26**
2033-34	792.26	925.04	**1717.31**
2034-35	891.13	1040.48	**1931.61**
2035-36	999.64	1166.99	**2166.62**
2036-37	1116.28	1303.17	**2419.45**
2037-38	1252.51	1462.04	**2714.55**

CHAPTER 8

OPERATION & MAINTAINENACE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	114	Km
Main Carriageway	Paved Area	2793000	Sqm
Service Road	Paved Area	25560	Sqm
Bus bays	Paved Area	99750	Sqm
Truck Laybye	Paved Area	10237.5	Sqm
Structure		**18056**	Sqm
Major Bridge	Area	4636	Sqm
Minor Bridge	Area	6819	Sqm
Flyover	Area	6600	Sqm
RCC Crash Barrier	Length	22800	Rmt
Metal Beam Crash Barrier	Length	45600	Rmt
Guard Post	Nos	45600	Nos.

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Tumkur to Chitradurga on NH-4 in state of Karnataka.

a) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

b) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. This operation and its cost are spread over three years. But since project is commissioned and running traffic for last many years, periodic maintenance shall be as per condition of pavement and other infrastructure. Inputs of concessionaire have been taken in this regard.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Operation & Maintenance Cost

Year	Annual Maintenance (Rs. Cr)	Thermoplastic Painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2017-18	8.56				0.01	0.04		8.60	1.10	9.48	Regular O & M
2018-19	8.56				0.01	0.04		8.60	1.16	9.95	Regular O & M
2019-20	8.56	0.98	13.74	18.10	0.01	0.04		41.42	1.22	50.35	Renewal of Wearing Course + Pavement Repair
2020-21	8.56				0.01	0.04		8.60	1.28	10.97	Regular O & M
2021-22	8.56				0.01	0.04		8.60	1.34	11.52	Regular O & M
2022-23	8.56				0.01	0.04	0.00	8.60	1.41	12.10	Regular O & M
2023-24	8.56				0.01	0.04		8.60	1.48	12.70	Regular O & M
2024-25	8.56	0.98	13.74	18.10	0.01	0.04		41.42	1.55	64.26	Renewal of Wearing Course + Pavement Repair
2025-26	8.56				0.01	0.04		8.60	1.63	14.01	Regular O & M
2026-27	8.56				0.01	0.04		8.60	1.71	14.71	Regular O & M
2027-28	8.56				0.01	0.04		8.60	1.80	15.44	Regular O & M
2028-29	8.56				0.01	0.04		8.60	1.89	16.21	Regular O & M
2029-30	8.56	0.98	13.74	18.10	0.01	0.04		41.42	1.98	82.02	Renewal of Wearing Course + Pavement Repair
2030-31	8.56				0.01	0.04		8.60	2.08	17.88	Regular O & M

Year	Annual Maintenance (Rs. Cr)	Thermoplastic Painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2031-32	8.56				0.01	0.04		8.60	2.18	18.77	Regular O & M
2032-33	8.56				0.01	0.04		8.60	2.29	19.71	Regular O & M
2033-34	8.56				0.01	0.04		8.60	2.41	20.69	Regular O & M
2034-35	8.56	1.72	13.74	18.10	0.01	0.04		42.16	2.53	106.54	Renewal of Wearing Course + Pavement Repair
2035-36	8.56				0.01	0.04		8.60	2.65	22.82	Regular O & M
2036-37	8.56				0.01	0.04		8.60	2.79	23.96	Regular O & M
2037-38	8.56				0.01	0.04		8.60	2.93	25.15	Regular O & M

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

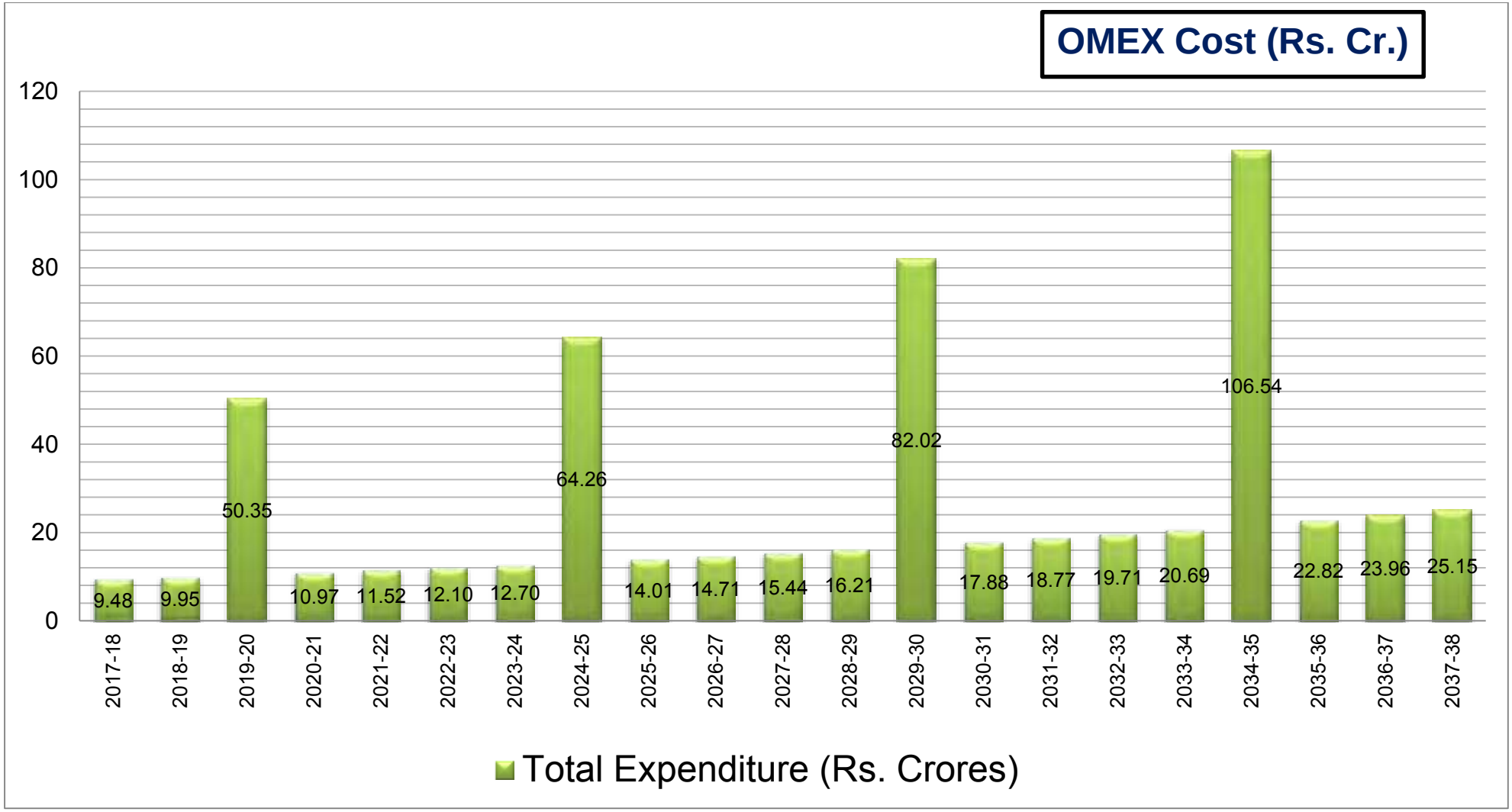


Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Tumkur to Chitradurga section of NH-4 in state of Karnataka from km 75.000 to km 189.000 is currently Six lane road. The road is in sound condition and serves to good traffic volume. As Indian economy is poised to grow at 8%+ project corridor is expected to pick up same trend in terms of traffic flow. All these developments have potential to give positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is good amount of tollable traffic running on project

b) Project corridor has potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor has committed traffic as long route traffic and does not have risk of traffic leakage due lack of competing road of comparable quality

d) Project infrastructure is in good condition and its maintenance cost is also reasonable

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

BHARUCH TO SURAT (KM 198.000 TO KM 263.000) SECTION OF NH-8 IN THE STATE OF GUJARAT

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

MARCH 2017

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1
INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, **Bharuch** and **Surat** section of NH-8 from km 198.000 to km 263.000is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. *M/s IDAA Infrastructure Pvt. Ltd*. (Concessionaire) has been awarded the Project for concession period of 15 years starting from 2nd January 2007 to 1st January 2022. The Project has been commissioned and is currently in the operation / maintenance phase

1.2 Objective of the Study

M/s IRB INVIT FUND has engaged *GMD Consultants* to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost ProjectionReport***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2
PROJECT DETAILS

2.1 Project Corridor

National Highway 8 (NH 8) is a 4-lane (6-lane between Delhi-Jaipur) National Highway in India. According to some estimates, it is one of the busiest highways in the subcontinent. It connects the national capital Delhi to the financial capital Mumbai, and other important cities Gurgaon, Jaipur, Ajmer, Udaipur, Ahmedabad, Vadodara and Surat on the way. The project highway is part of the Golden Quadrilateral project undertaken by National Highways Authority of India (NHAI) and was the first section to be completed. Delhi-Gurgaon Expressway, Jaipur-Kishangarh Expressway, and NE-1 are part of NH 8.

The project highway corridor is in the state of Gujarat and passes through Surat and Bharuch districts. Ankleshwar is another important urban center through which project alignment passes.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

Figure 2-1: Index Map of Project Highway - Country Level

Figure 2-2: Index Map of Project Highway - State Level

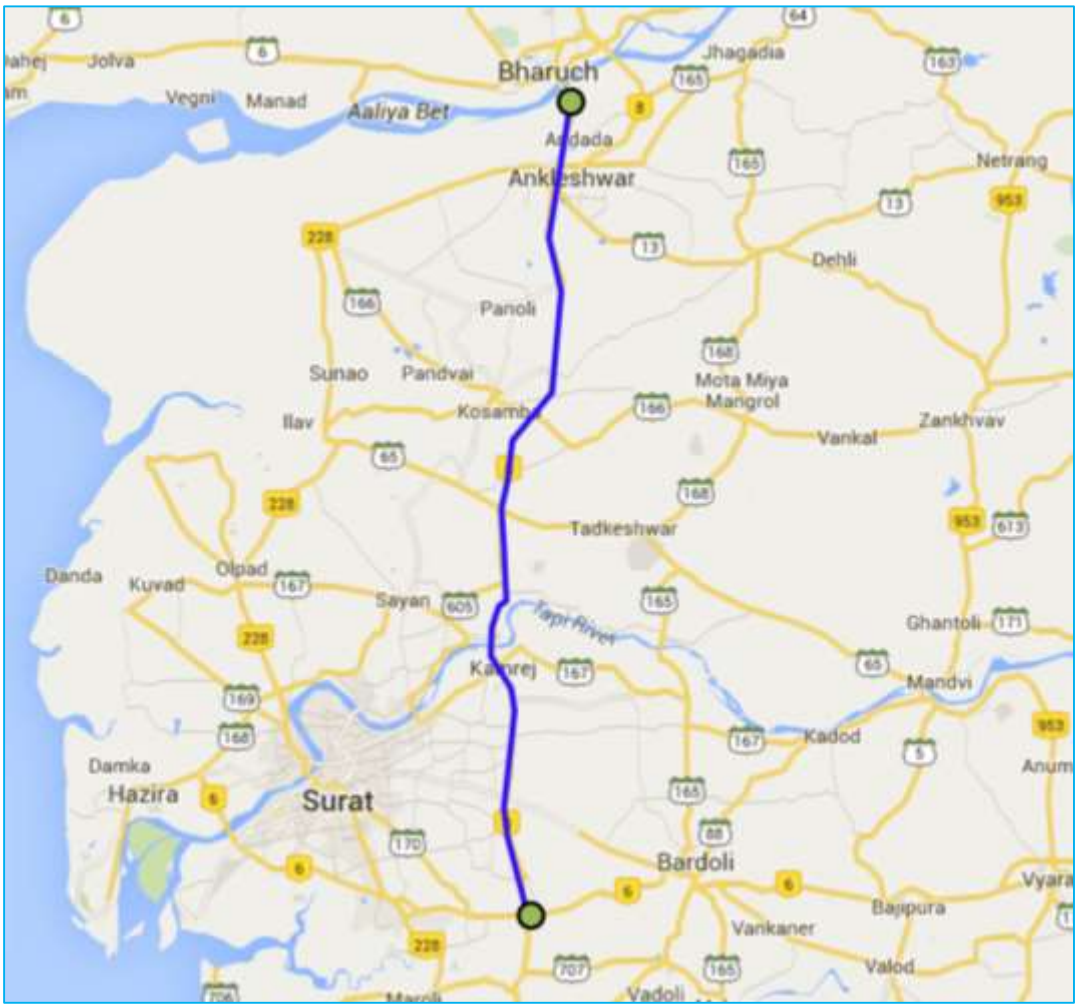

Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

As discussed, NH-8 is India's busiest transportation corridor. It is a part of the western arm of the Golden Quadrilateral corridor. India's most ambitious transportation infrastructure project Delhi Mumbai Industrial Corridor (DMIC) runs parallel to NH-8 in considerable length.

The corridor from Surat to Bharuch passes through some semi urban centres like Pipodra, Palod and Ankleshwar. The abutting land use is agricultural and barren for most part of alignment but at many places, especially near urban centres, ribbon development has taken place on both side of highway for reasonable lengths continuously. The corridor in general has significant potential for future development along the highway and in the influence area, discussed further in this Report.

2.3 Salient Features

The silent features of the project corridor are as given below;

- Six Laning of Carriageway = 47.35Kms
- Four Laning of Carriageway = 17.65Kms
- Major Bridges = 14 Nos.
- Minor Bridges = 33 Nos.
- Flyovers = 6 Nos.
- ROB = 3 Nos.
- Culverts = 83 Nos.
- Pedestrian Under passes = 10 Nos.
- Vehicular Underpass = 1 Nos.
- Major intersection = 6 Nos.
- Service Road = 27.5 Kms.
- Bus Bays = 19 Nos.
- Toll Plaza Complex = 1 Nos.

The details of the structures are given below.

2.3.1 Flyovers

The list of flyovers along the project corridor is as given below

Table 2-1 : List of Flyovers along Project Corridor

Sr. No.	CHAINAGE		CHAINAGE		Length (m)	Width (m)
	Start	End	Start	End		
1	205885.024	205990.024	205938.303	206043.303	175.00	12.25
2	208560.255	208595.391	208615.328	208650.221	175.00	12.25
3	215118.465	215193.465	215210.525	215285.525	125.00	12.25
4	236144.253	136184.253	236238.379	236278.3679	168.00	12.25
5	249581.189	249621.189	249681.258	249721.258	168.00	12.25
6	260705.672	260745.672	260807.241	260847.243	168.00	12.25

2.3.2 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-2 : List of Major Bridges along Project Corridor

Sr. No.	CD No.	Name of Bridge	Span Arrangement	Length (m)	Width (m)
1	203/1	Amravati Bridge	4 x 36.6	146.40	8.40
			4 x 36.6	146.4	11.2
2	209/3	Amlakhad Bridge	1 x 23.75 +1 x 33.45	57.2	10.7
			1 X 33.45 +2 X 23.75	80.95	12.50
3	230/1	Kim Tributary	7 x 12.2	85.4	11.5
			7 x 12.2	85.40	14.25
4	233/1	Kim River	3 x 32.9 +1 x 14.65	113.35	11.2
			3 X 32.9 +1 X 14.65	113.35	12.5
5	244/2	PanjarKhadie Bridge	1 x 28.95 +2 x 13.70	56.35	11
			1 x 28.95 +2 x 13.70	56.35	14.25
6	247/1	Tapi Bridge	2 x 16 + 11 x 40.2	375.2	6.0
			2 x 8.2 +11 x 40.2	375.2	10.9
7	259/2	Kadodra Khadi Bridge	1 x 28.95 +2 x 13.65	56.25	11
			1 x 28.95 +2 x 13.65	56.25	14.25

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges along Project Corridor

Sr. No.	CD No.	Span Arrangement	Length (m)	Width (m)
1	199/1 Mandav bridge	Two Bridges 5 x 8.8 Each	Two Bridge 44.00 Each	Two Bridge 14.25 Each
2	205 /2	Two Bridges 1 x 6.50 X 3.0 Each	Two Bridge 19.50 Each	Two Bridge 32.00 Each
3	206/3	Two Bridges 4 x 1.20 Each	Two Bridge 4.80 Each	Two Bridge 32.00 Each
4	214/1	Two Bridges 1 x 10.1 Each	Two Bridge 10.10 Each	Two Bridge 14.25 Each
5	224/2	3 x 7.5	22.50	14.25
		2 x 11.9	23.80	14.25
6	234/1 PalodKothar River	Two Bridges 1 x 1.20 + 1 x 10.50 + 1 x 10.7 Each	Two Bridge 31.40 Each	Two Bridge 14.25 Each
7	240/1 Irrigation canal	Two Bridges 1 x 25.0 Skew = 25 Each	Two Bridge 25.00 Each	Two Bridge 14.25 Each
8	242/1 Deokal Khadi Bridge	Two Bridges 1 x 8.040 + 1 x 8.0 Each	Two Bridge 24.40 Each	Two Bridge 14.25 Each
11	243/3	Two Bridges 1 x 6.0 x 4.0 Each	Two Bridge 25.60 Each	Two Bridge 14.25 Each
9	245/3	Two Bridges 1 x 6.50 Each	Two Bridge 6.50 Each	Two Bridge 14.25 Each
10	249/1	Two Bridges 1 x 8.50 Each	Two Bridge 8.50 Each	Two Bridge 32.00 Each
12	252/2	1 x 7.20 Skew 18 Each	7.20 Each	32.00 Each
13	254/2	1 x 6.20	6.20	-
		1 x 6.20	6.2	-
14	254/3	Two Bridges 2 x 11.60 Each	Two Bridge 23.20 Each	Two Bridge 14.25 Each

Sr. No.	CD No.	Span Arrangement	Length (m)	Width (m)
15	257/2	Two Bridges 1 x 8.0 x 3.0 Each	Two Bridge 24.00 Each	Two Bridge 14.25 Each
16	262/2 Underpass	Two Bridges 1 x 8.20 + 1 x 6.60 Each	Two Bridge 14.80 Each	Two Bridge 14.25 Each

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

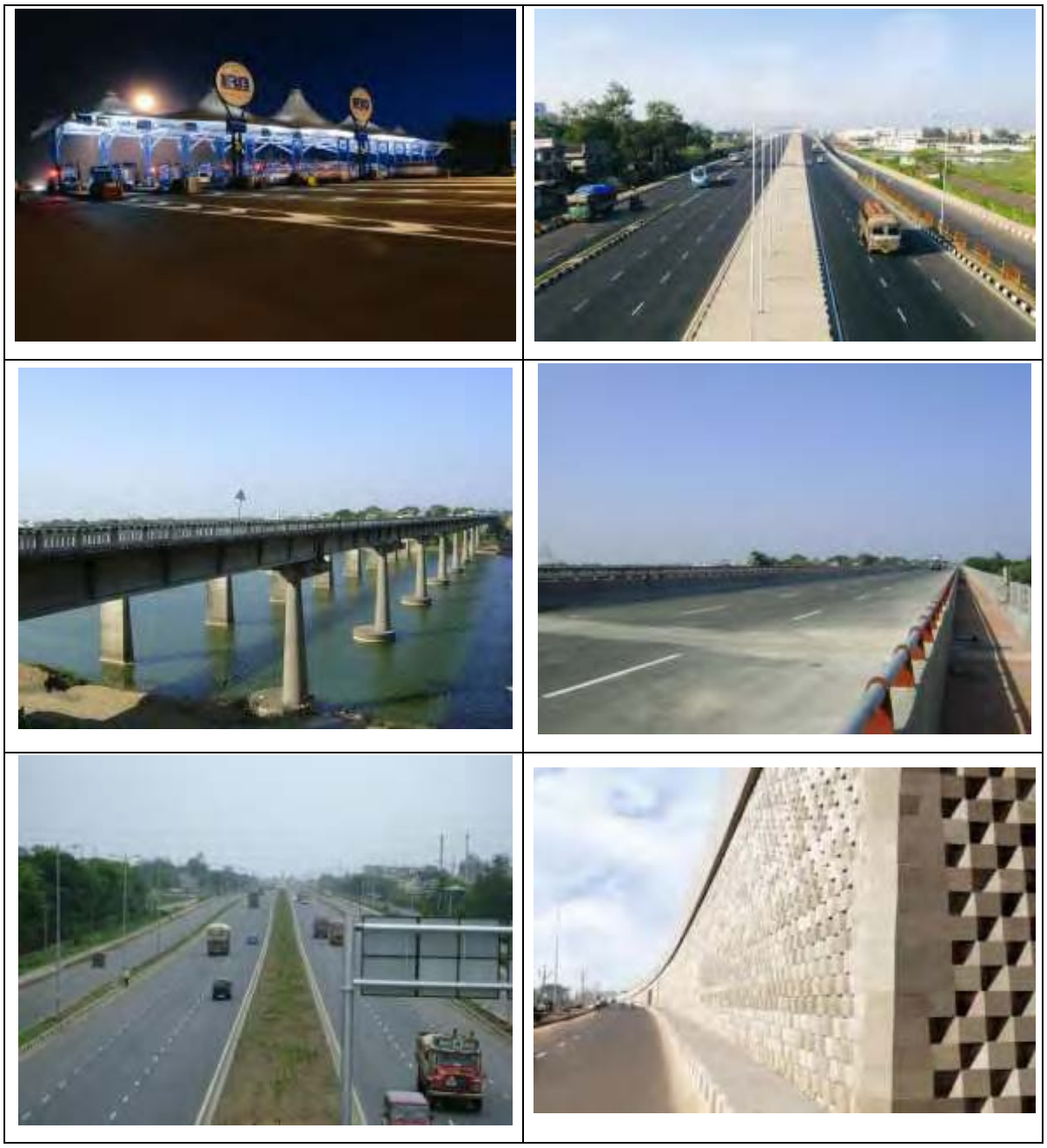

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3
TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

The Consultants have collected required information in connection with the project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project

- Classified traffic volume counts at toll plaza locations on Surat- Bharuch section of NH-8 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into three homogenous sections from traffic point of view. These sections can be

- Bharuch to Ankleshwar
- Ankleshwar to Palod
- Palod to Surat

Table 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Data Details

SR. NO	LOCATION	CTV	Single Journey Traffic	Return Journey	Monthly Pass	Local Journey
1	Km 246.075 Toll Plaza	AADT for year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1: Toll Plaza Location

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of the project highway from actual traffic data gathered at toll plaza based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in ***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to a category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / van
- LCV
- Truck / Bus
- Multi Axle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under for toll plaza -

Table 3-3 : Traffic Data at Toll Plaza at Km 246.075

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	6517	6369
2	LCV	4608	4724
3	Truck/Bus	5042	5013
4	Multi Axle	9598	9714
	Total	**25766**	**25821**

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various

vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in *Table 3-4*

Table 3-4 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under:

Table 3-5 : Traffic in PCU at Project Stretch

Period	Toll Plaza Location	Traffic No	PCU	PCU Index
FY 2016	246.075	25766	71747	2.78
FY 2017 upto Dec 2016	246.075	25821	72208	2.80

It can be observed from above that project traffic has a PCU index close to 3 which indicates a higher component of commercial and goods traffic as compared to passenger traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that car traffic forms only 25% of total traffic at toll plaza location 246.075 while as multi axle commercial vehicles comprise 37% of total traffic. Truck/ bus and LCV share 20% and 18 % of total traffic respectively. Over all about 70-75% of traffic is commercial in nature.

Another important bifurcation of traffic is components of traffic with respect various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16 and 2016-17 (upto Dec 2016)

Table 3-6 : Journey Type Bifurcation of Traffic at KM 246.075

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	18012	18253
2	Return Journey	7306	7191
3	Monthly Pass	448	377

Single journey component in total traffic numbers is as high as 70%. Return journey component is 28%. Monthly pass is as low as 2%. The project corridor serves as a spinal link for traffic between Mumbai and Delhi. Thus it has a higher component of single journey tickets.

3.5 Secondary Data Collection

There are several other factors which have a substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or Industrial projects
- Special Industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies like blind horizontal curves and steep vertical gradients etc.,
- Configuration of road
- Riding quality
- Traffic delays,
- Length of road,
- Passing through built up or Urban Area,
- Terrain,
- Facilities,

Following set of urban origin and destination have been selected for this analysis

- Bharuch to Ankleshwar
- Ankleshwar to Palod
- Palod to Surat

We have included images of competing network for the above mentioned travel points in this report.

Figure 4-1: Project Alignment Bharuch to Surat

Figure 4-2: Competing Roads Bharuch to Ankleshwar

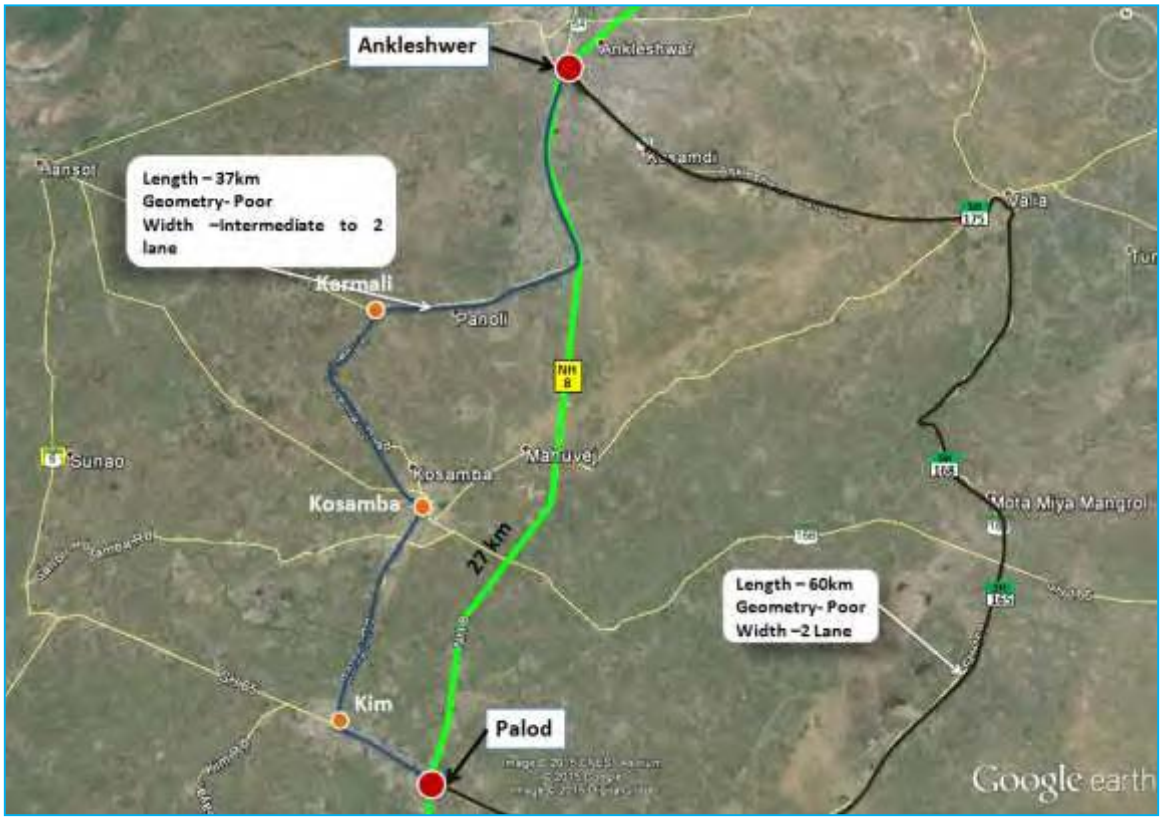

Figure 4-3: Competing Roads Ankleshwar to Palod

Figure 4-4: Competing Roads Palod to Surat

It can be observed that project highway form main spine of corridor between Bharuch to Surat. There are several local roads and state highways which if integrated can form competing road network. Most of these roads run across the project corridor covering much longer distance for same of pair of origin and destination as compared to project highway. More so, their geometry and riding quality of road is inferior as compared to project section of NH-8 adding to travel time. They have sharp turns, bottlenecks and patches of damaged pavement. Following table provide quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Bharuch to Ankleshwar via competing road (SH-76) on East side inside Bharuch Town	Competing Road	16	40	24	Competing road of relatively inferior geometry and lesser width. Passes through congested Bharuch town. Shifting of traffic from NH-8 not expected
	Bharuch to Ankleshwar via Project Road NH-8	**Project Road**	**21**	**70**	**18**	
2	Ankleshwar to Palod via competing road (Karmali&Kosamba) on East side	Competing Road	37	40	56	Competing road of relatively inferior geometry and lesser width passes throughvillages. Shifting of traffic from NH-8 not expected
	Ankleshwar to Palod via Project Road NH-8	**Project Road**	**27**	**70**	**23**	
	Ankleshwar to Palod via competing road (SH-165, SH-175 & SH-168) on West side	Competing Road	60	40	90	
3	**Palodto Surat via Project Road NH-8**	**Project Road**	**25**	**70**	**21**	Competing road of relatively inferior geometry and lesser width passes through villages. Shifting of traffic from NH-8 not expected
	Palodto Surat via competing road (SH-168 & SH-66) on West side	Competing Road	52	40	78	

As can be observed from table above, there is significant time saving and consequently cost savings for traffic which aligns to the project highway. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5
GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the projections of other factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Bharuch - Surat section of NH-8 has been done taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Elasticity model of growth projection is one of the most widely acceptable methods for traffic forecast. The same is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicle traffic varies for different class of vehicles. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on a number of economic parameters. The most

important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability. Hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP

Time series data of vehicle (both passenger and goods) Registered in state of Maharashtra is used as the base data for analysis of growth`

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth.Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P = *Number of Vehicles (Mode wise)*

EI = *Economic Indicator*

A = *Regression constant*

k = *Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on the Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	24143	749963	4.38	5.88		
2005	28067	826832	4.45	5.92	16%	
2006	30332	912933	4.48	5.96	8%	
2007	31754	1004822	4.50	6.00	5%	
2008	33901	1093965	4.53	6.04	7%	
2009	36202	1210368	4.56	6.08	7%	
2010	38048	1378830	4.58	6.14	5%	
2011	38856	1579889	4.59	6.20	2%	
2012	39904	1775502	4.60	6.25	3%	6.6%

Regression analysis of same is given in figure below

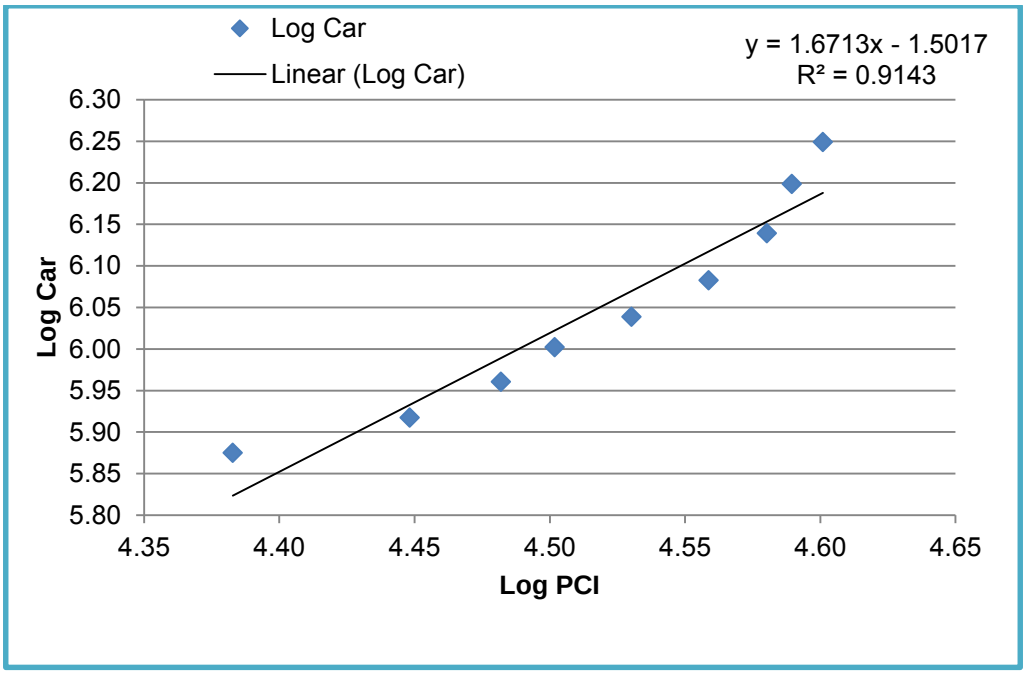

Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	54140000	52286	7.73	4.72		
2005	54979000	54446	7.74	4.74	2%	
2006	55808000	54214	7.75	4.73	2%	
2007	56626000	56214	7.75	4.75	1%	
2008	57434000	58253	7.76	4.77	1%	
2009	58232000	68659	7.77	4.84	1%	
2010	59020000	73924	7.77	4.87	1%	
2011	59800000	80627	7.78	4.91	1%	
2012	60569000	87946	7.78	4.94	1%	
2013	61329000	93262	7.79	4.97	1%	
2014	62081000	96500	7.79	4.98	1%	1.38%

Regression analysis of same is given in figure below

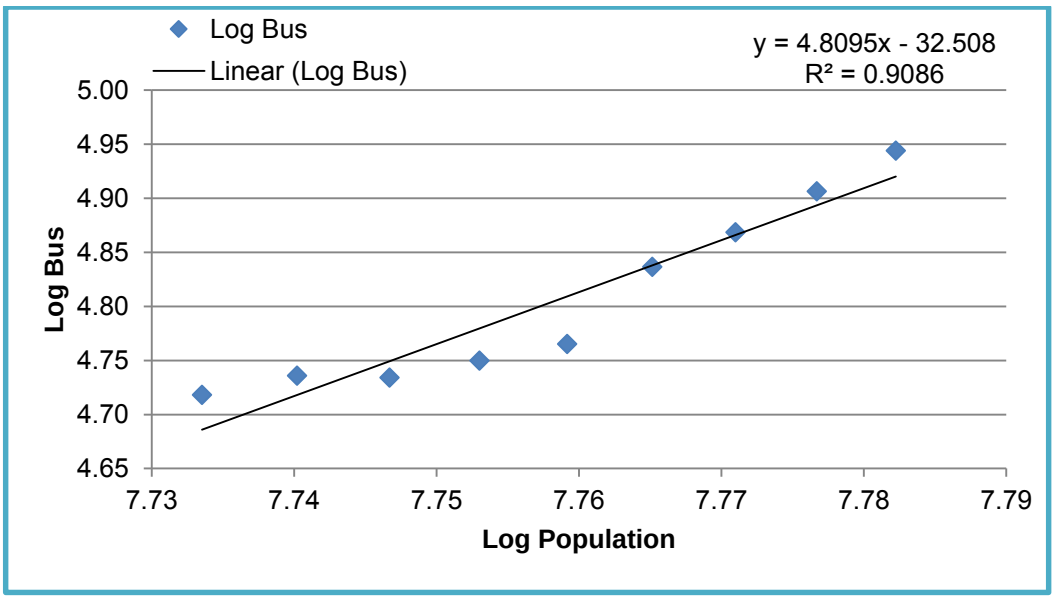

Figure 5-2: Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	17226500	418811	7.24	5.62		
2005	19727000	457702	7.30	5.66	15%	
2006	21395400	508880	7.33	5.71	8%	
2007	23925300	553792	7.38	5.74	12%	
2008	24948000	586598	7.40	5.77	4%	
2009	28473200	626344	7.45	5.80	14%	
2010	31589200	678804	7.50	5.83	11%	
2011	33688600	750491	7.53	5.88	7%	
2012	35647700	818484	7.55	5.91	6%	
2013	38547200	875103	7.59	5.94	8%	9.42%

Following figure depict regression analysis and extrapolation.

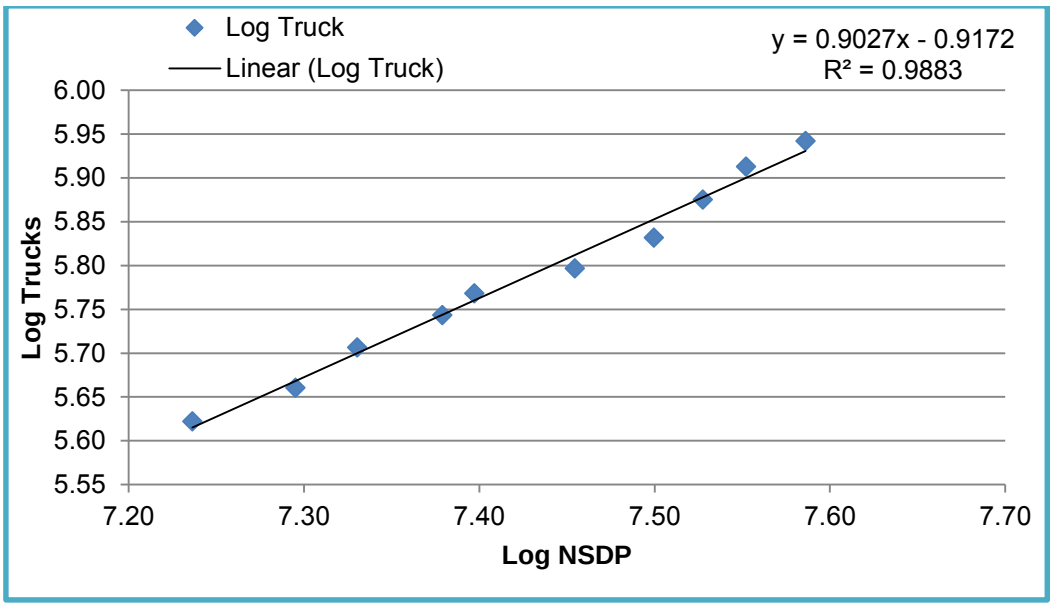

Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. $R^2$is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the *good fit regression* as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Gujarat	Car/Jeep	PCI	y = 1.6713x - -1.5017	R^2 = 0.9143	1.6713	6.56%	10.96%
	Bus	Population	y = 4.8095x - -32.5085	R^2 = 0.9086	4.8095	1.38%	6.63%
	Truck	NSDP	y = 0.9027x - -0.9172	R^2 = 0.9883	0.9027	9.42%	8.50%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Concessionaire has shared the traffic data of the project stretch from Surat to Bharuch on NH-8 since 2010. Following table provides historic traffic data at toll plaza location

Table 5-5 : Past Traffic at Project Stretch -

Vehicle Type / Year	2011	2012	2013	2014	2015	2016
Car/Jeep/Van	4950	5747	5864	5507	5948	6517
LCV	2855	3127	3479	3633	4226	4608
Truck/Bus	5226	4775	5442	5026	5025	5042
Multi Axle (> 2 axle)	8202	8210	8696	8607	9138	9598
TOTAL (NO)	21233	21859	23480	22773	24338	25766

Following figure illustrate growth of traffic over past year at project section.

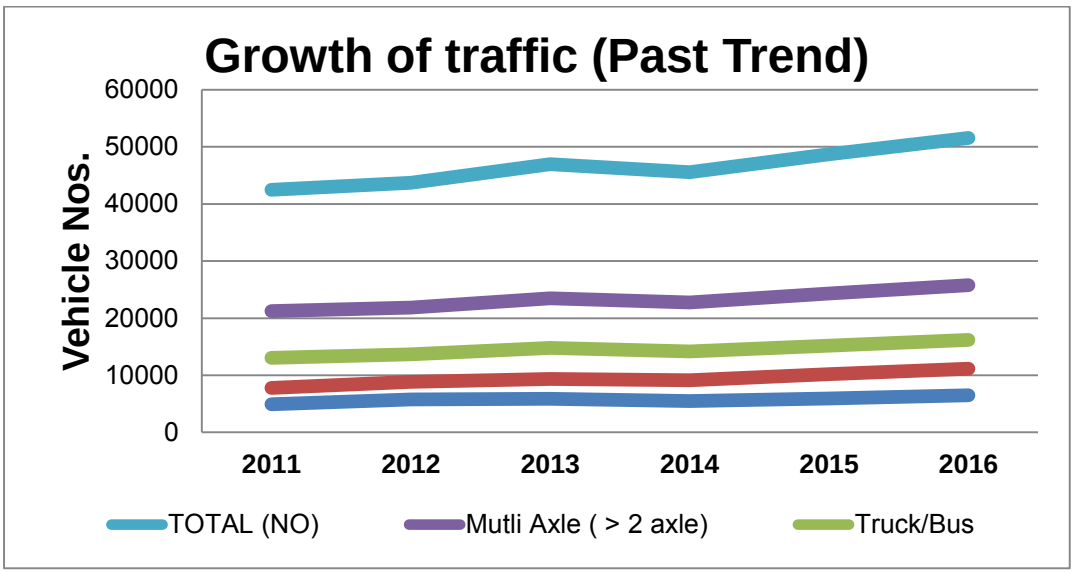

Figure 5-4 : Growth of Traffic at Project Stretch

It is observed that except in year 2013 traffic on project corridor has registered positive growth. It has grown at in the range of 6% to 7% in year 2014 and 2015.

5.5 Other Factors Influencing Growth

There are many factors which have an impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a high growth rate of GDP was recorded in 2010. The following figure depicts growth of GDP in India during the period.

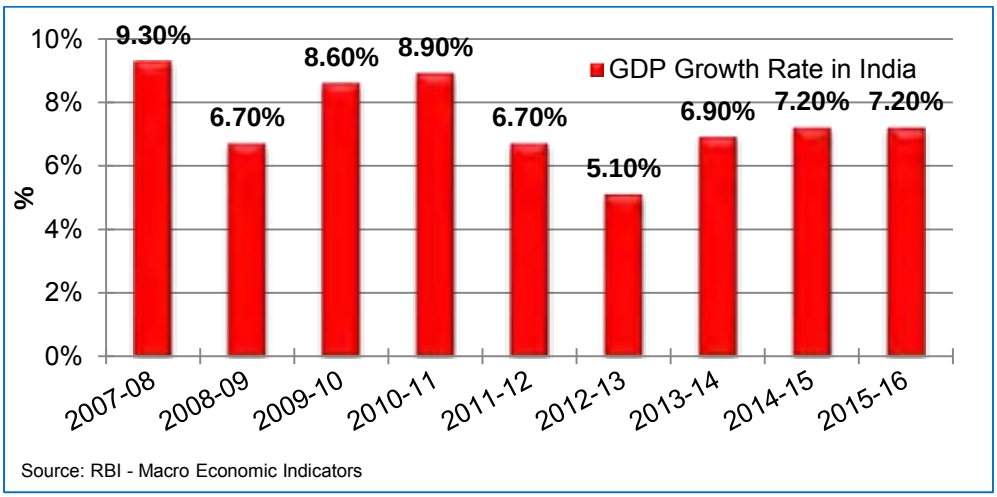

Figure 5-5 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

Gujarat is one of the fastest growing states of India. The Gujarat model of development has resulted in equal growth of agriculture, services and industries. Owing to the rapid turnaround the state witnessed in the last 10 years, several industries have come up in the state. In addition to this there are many other initiatives which government has taken. As a result there number of infrastructure and educational projects coming up in region. These projects have potential of positive impact on project highway. There is large amount of information available on open platform including internet regarding this. Relevant information is compiled as under.

5.6.1 Developments around Bharuch

Bharuch has always been a prosperous area because of its location on the Narmada River. Although water tends to be scarce in Gujarat, it is found in abundance in Bharuch. As a result of this, agriculture and other commercially linked activities have flourished in Bharuch.The soil here that is ideal for cotton cultivation, Bharuch is sometimes referred to as 'Kanam Pradesh' (black soil land).

Modern Bharuch is one of the most heavily industrialised areas, not only in Gujarat but in India as a whole, with many large chemical plants producing fertilisers, paints, dyes, cotton, textiles, and dairy products.

Bharuch has also advantage of Gujarat's biggest liquid cargo terminal. Large fertilizer and chemical companies, like GNFC Ltd. are also located in Narmadanagar (a suburb of Bharuch) since 1976.

Large multinationals, like the Meghmani, Torrent Group, PepsiCo International, Guardian Corporation, HeubachColors, ZydousCadila, Cadila Health Care, Survival Technologies, Videocon, China Light and Power, BASF, Reliance, Tata Group, Aditya Birla Group, Welspun Stahl, Aventis, Wockhardt, Rallis, Pfizer, Ciba, L&T,Bayer, Glenmark, UPL, Lupin, J B Chemicals, Gujarat Fluorochemicals, NTPC, ONGC, GAIL, OPAL SOlvay, Breeze Intermediates for flavour & fragrance intermediates, Fireminich and

GPEC etc.have set up manufacturing units in and around Bharuch and Ankleshwar.

5.6.2 Developments around Surat Area

Surat is a major hub of diamond cutting and polishing. The city accounts for:

- 90% of the world's total rough diamond cutting and polishing;
- 99.99% of the nation's total rough diamond cutting and polishing;
- 90% of the nation's total diamond exports;

Surat is also known as the textile hub of the nation or the Silk City of India. It is very famous for its cotton mills too. Surat is the biggest centre of MMF (man-made fibre) in India. It has a total of 381 dyeing and printing mills and 41,100 power loom units. There are over a hundred thousand units and mills in total. The overall annual turnover is around 5 billion rupees. The city accounts for:

- 40% of the nation's total manmade fabric production;
- 28% of the nation's total manmade fibre production;
- 18% of the nation's total manmade fibre export; and
- 12% of the nation's total fabric production.

Along with Textile and Diamond, there are other sectors operating in the city like Petroleum, Oil & Gas, Shipping, Cement, Metallurgy, Paper, Chemical, Fertilizer etc. Hazira INA, Magadalla, Ichchhapore, Olpad near Surat city are having giant industries like ONGC, GAIL, ABG Shipyard, Narmada Cement, Ambuja Cement, Ultratech Cement, NTPC-KGPP Power Plant, ESSAR group of Industries(Steel/Power/Chemical/Oil/Shipping), L&T, Reliance PVC, Reliance Petroleum, Kribhco-Fertilizer mammoth, Cairn India Limited-Oil Drilling and Exploration Giant, GSPC, Gujarat Gas, Shell, LNG, Niko Gas, Rama Paper Mill etc. are some of them.

Some of the big projects benefiting the project corridor are detailed below.

5.6.3 Delhi Mumbai Industrial Corridor (DMIC)

Part of the DMIC alignment is running through the project corridor of Surat - Bharuch. The Delhi-Mumbai Industrial Corridor Project is a State-Sponsored Industrial Development Project of the Government of India. It is a $100 billion ambitious project aimed at developing Industrial zones spanning across

six states in India which would spur economic development in the region and develop industries.

It would be the largest infrastructure project India has ever attempted in its history. The project will see major expansion of Infrastructure and Industry – including smart cities, industrial clusters along with rail, road, port, and air connectivity – in the states along the route of the Corridor. Many smart cities would be developed alongside, such as the Dholera SIR in Gujarat, which is envisaged to be 6 times the size of Shanghai and 2 times the size of Delhi.

The backbone of the project would be the dedicated Freight Corridor that would cut the logistical costs of manufactured goods to make it the lowest in the world. India needs to employ over 100 million people within the next decade and so this project assumes vital importance to develop manufacturing centers that could help achieve such a target.

5.6.4 Cargo Terminal

Airport Authority of India is planning to construct a cargo terminal in Dumas district. The terminal has been proposed to boost South Gujarat's industrial sector including textile, chemical, diamonds, horticulture and ancillary industries. The cargo terminal is expected to ease the movement of precious cargo including diamonds, gold and jewellery from Surat. AAI have given an in-principle approval for the cargo terminal with a handling capacity of around 5,000 tonnes.

5.6.5 DREAM City: Diamond Research And Mercantile City

Diamond Research and mercantile City, also known as DREAM City is an upcoming business district coming up in Surat, Gujarat. It will be built on 2000 acres of land near Khajod along the lines of Gujarat International Finance Tech(GIFT) City and Dholera Smart City near Ahmedabad. The project is expected to open in 2017-2018 and it will be Gujarat's third smart city. The district will have ample office space, residential areas and amenities provided within the premises. India's second diamond trading centre, the Surat Diamond Bourse, will operate from DREAM City. Its major roles will be trading unpolished diamonds and manufacturing polished diamonds. The Diamond Bourse is expected to have services for import and export of diamonds, as well as banking and insurance services.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under. Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-6 : Recommended Growth Rates Optimistic

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.50%	8.00%	7.50%	7.00%	6.50%	6.00%
Mini Bus /LCV	8.00%	7.50%	7.00%	6.50%	6.00%	5.50%
Truck / Bus	6.75%	6.25%	5.75%	5.25%	4.75%	4.25%
Multi Axle	8.50%	8.00%	7.50%	7.00%	6.50%	6.00%

Table 5-7 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	4.20%	5.25%	5.25%	5.50%	7.00%	6.50%	6.00%	5.50%	5.00%
Mini Bus /LCV	3.90%	4.90%	4.90%	5.15%	6.50%	6.00%	5.50%	5.00%	4.50%
Truck / Bus	3.20%	4.00%	4.00%	4.25%	5.25%	4.75%	4.25%	3.75%	3.25%
Multi Axle	4.20%	5.25%	5.25%	5.50%	7.00%	6.50%	6.00%	5.50%	5.00%

Table 5-8 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.00%	7.50%	7.00%	6.50%	6.00%	5.50%
Mini Bus /LCV	7.50%	7.00%	6.50%	6.00%	5.50%	5.00%
Truck / Bus	6.25%	5.75%	5.25%	4.75%	4.25%	3.75%
Multi Axle	8.00%	7.50%	7.00%	6.50%	6.00%	5.50%

Traffic and revenue has been worked out on the basis of above growths and same is presented in subsequent chapter of report.

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth up to concession period

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage Km 246.075 (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	7672	5376	5745	11299	**30092**	**85236**
2018-19	8323	5807	6132	12259	**32521**	**92135**
2019-20	9030	6272	6546	13300	**35148**	**99597**
2020-21	9752	6742	6956	14363	**37813**	**107169**
2021-22	10532	7248	7390	15511	**40681**	**115322**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- Chainage Km 246.075

(Pessimistic Growth Scenario)

Year	CAR	/LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	7149	5024	5416	10528	**28117**	**79674**
2018-19	7523	5271	5633	11079	**29506**	**83653**
2019-20	7937	5542	5872	11689	**31040**	**88041**
2020-21	8492	5902	6180	12506	**33080**	**93894**
2021-22	9086	6284	6504	13381	**35255**	**100150**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- Chainage Km 246.075

(Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	7603	5327	5695	11194	**29819**	**84450**
2018-19	8211	5727	6050	12089	**32077**	**90863**
2019-20	8868	6156	6428	13056	**34508**	**97767**
2020-21	9533	6587	6798	14035	**36953**	**104711**
2021-22	10248	7048	7188	15087	**39571**	**112153**

CHAPTER 7
FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Surat – Bharuch section of NH-8 is based on old toll policy. As per the Toll Notification (Schedule -G) the discounts and special provisions have been considered. In addition to discounts as per Fee Notification concessionaire has declared special category rates also. Salient features of toll rate structure are given as under

1. Monthly Pass: For frequent users monthly pass would be issued at a fee 30 times the single journey fee. Additionally, concessionaire has announced special monthly passes for Truck/Bus and Multi Axle category of vehicle at Rs. 1210 and Rs. 1940 respectively which will be escalated every year per inflation in WPI.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. Local Discounts: There are several categories of local discounts.
    a) Local Personal Vehicle - 25% of applicable fee for specific category of vehicle
    b) Local Commercial Vehicle - 50% of applicable fee for specific category of vehicle

Building of inflation and escalation of rate on the basis of WPI are done as per toll notification (Schedule G) as given under as extract from concession agreement.

The aforesaid fee will be revised once in every year with effect from 1st July of the year. The revised fee shall be computed as follows:-

$$\text{Base Fee} \times \frac{\text{WPI-B}}{\text{WPI-A}}$$

Where

- WPI-A = is the Wholesale Price Index on March 31, 1997.
- WPI-B = is the Wholesale Price Index on March 31 preceding the fee-revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates June 1997

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV) / Mini Bus	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2016. A moderate growth in Wholesale Price Index (WPI) has been assumed after that. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

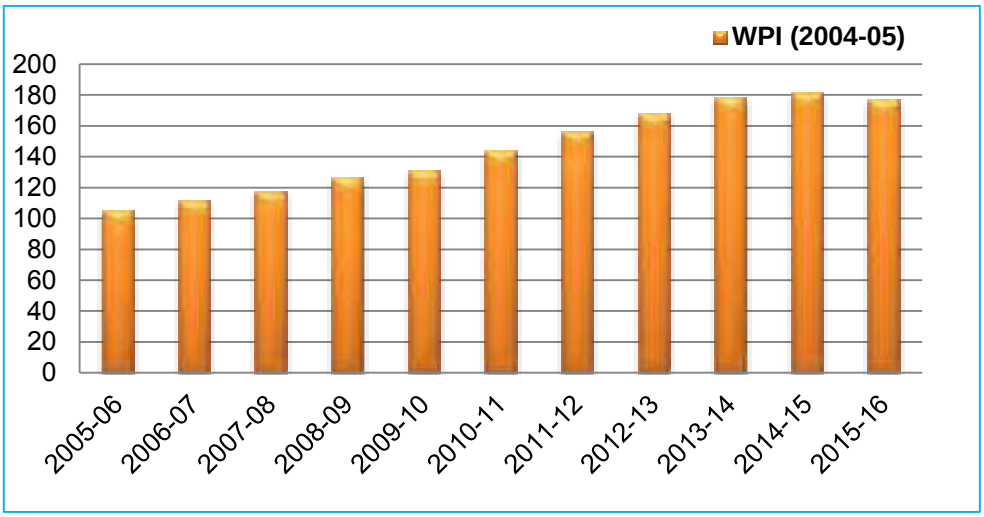

Figure 7-1 : Historical Rate WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same is considered for projection of WPI in future years.

There is no bypass or structure to be added for in rates.

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs. five) for the concession period and are given below.

Table 7-2 : Toll Rates for Car / Jeep / Van @Km 246.075

Year	Single Journey	Single Journey LP	Single Journey LC	Daily Pass	Daily Pass LP	Daily Pass LC
2017-18	70	20	35	105	25	55
2018-19	75	20	35	110	30	55
2019-20	80	20	40	120	30	60
2020-21	85	20	40	125	30	60
2021-22	85	20	45	130	35	65

Table 7-3 : Toll Rates for LCV / Mini Bus @Km 246.075

Year	Single Journey	Single Journey LC	Daily Pass	Daily Pass LC
2017-18	125	60	185	90
2018-19	130	65	195	100
2019-20	135	70	205	105
2020-21	145	70	215	110
2021-22	155	75	230	115

Table 7-4 : Toll Rates for Truck / Bus @Km 246.075

Year	Single Journey	Single Journey LC	Daily Pass	Daily Pass LC
2017-18	245	125	370	295
2018-19	260	130	390	315
2019-20	275	135	410	330
2020-21	290	145	435	350
2021-22	305	155	460	370

Table 7-5 : Toll Rates for Multi Axle @Km 246.075

Year	Single Journey	Single Journey LC	Daily Pass	Daily Pass LC
2017-18	395	200	595	295
2018-19	420	210	625	315
2019-20	440	220	660	330
2020-21	465	235	700	350
2021-22	490	245	735	370

Table 7-6 : Toll Rates for Monthly Passes @Km 246.075

Year	CAR - Monthly Pass LP	CAR - Monthly Pass LC	CAR - Monthly Pass Regular	LCV - Monthly Pass	LCV - Monthly Pass LC	T/B - Monthly Pass	T/B - Monthly Pass LC	T/B - Monthly Pass - Special	Monthly Pass	Monthly Pass LC	Monthly Pass - Special	Monthly Pass - Sugarcane
2017-18	530	1055	2115	3700	1850	7400	3700	1290	11890	5945	2065	4220
2018-19	560	1115	2230	3905	1950	7805	3905	1365	12545	6275	2190	4450
2019-20	590	1175	2355	4120	2060	8235	4120	1445	13235	6620	2320	4695
2020-21	620	1240	2480	4345	2170	8690	4345	1530	13965	6980	2460	4955
2021-22	655	1310	2620	4585	2290	9165	4585	1620	14730	7365	2610	5230

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios based on above rates and projected traffic. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2021-22 (End of Concession Period) starting from the year 2017-18 are shown in tables below.

Table 7-7 : Toll Revenue Optimistic Scenario

(Rs. Crores)

Year	Toll Plaza 246.075	Total
2017-18	234.89	**234.89**
2018-19	269.03	**269.03**
2019-20	306.35	**306.35**
2020-21	348.30	**348.30**
2021-22	394.90	**394.90**

Table 7-8 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll Plaza 246.075	Total
2017-18	219.36	**219.36**
2018-19	243.91	**243.91**
2019-20	270.30	**270.30**
2020-21	304.42	**304.42**
2021-22	341.98	**341.98**

Table 7-9 : Toll Revenue Most Likely Scenario

(Rs. Crores)

Year	Toll Plaza 246.075	Total
2017-18	232.73	**232.73**
2018-19	265.30	**265.30**
2019-20	300.70	**300.70**
2020-21	340.31	**340.31**
2021-22	384.06	**384.06**

CHAPTER 8
OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M costs form part of the expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed.

8.2 Major Elements of maintenance

The following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	65	Km
Main Carriageway	Paved Area	1436450	SQM
Service Road	Paved Area	185500	SQM
Bus bays	Paved Area	47250	SQM
Structure		33810	SQM
Major Bridge	Area	12222	SQM
Minor Bridge	Area	9595	SQM
Flyover	Area	11993	SQM
RCC Crash Barrier	Length	19500	RMT
Metal Beam Crash Barrier	Length	13000	RMT
Guard Post	Nos	26000	No.
Kerb Detail	Length	130000	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimated on engineering judgment and experience basis. Keeping all above factors in view, the following can be basis of working out cost of operation and maintenance for project corridor from Surat to Bharuch on NH-8 in state of Gujarat.

a) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

b) **Periodic Maintenance** – This will be done on periodic basis, say every 5 years. It would consist of overlaying of wearing course, painting and marking. Some pavement strengthening is also anticipated in few sections. This operation and its cost are spread over three years. But since the project is commissioned and has seen stable traffic in the last few years, periodic maintenance shall be as per condition of pavement and other infrastructure. Inputs of concessionaire have been taken in this regard.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Operation & Maintenance Cost

Year	Annual Maintenance (Rs. Cr)	Thermoplastic Painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of Pavement	Structure Maintenance (Rs. Cr)	Electric System	Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual				
2017-18	16.81			10.18	0.05	0.80	27.84	1.10	30.69	Regular O & M
2018-19	16.81			10.18	0.05	0.80	27.84	1.16	32.23	Regular O & M
2019-20	16.81	1.43	20.63	20.36	0.05	0.80	60.08	1.22	73.03	Renewal of Wearing course + Pavement repair
2020-21	16.81			20.36	0.05	0.80	38.02	1.28	48.52	Regular O & M + Pavement Repair
2021-22	16.81	1.43	20.63	53.41	0.05	0.80	93.14	1.34	124.81	Renewal of Wearing course + Pavement repair

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

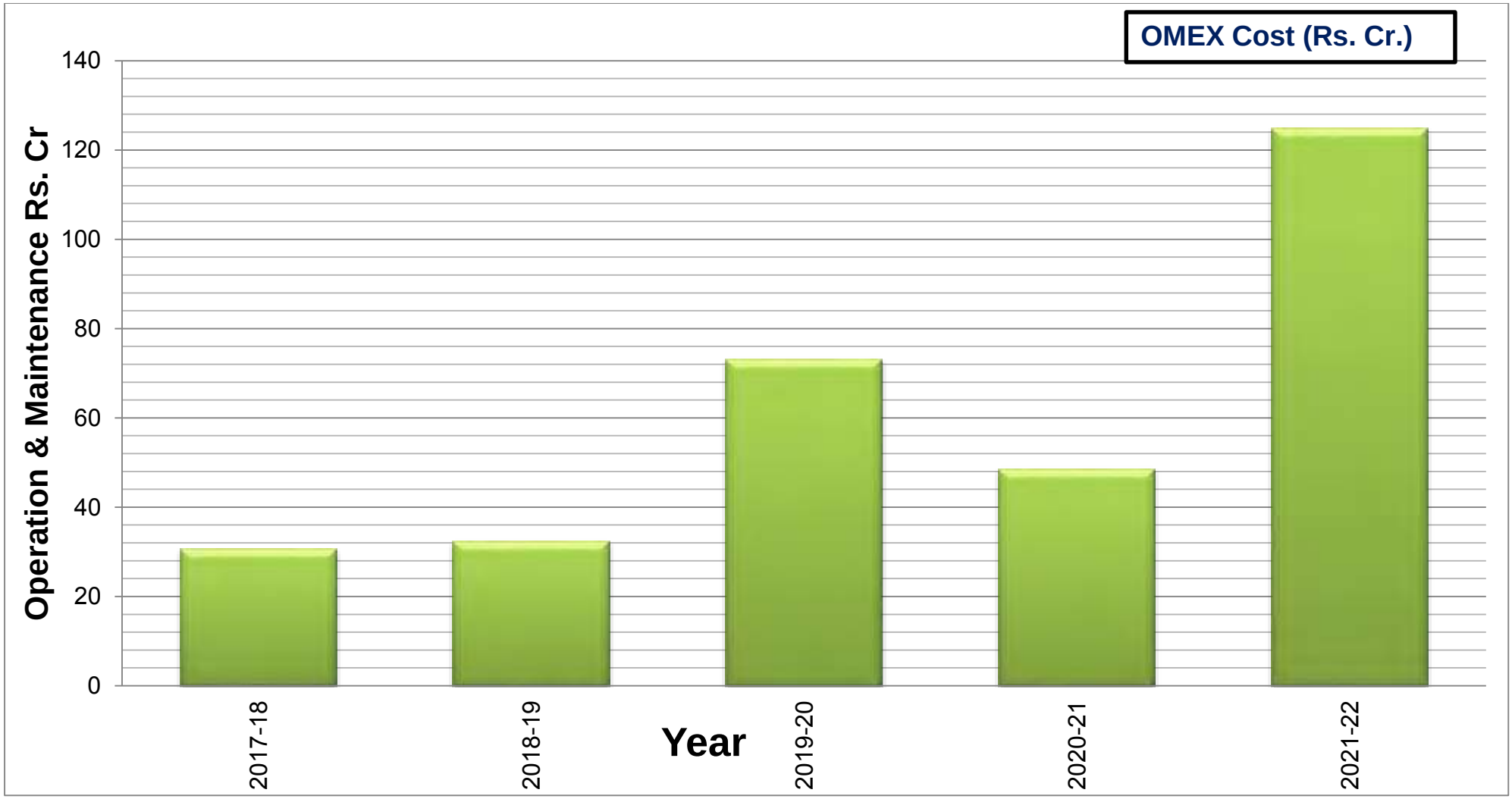

Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9
CONCLUSION & RECOMMENDATIONS

16.1 Conclusion & Recommendations

Project stretch of Surat to Bharuch section of NH-8 in state of Gujarat from km 198.000 to km 263.000 is currently asix lane road. The road is in sound condition and serves to stable traffic volumes. The project corridor is a part of the busiest and most prominent national highway NH-8 which connects political and financial capitals of India. This is one of the most important trunk road which stretches across many states. There are large number of townships, industrial corridors and other business establishment coming up along the project corridor. As the Indian economy is poised to grow at over 7%, the project corridor is expected to pick up similar trends in terms of traffic flow. All these developments have potential to give positive impact to traffic flow on project. Following can considered as major outcome of study.

a) There is a reasonable good amount of tollable traffic running on the project

b) Project corridor has potential to witness traffic growth @ 7-8% annually in near future due to various developments in the area and overall development of economy

c) The project corridor has committed traffic as long route traffic and does not run the risk of traffic leakage due to quality competing road

d) The project infrastructure is in good condition and its maintenance cost is also reasonable

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

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JAIPUR TO DEOLI SECTION OF NH-12

(KM 18.700 TO 165.000)

IN THE STATE OF RAJASTHAN

MARCH 2017

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Jaipur - Deoli section of NH-12 from Km 18.700 to km 165.000 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. *M/s IRB Jaipur Deoli Tollway Private. Ltd*. (Concessionaire) has been awarded the Project for concession period of 25 years starting from 14th June 2010 to 13th June 2035. The Project has been commissioned and is currently in the operation / maintenance phase

1.2 Objective of the Study

M/s IRB Infrastructure Developers Limited has engaged *GMD Consultants* to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost Projection Report***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

The project road is part of the National Highway-12 from Km 18.700 near Jaipur to Km 165.00 near Deoli (hereinafter, referred to as the Project Corridor), which connects Jaipur to Jabalpur via Tonk and Bhopal.

The project corridor is in the state of Rajasthan and passes through districts, viz. Jaipur and Tonk. En-route, it passes few major/minor urban centres, viz. Shivdaspura, Chaksu Tonk, and Deoli along its length.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

Figure 2-1 : Index Map of Project Highway - Country Level

Figure 2-2 : Index Map of Project Highway - State Level

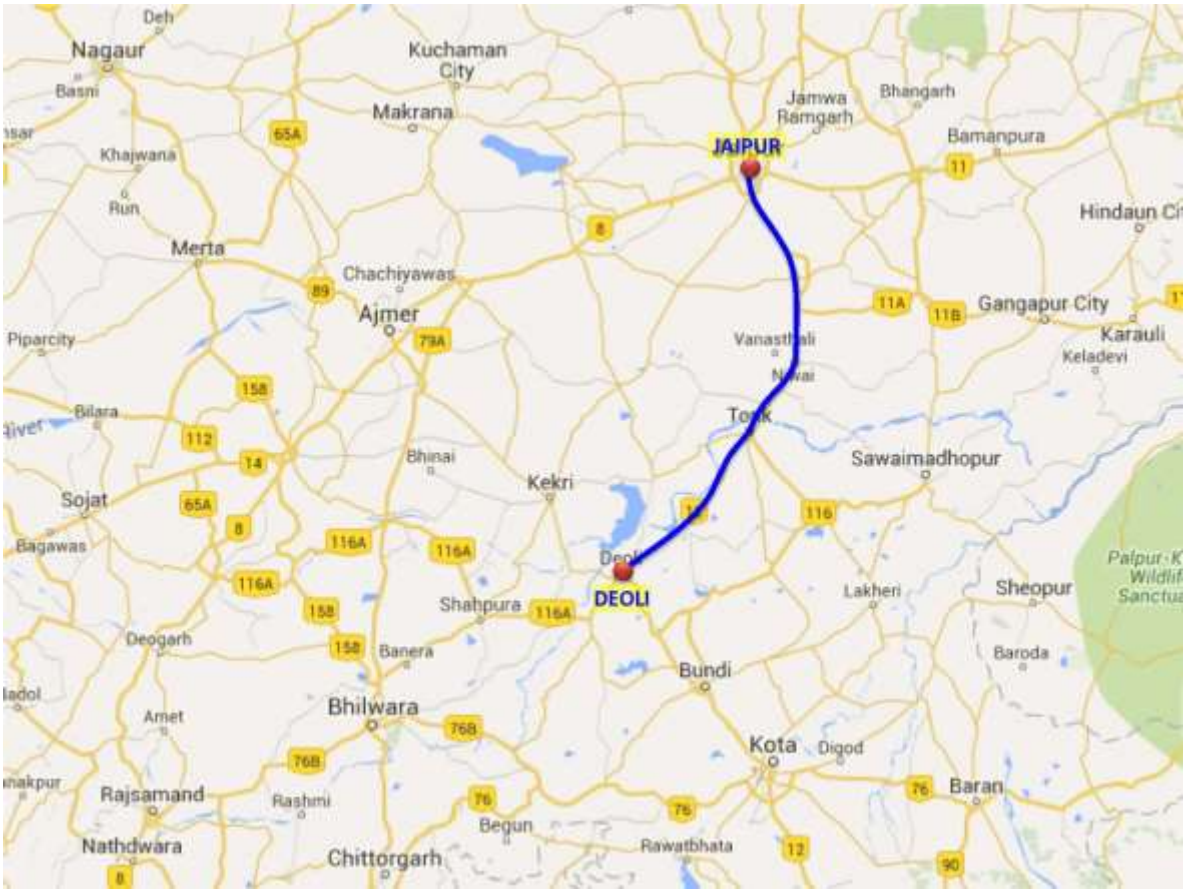


Figure 2-3 : Location Map of the Project Road

2.2 Corridor Description

The National Highway No. 12 connects Jaipur and Jabalpur via Tonk, Kota, and Bhopal. It makes junctions with several other national highways like NH-3 at Biora, NH-7 at Jabalpur, NH-8 at Jaipur, NH-11 at Jaipur, and NH-69 at Bhopal. The said National Highway passes through three states viz. Rajasthan and Madhya Pradesh.

This project corridor under study extends from km 18.700 (Jaipur) to Km 165.000 (Deoli) of National Highway-12. The corridor has been developed to four lane carriageway with median, paved shoulders; side drains on both side and flyovers at major intersections.

This study section of NH-12 caters to various types of traffic such as urban, suburban and regional traffic. The development alongside the highway indicates mixed land use on both sides of the highway consisting of agricultural and barren lands, residential, commercial, small & medium scale industrial establishments. Dominant land use of both sides of the project corridor is rural agriculture land. The corridor in general has significant potential for future development along the highway and in the influence area, discussed further in this Report.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Four Laning of Carriageway = 148.77 Kms
- Major Bridges = 1 Nos.
- Minor Bridges = 23 Nos.
- Flyovers = 4 Nos.
- Culverts = 124 Nos.
- Pedestrian Under passes = 3 Nos.
- Vehicular Under passes = 11 Nos.
- Cattle Under passes = 5 Nos.
- Major intersection = 25 Nos.
- Service Road = 36.762 Kms.
- Bus Bays = 32 Nos.
- Toll Plaza Complex = 2 Nos.

The details of the structures are given below.

2.3.1 Flyovers

The list of flyovers along the project corridor is as given below

Table 2-1 : List of Flyovers along Project Corridor

Sr.	Chainage	Name of Intersecting Roads	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	0+872	On Goner intersection	2 Lane Flyover	RCC Girder	3 x 21.0	1 x 10.5
2	37+418	On NH-11A (Lalsot) Intersection	4 Lane Flyover	RCC Girder	3 x 21.0	2 x 10.5
3	80+026	On Tonk Bypass (Start Intersection)	2 Lane Flyover	RCC Girder	3 x 21.0	1 x 10.5
4	83+782	On NH-116 (Sawai Madhopur)	4 Lane Flyover	RCC Girder	3 x 21.0	2 x 10.5

2.3.2 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-2 : List of Major Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	89/1 Banas	76+372	2 Lane Bridge	PSC Girder with RCC Slab	(2 x 37.11) + (21 x 38.11)	1 x 11.5
2	89/1 Banas Bridge	88+520	2 Lane Bridge	PSC Girder with RCC Slab	2x 37.11 + 21 x 38.11	1 x 11.00

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	On Bypass	16+338	4 Lane Bridge	RCC T-Beam Girder	1 x 15.0	2 x 11.5
2	On Bypass	18+828	4 Lane Bridge	RCC Solid Slab	2 x 8.0	2 x 11.5
3	On Bypass	26+369	4 Lane Bridge	RCC T-Beam Girder	1 x 21.0	2 x 11.5
4	48/1	33+400	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 3 x 9.0	Two Bridges 1 x 11.5 Each
5	50/1	35+941	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 1 x 9.0	Two Bridges 1 x 11.5 + 1 x 12.9
6	63/1	48+710	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 3 x 9.0	Two Bridges 1 x 11.5 + 1 x 12.9
7	64/1	49+347	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 3 x 6.0	Two Bridges 1 x 11.5 + 1 x 11.84
8	65/3	50+781	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 3 x 9.0	Two Bridges 1 x 11.5 + 1 x 12.17
9	81/1	68+296	Two Bridges 2 Lane Each	RCC T-Beam Girder	Two Bridges 1 x 14.0 + 2 x 6.8	Two Bridges 1 x 11.5 + 1 x 9.33

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
10	On Bypass	71+340	4 Lane Bridge	RCC T-Beam Girder	3 x 18.0	2 x 11.5
11	87/1	74+465	Two Bridges 2 Lane Each	RCC T-Beam Girder	Two Bridges 1 x 21.0 + 3 x 6.9	Two Bridges 1 x 11.5 + 1 x 11.07
12	93/1	77+833	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 1 x 9.0 Each	Two Bridges 1 x 11.5 + 1 x 9.0
13	116/2	100+822	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges x 9.0 Each	Two Bridges 1 x 11.5 + 1 x 13.0
14	On Bypass	102+232	4 Lane Bridge	RCC T-Beam Girder	1 x 21.0	2 x 11.5
15	124/1	109+042	Two Bridges 2 Lane Each	RCC T-Beam Girder	Two Bridges 3 x 20.0 + 3 x 19.4	Two Bridges 1 x 11.5 + 1 x 11.45
16	136/2	121+773	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 1 x 9.0 + 1 x 8.8	Two Bridges 1 x 11.5 + 1 x 12.0
17	137/1	122+324	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 1 x 11.0 Each	Two Bridges 1 x 11.5 + 1 x 13.0
18	139/1	123+881	Two Bridges 4 Lane Bridge +2 Lane Bridge	RCC T-Beam Girder	Two Bridges 1 x 18.0 + 3 x 9.0	Two Bridges 2 x 11.5 + 2 x 13.5

19	139/3	124+317	2 Lane Bridge	RCC Solid Slab	3 x 9.0	1 x 11.5
20	140/1	125+050	2 Lane Bridge	RCC Solid Slab	4 x 11.0	1 x 11.5
21	146/1	130+755	Two Bridges 2 Lane Each	RCC T-Beam Girder	Two Bridges 3 x 20.0 + 3 x 18.8	Two Bridges 1 x 11.5 + 1 x 11.0
22	149/1	133+503	Two Bridges 2 Lane Each	RCC T-Beam Girder	Two Bridges 1 x 20.0 Each	Two Bridges 1 x 11.5 + 1 x 12.0
23	151/1	135+383	Two Bridges 2 Lane Each	RCC Solid Slab	Two Bridges 2 x 9.0 Each	Two Bridges 1 x 11.5 + 1 x 12.9

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4 : Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

In the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at the two toll plaza locations on Jaipur Deoli section of NH-12 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

The project can be divided into two homogenous sections from traffic point of view.

These sections can be

1. Jaipur to Tonk
2. Tonk to Deoli

Traffic of both sections is represented by toll plaza in each section.Table 3-1 below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Data Details

SR. NO	LOCATION	CTV	Single Journey Traffic	Return Pass Traffic	Monthly Pass Traffic	Local Traffic

1	Km 30.500 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016
2	Km 105.000 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1 : Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in

Table 3-2.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / van
- Mini Bus /LCV
- Truck / Bus
- Multi Axle
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of the project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have significant potential to affect toll revenue. Component of local traffic, component of passenger and commercial traffic,

portion of return journey traffic, portion of monthly pass traffic are some such characteristics of traffic. These will be discussed in subsequent sections of this report

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under for both toll plazas -

Table 3-3 : Traffic Data at Toll Plaza @ Km 30.500

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	Car	5672	7057
2	Mini Bus / LCV	1462	1482
3	Truck / Bus	3025	2923
4	Multi Axle	2190	2283
5	Oversized Vehicles	3	2
	Total	**12352**	**13747**

Similar traffic data for toll plaza at km 105.000 is given as under

Table 3-4 : Traffic Data at Toll Plaza @ Km 105.000

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	3072	2824
2	Mini Bus/ LCV	861	811
3	Truck/Bus	1407	795
4	Multi Axle	1637	1498
5	Oversized Vehicles	3	3
	Total	**6979**	**5931**

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in ***Table 3-5.***

Table 3-5 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-6 : Traffic in PCU at both sections

Toll Plaza Location	Period	PCU	PCU Index
30.500	FY 2016	26509	2.15
	FY 2017 upto Dec 2016	30796	2.24
105.000	FY 2016	10990	1.57
	FY 2017 upto Dec 2016	10324	1.74

It can be observed from above that project traffic has a PCU index ranging between 1.6 to 2.2 which indicates good component of commercial and goods traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that car traffic forms 46% of total traffic at toll plaza location 30.5 while multi axle vehicles are is 18% of total traffic. 24% of traffic is Truck /Bus while LCV traffic forms the balance 12%. Over all about 50% of traffic is commercial in nature.

At toll plaza location 105.0 car traffic forms 44% of total traffic at toll plaza while multi axle and LCV are 24% and 20%. LCV volume is 12% of the total traffic. Over all about 60% of traffic is commercial in nature which is higher as compared to toll plaza location 105.000.

Another important bifurcation of traffic is components of traffic with respect various type of toll ticketing like

1. Single Journey
2. Return Journey
3. Overweight Vehicles (Concessionaire provided special tariff for this category)
4. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16 and 2016-17 (upto Dec 2016)

Table 3-7 : Journey Type Bifurcation of Traffic at KM 30.500

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	4240	4560
2	Return Journey	6166	6489
3	Overweight vehicles	537	369
4	Monthly Pass	1409	2329

A significant part of the traffic at KM 30.500 is return journey (50%) followed by single journey (34%) and monthly passes which share 12% of the total traffic volume. Oversize vehicle shares 4% of total traffic.

Similarly, traffic numbers for type of journey at KM 105.000 are given in following table.

Table 3-8 : Journey Type Bifurcation of Traffic at KM 105.000

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	3075	3127
2	Return Journey	2200	1876
3	Overweight vehicles	315	231
4	Monthly Pass	1389	697

Here single journey form highest portion of traffic followed by return journey and monthly pass journey

Distribution of type of journey is better represented in pie chart as given under

It can be observed as 105.000 is predominantly a rural part, monthly passes and return journey components have reduced as compared to location 30.500. Component of overweight vehicle remain same though.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or Industrial projects
- Special Industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies like blind horizontal curves and steep vertical gradients etc.,
- Configuration of road
- Riding quality
- Traffic delays,
- Length of road,
- Passing through built up or Urban Area,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Jaipur – Tonk
- Tonk – Deoli

Following figures provide alignment of competing road network and quality analysis of competing road network.

Figure 4-1 : Project Alignment Jaipur to Deoli

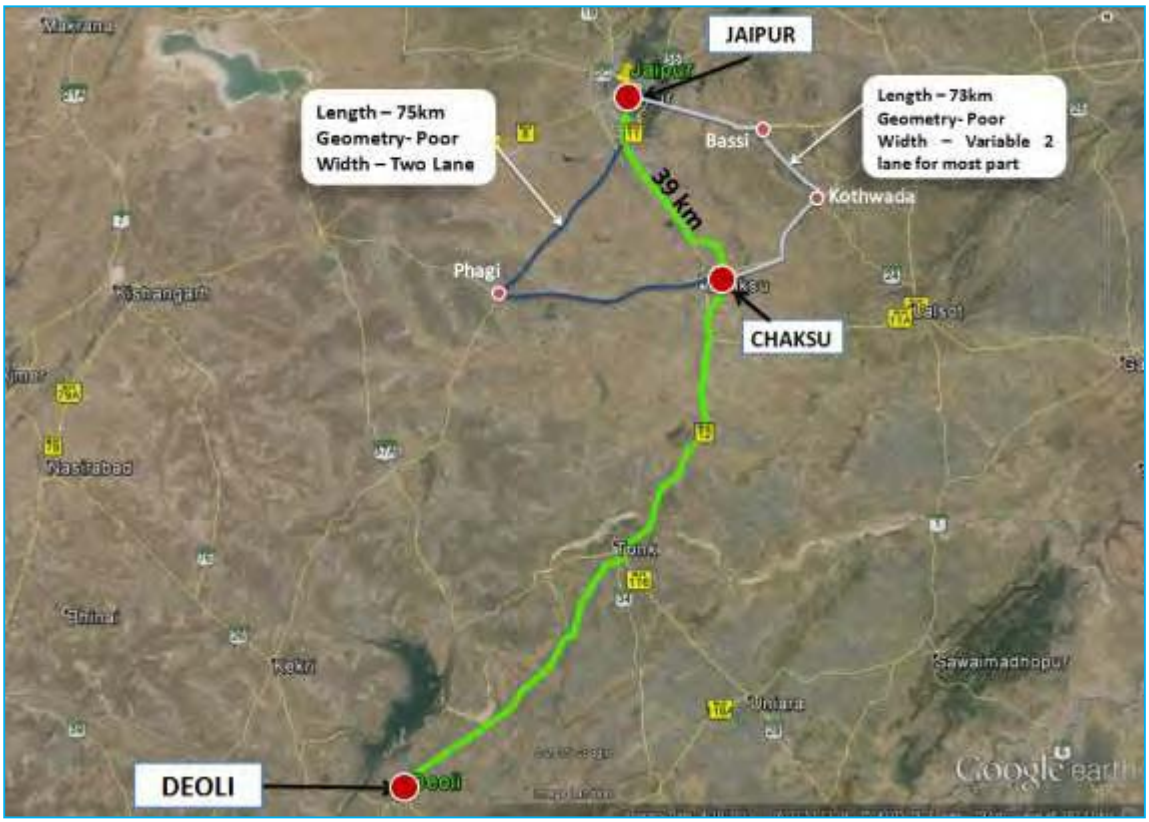


Figure 4-2 : Competing Roads Jaipur to Chaksu

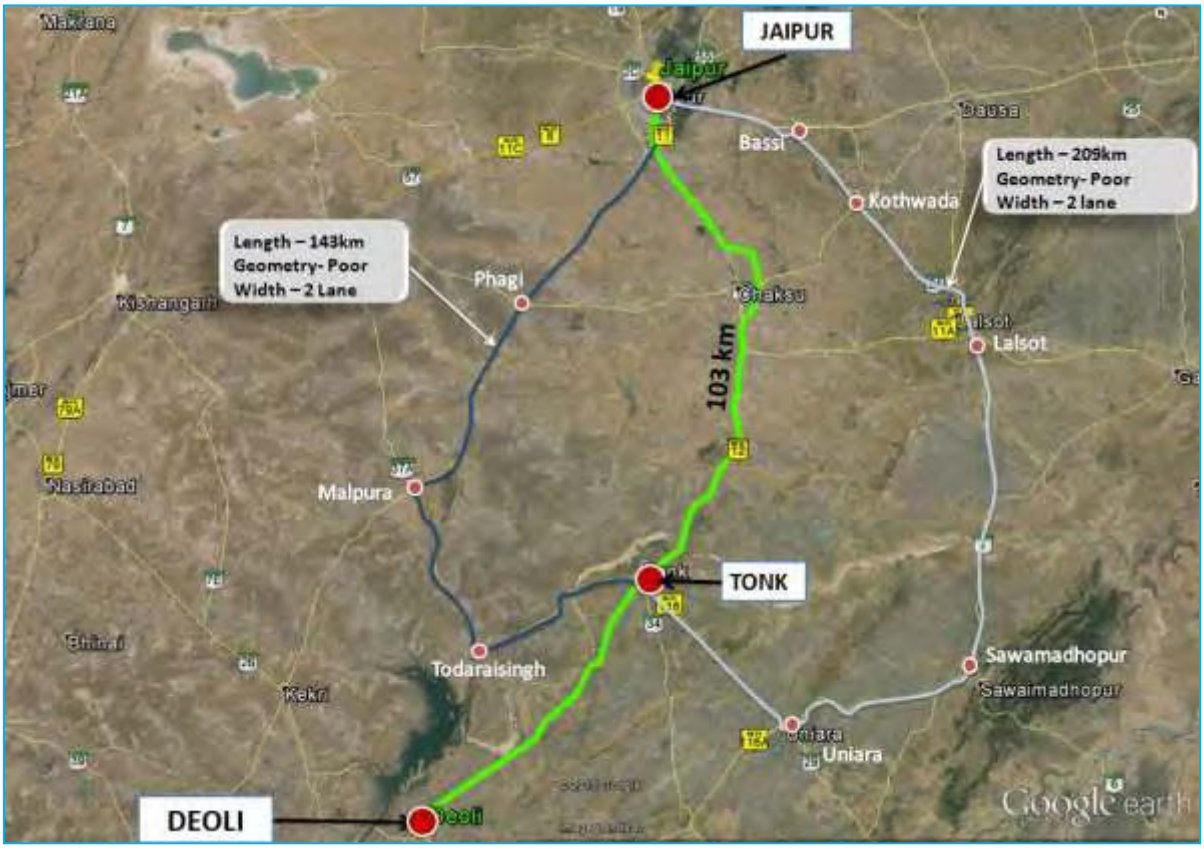


Figure 4-3 : Competing Roads Jaipur to Tonk

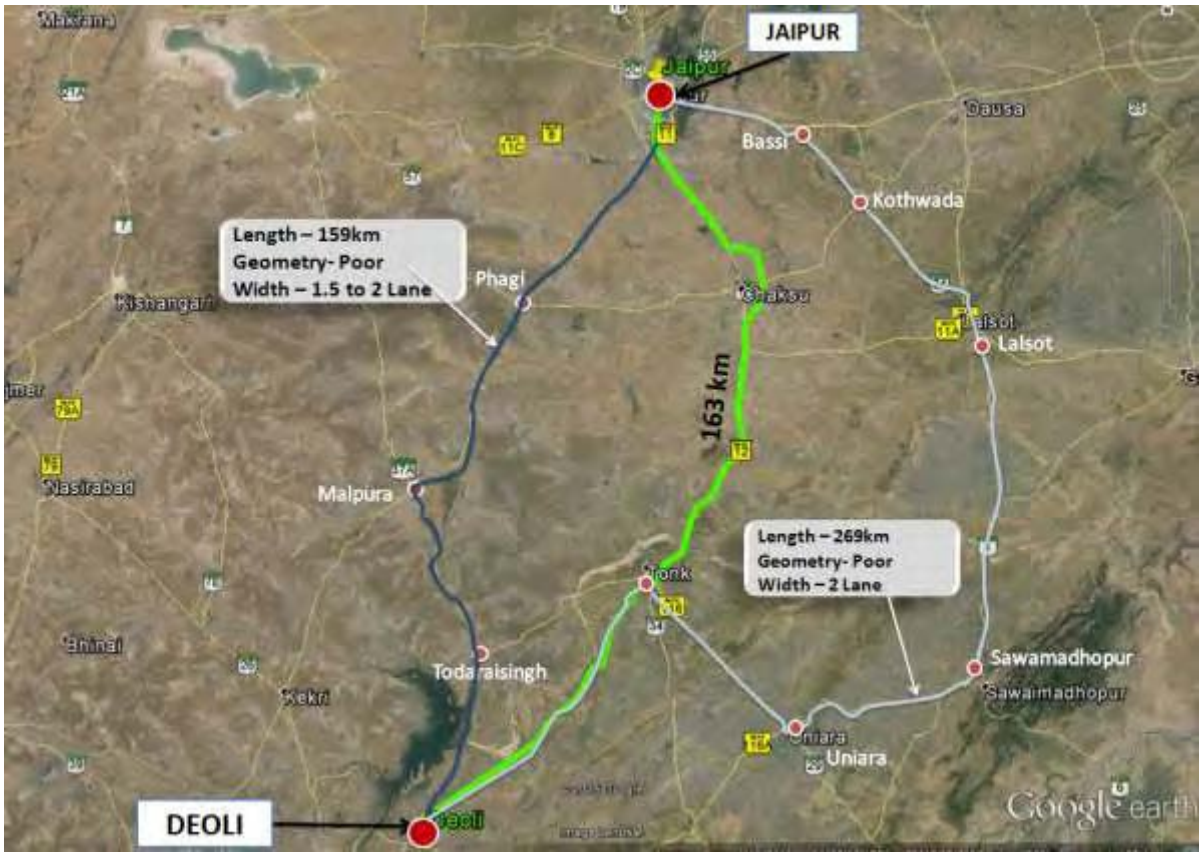


Figure 4-4 : Competing Roads Jaipur to Deoli

It can be observed that project highway form main spine of corridor between Jaipur and Deoli. There are several local roads and state highways which if integrated can for competing road network. However most of these roads run across project corridor covering much longer distance for same of pair of origin and destination as compared to project highway. More so, their geometry and riding quality of road is inferior as compared to project section of NH-12 adding to travel time. These have sharp turns, bottlenecks and patches of damaged pavement. Following table provide quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Jaipur to Chaksu via competing road (SH-12 & SH-2) on East side	Competing Road	75	40	113	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-12 not expected
	Jaipur to Chaksu via Project Road NH-12	**Project Road**	**39**	**70**	**33**	
	Jaipur to Chaksu via competing road (NH-11 & SH-2) on West side	Competing Road	73	40	110	
2	Jaipur to Tonk via competing road (SH-12) on East side	Competing Road	143	40	215	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-12 not expected
	Jaipur to Tonk via Project Road NH-12	**Project Road**	**103**	**70**	**88**	
	Jaipur to Tonk via competing road (NH-11, SH-24 & NH116) on West side	Competing Road	209	40	314	
3	Jaipur to Deoli via competing road (SH-12 & SH-26) on East side	Competing Road	159	40	239	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-12 not expected
	Jaipur to Deoli via Project Road NH-12	**Project Road**	**163**	**70**	**140**	
	Jaipur to Deoli via competing road (NH-11, SH-24 & NH-116) on West side	Competing Road	269	40	404	

As can be observed from table above, there is significant time saving and consequently cost saving for traffic which aligns to the project highway. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Jaipur – Deoli section of NH-12 has been done taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast**.**

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicle traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on a number of economic parameters. The most important and direct parameters are given as under

- Per Capita Income

- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP

Time series data of vehicle (both passenger and goods) Registered in state of Rajasthan is used as the base data for analysis of growth.

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P = *Number of Vehicles (Mode wise)*

EI = *Economic Indicator*

A = *Regression constant*

k = *Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on the Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	18565	397290	4.27	5.60		
2005	19445	417701	4.29	5.62	5%	
2006	21342	467675	4.33	5.67	10%	
2007	21922	524723	4.34	5.72	3%	
2008	23356	585161	4.37	5.77	7%	
2009	24304	659616	4.39	5.82	4%	
2010	27502	748295	4.44	5.87	13%	
2011	29612	845909	4.47	5.93	8%	
2012	30839	947598	4.49	5.98	4%	
2013	31386	1053406	4.50	6.02	2%	
2014	33186	1171267	4.52	6.07	6%	6.0%

Regression analysis of same is given in figure below

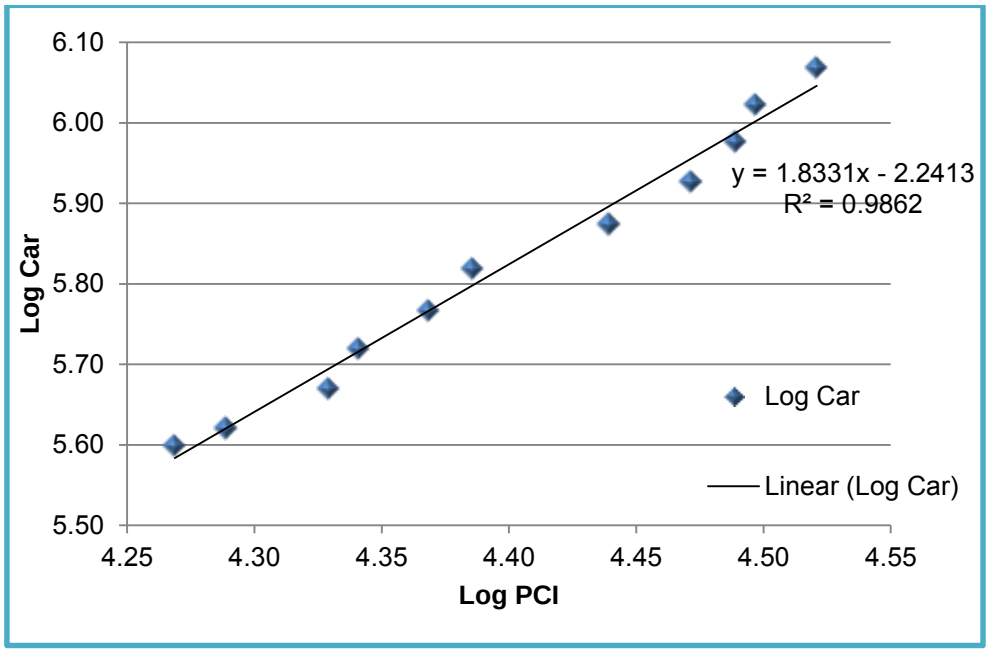


Figure 5-1 : Regression and Elasticity PCI vs. Car - Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	59984000	57542	7.78	4.76		
2005	61136000	60979	7.79	4.79	2%	
2006	62377000	63320	7.80	4.80	2%	
2007	63407000	65605	7.80	4.82	2%	
2008	64533000	69298	7.81	4.84	2%	
2009	65650000	73257	7.82	4.86	2%	
2010	66750000	77980	7.82	4.89	2%	
2011	68548437	83345	7.84	4.92	3%	
2012	70314000	88616	7.85	4.95	3%	
2013	71584000	93892	7.85	4.97	2%	
2014	72877000	97650	7.86	4.99	2%	1.97%

Regression analysis of same is given in figure below

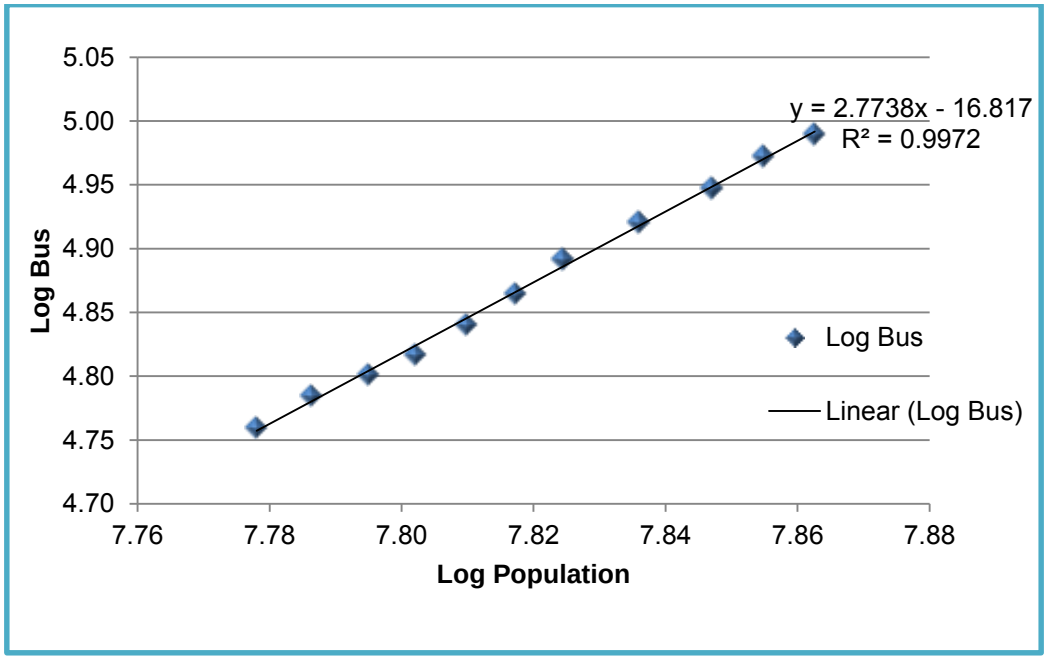


Figure 5-2 : Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	112636000	186431	8.05	5.27		
2005	120202000	206381	8.08	5.31	7%	
2006	134350000	232007	8.13	5.37	12%	
2007	140471000	252109	8.15	5.40	5%	
2008	152284000	266048	8.18	5.42	8%	
2009	161159000	289925	8.21	5.46	6%	
2010	185366000	323273	8.27	5.51	15%	
2011	202749000	362028	8.31	5.56	9%	
2012	214391000	401983	8.33	5.60	6%	
2013	224632000	434379	8.35	5.64	5%	
2014	237530000	472365	8.38	5.67	6%	7.43%

Following figure depict regression analysis and extrapolation.

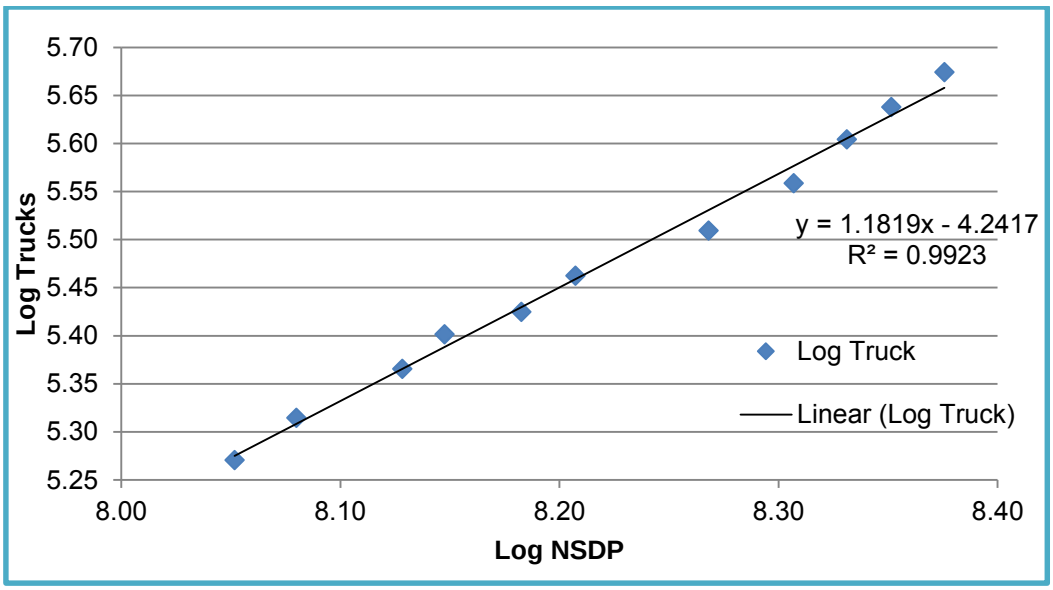


Figure 5-3 : Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Rajasthan	Car/Jeep	PCI	y = 1.8331x - -2.2413	R^2 = 0.9862	1.8331	6.03%	11.05%
	Bus	Population	y = 2.7738x - -16.8173	R^2 = 0.9972	2.7738	1.97%	5.46%
	Truck	NSDP	y = 1.1819x - -4.2417	R^2 = 0.9923	1.1819	7.43%	8.78%

Economic model for predicting growth is good tool, however other local, regional, national factors should also be considered before finalizing growth factors. Considering factors such as proposed developments and other influencing economic factors, moderated growth should be considered. These factors are discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Jaipur to Deoli has recently been commissioned and tolling only commenced in 2013. Only 3 years' traffic data is available with project concessionaire and as a result we have insufficient data points to establish past trends of growth. A minimum of 4-5 years traffic data is required for establishing a reliable past trend.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

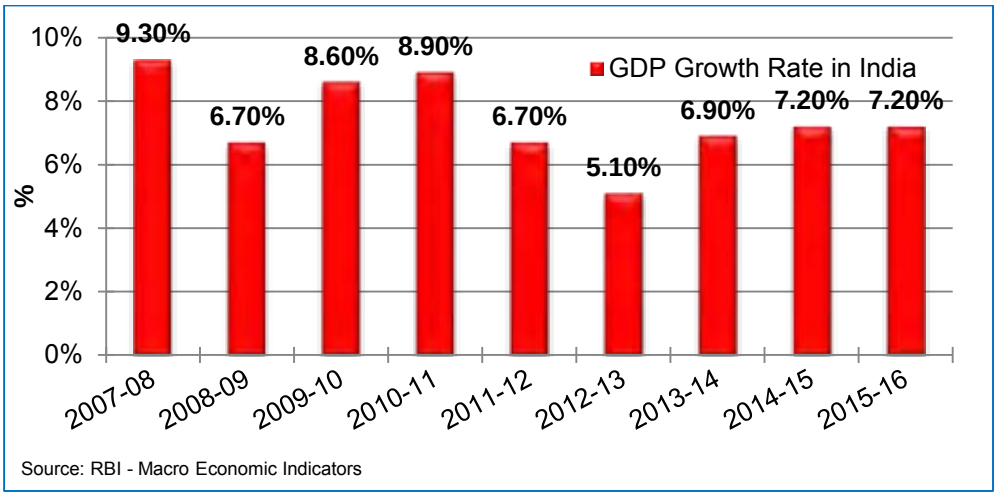


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

Rajasthan is a fast developing state. Last year Rajasthan was the leading investment destination in India after Maharashtra and Gujarat because of peaceful environment, relatively better law and order situation, excellent infrastructure, and investment friendly climate.

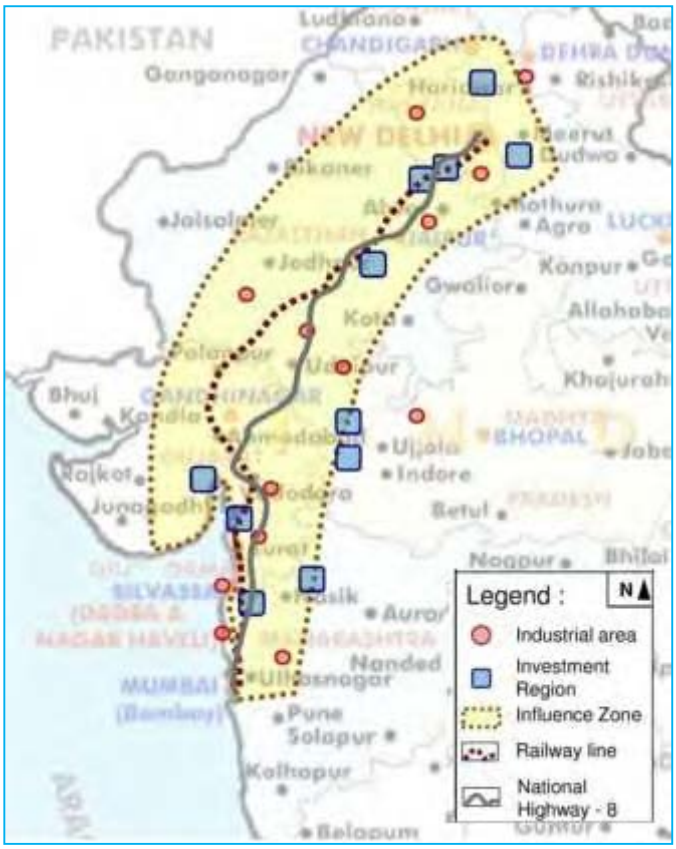
Rajasthan is pre-eminent in quarrying and mining in India. The state is the second largest source of cement. It has rich salt deposits at Sambhar, copper mines at Khetri and zinc mines at Dariba and Zawar.

Jaipur is the capital and largest city of Rajasthan. It is also known as Pink City of India and a famous travel destination.

There is large amount of information available on open platform including internet regarding this. Relevant information is compiled as under.

5.6.1 Delhi Mumbai Industrial Corridor (DMIC)

Rajasthan is strategically located along the Delhi-Mumbai section of the Golden Quadrilateral highway project, the proposed Dedicated Freight Corridor (DFC) and the Delhi Mumbai Industrial Corridor (DMIC).



Rajasthan has access to 46% of DMIC. It falls within major districts of Jaipur, Alwar, Kota and Bhilwara. Over 58% area of the state falls within the influence area of DMIC. The DMIC will provide high quality environment with state of the art infrastructure for new investors

The state of Rajasthan has a rich agricultural and mineral base. Key industrial sectors in the state include Cement, Building Stones, Gypsum, Gems & Jewellery, Chemical, Food processing and Textiles. The emerging sectors include IT/ITES, Auto Component and Knowledge Hubs. Based on the strengths of specific regions across the state, five development nodes are identified in the influence area of DMIC. It includes two investment regions and three industrial areas.

5.6.2 Mahindra World City Jaipur

Started in 2007 Mahindra World City, Jaipur is promoted in a PPP between the Mahindra Group and RIICO (a Govt. of Rajasthan undertaking), Mahindra World City, Jaipur is at par with the best business destinations in the world.

Spread across 3,000-acres with a 2,500-acre multi-product SEZ, the Mahindra City serves as a conduit between entire North India and the ports of the Western coast. It offers multi-product SEZ with dedicated zones for IT / ITeS, Engineering and Related Industries, Handicrafts, Apparel, Gems and Jewellery, Warehousing and Logistics as well as a Domestic Tariff Area (DTA) for various industries.

Spread over 750 acres, the IT/ ITES Zone has been notified by the Ministry of Commerce. Set up exclusively for IT/ITES companies catering to the global markets, Mahindra World City, Jaipur offers a modern plug–n–play infrastructure including optic fiber cable network, quality satellite linkage as well as voice and data solutions.

5.6.3 Export Promotion Industrial Park (EPIP) Sitapura Region of Jaipur

Sitapura industrial region is one of the most industrialized areas not only in Jaipur but also in Rajasthan state. This region is the best industrial zone and fastest growing business houses of Jaipur, Rajasthan. It is the largest export zone in northern India carrying some unique features such as availability of water, power substation, telecommunication, transportation and all the industries need to be pollution free. EPIP has been planned to accommodate the best possible facilities within its 365 acres area. The manufacturing activities encompass gems and Jewellery, Electronics, Garments, Handicrafts, Engineering, Leather goods, stone and IT Park.

5.6.4 Jaipur Exhibition & Convention Centre (JECC)

Jaipur will be home to the State's largest convention and exhibition facility and one of the largest in the country with the completion of the first phase of a massive mixed-use project. Spread over 42 acres of land, Jaipur Exhibition and Convention Centre (JECC) will house two exhibition centres of 110,000 square feet each, a convention centre spread over 30,000 square feet, a four and a five star hotel, commercial and entertainment space, to be constructed in various phases. The project is located at Sitapura, a prominent industrial area in Jaipur, Rajasthan.

5.6.5 Sitapura Educational Hub

Sitapura is known as educational hub of Jaipur city, designated region intended to attract foreign and local investment, retain local students, build a

regional reputation by providing access to high quality education and training for both international and domestic students, and create a knowledge based economy. There are many MCA, BCA, Architecture, Pharmaceutical, and Engineering colleges in this region. A wide range array of B.Tech, and research institution are located in Sitapura, making it one of the most popular educational hubs of Jaipur city.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under. Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-5 : Recommended Growth Rates Optimistic

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Mini Bus /LCV	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Truck / Bus	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%

Multi Axle	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
Oversized Vehicles	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%

Table 5-6 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	4.0%	5.0%	5.0%	5.3%	6.5%	6.0%	5.5%	5.0%	4.5%
Mini Bus /LCV	4.0%	5.0%	5.0%	5.3%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	3.4%	4.3%	4.3%	4.5%	5.5%	5.0%	4.5%	4.0%	3.5%
Multi Axle	4.3%	5.4%	5.4%	5.6%	7.0%	6.5%	6.0%	5.5%	5.0%
Oversized Vehicles	4.3%	5.4%	5.4%	5.6%	7.0%	6.5%	6.0%	5.5%	5.0%

Table 5-7 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Mini Bus /LCV	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Truck / Bus	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%
Multi Axle	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Oversized Vehicles	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

Traffic and revenue has been worked out on the basis of above growths and same is presented in subsequent chapter of report.

CHAPTER 6

TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage 30.500 KM

(Optimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	6616	1705	3469	2578	3	**14371**	**30835**
2018-19	7144	1841	3716	2798	3	**15502**	**33256**
2019-20	7715	1988	3980	3036	3	**16722**	**35869**
2020-21	8293	2137	4243	3279	3	**17955**	**38509**
2021-22	8915	2297	4522	3541	3	**19278**	**41345**
2022-23	9584	2469	4822	3825	3	**20703**	**44391**
2023-24	10303	2654	5140	4131	3	**22231**	**47663**
2024-25	11075	2853	5480	4462	3	**23873**	**51178**
2025-26	11850	3053	5815	4797	3	**25518**	**54699**
2026-27	12679	3267	6169	5157	3	**27275**	**58463**
2027-28	13567	3496	6547	5544	3	**29157**	**62489**
2028-29	14517	3740	6947	5960	3	**31167**	**66795**
2029-30	15533	4002	7372	6407	3	**33317**	**71399**
2030-31	16542	4262	7786	6855	3	**35448**	**75967**
2031-32	17617	4539	8224	7335	3	**37718**	**80830**
2032-33	18762	4833	8686	7848	3	**40132**	**86006**
2033-34	19982	5147	9174	8397	3	**42703**	**91518**
2034-35	21280	5482	9690	8985	3	**45440**	**97386**
2035-36	22556	5811	10187	9569	3	**48126**	**103147**
2036-37	23908	6160	10708	10191	3	**50970**	**109253**
2037-38	25343	6530	11256	10854	3	**53986**	**115723**
2038-39	26864	6922	11833	11560	3	**57182**	**122582**
2039-40	28476	7336	12440	12311	3	**60566**	**129851**
2040-41	30042	7739	13016	13050	3	**63850**	**136906**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 2- Chainage 105.000 KM

(Optimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	3582	1004	1616	1927	3	**8132**	**12840**
2018-19	3869	1084	1731	2090	3	**8777**	**13861**
2019-20	4179	1170	1854	2267	3	**9473**	**14965**
2020-21	4492	1258	1977	2449	3	**10179**	**16081**
2021-22	4829	1352	2109	2644	3	**10937**	**17282**
2022-23	5191	1452	2250	2855	3	**11751**	**18573**
2023-24	5580	1561	2400	3083	3	**12627**	**19961**
2024-25	5999	1678	2560	3330	3	**13570**	**21454**
2025-26	6418	1795	2717	3580	3	**14513**	**22952**
2026-27	6867	1921	2885	3848	3	**15524**	**24556**
2027-28	7347	2055	3064	4137	3	**16606**	**26272**
2028-29	7861	2199	3254	4448	3	**17765**	**28109**
2029-30	8411	2353	3455	4782	3	**19004**	**30076**
2030-31	8958	2506	3651	5117	3	**20235**	**32031**
2031-32	9540	2668	3859	5476	3	**21546**	**34115**
2032-33	10159	2840	4079	5860	3	**22941**	**36335**
2033-34	10819	3024	4310	6271	3	**24427**	**38702**
2034-35	11522	3220	4556	6711	3	**26012**	**41223**
2035-36	12213	3414	4792	7147	3	**27569**	**43705**
2036-37	12946	3619	5041	7612	3	**29221**	**46337**
2037-38	13723	3836	5304	8107	3	**30973**	**49130**
2038-39	14547	4066	5581	8635	3	**32832**	**52093**
2039-40	15420	4310	5872	9196	3	**34801**	**55236**
2040-41	16268	4548	6149	9748	3	**36716**	**58295**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- Chainage 30.500 KM

(Pessimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	6195	1598	3266	2407	3	**13469**	**28950**
2018-19	6504	1678	3410	2536	3	**14131**	**30394**
2019-20	6846	1767	3567	2680	3	**14863**	**31990**
2020-21	7290	1882	3768	2867	3	**15810**	**34064**
2021-22	7764	2003	3978	3067	3	**16815**	**36267**
2022-23	8268	2133	4200	3282	3	**17886**	**38617**
2023-24	8805	2272	4435	3511	3	**19026**	**41120**
2024-25	9378	2419	4684	3757	3	**20241**	**43786**
2025-26	9941	2563	4924	4001	3	**21432**	**46411**
2026-27	10537	2716	5175	4262	3	**22693**	**49192**
2027-28	11169	2879	5440	4539	3	**24030**	**52143**
2028-29	11838	3051	5719	4835	3	**25446**	**55281**
2029-30	12548	3233	6011	5150	3	**26945**	**58617**
2030-31	13237	3410	6288	5459	3	**28397**	**61847**
2031-32	13965	3597	6579	5787	3	**29931**	**65263**
2032-33	14732	3794	6882	6134	3	**31545**	**68868**
2033-34	15542	4004	7200	6501	3	**33250**	**72672**
2034-35	16397	4224	7533	6892	3	**35049**	**76692**
2035-36	17217	4436	7843	7271	3	**36770**	**80550**
2036-37	18078	4658	8167	7671	3	**38577**	**84602**
2037-38	18982	4891	8503	8092	3	**40471**	**88863**
2038-39	19932	5135	8854	8537	3	**42461**	**93349**
2039-40	20928	5392	9219	9007	3	**44549**	**98061**
2040-41	21869	5635	9554	9457	3	**46518**	**102530**

Table 6-4 : Total Tollable Traffic @ Toll Plaza 2- Chainage 105.000 KM

(Pessimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	3354	940	1520	1798	3	**7615**	**12037**
2018-19	3521	986	1586	1895	3	**7991**	**12645**
2019-20	3707	1038	1660	2002	3	**8410**	**13322**
2020-21	3948	1106	1754	2141	3	**8952**	**14196**
2021-22	4204	1178	1853	2291	3	**9529**	**15126**
2022-23	4478	1254	1958	2451	3	**10144**	**16119**
2023-24	4768	1335	2068	2623	3	**10797**	**17181**
2024-25	5078	1421	2184	2807	3	**11493**	**18308**
2025-26	5382	1507	2297	2990	3	**12179**	**19424**
2026-27	5705	1597	2417	3184	3	**12906**	**20606**
2027-28	6047	1692	2543	3391	3	**13676**	**21859**
2028-29	6409	1793	2674	3611	3	**14490**	**23194**
2029-30	6793	1900	2813	3845	3	**15354**	**24611**
2030-31	7166	2004	2945	4076	3	**16194**	**25990**
2031-32	7561	2114	3083	4320	3	**17081**	**27447**
2032-33	7976	2229	3227	4579	3	**18014**	**28986**
2033-34	8414	2353	3379	4853	3	**19002**	**30612**
2034-35	8877	2483	3538	5144	3	**20045**	**32331**
2035-36	9320	2608	3687	5427	3	**21045**	**33992**
2036-37	9786	2738	3842	5726	3	**22095**	**35738**
2037-38	10276	2875	4004	6040	3	**23198**	**37571**
2038-39	10790	3019	4172	6372	3	**24356**	**39500**
2039-40	11329	3170	4347	6723	3	**25572**	**41528**
2040-41	11838	3313	4508	7060	3	**26722**	**43457**

Table 6-5 : Total Tollable Traffic @ Toll Plaza 1- Chainage 30.500 KM

(Most Likely Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	6556	1690	3438	2553	3	**14240**	**30550**
2018-19	7048	1816	3665	2758	3	**15290**	**32796**
2019-20	7576	1952	3907	2979	3	**16417**	**35208**
2020-21	8106	2089	4145	3202	3	**17545**	**37624**
2021-22	8673	2234	4398	3442	3	**18750**	**40206**
2022-23	9280	2390	4666	3700	3	**20039**	**42968**
2023-24	9928	2556	4951	3978	3	**21416**	**45920**
2024-25	10622	2734	5253	4276	3	**22888**	**49077**
2025-26	11312	2910	5547	4575	3	**24347**	**52208**
2026-27	12048	3099	5858	4895	3	**25903**	**55540**
2027-28	12830	3299	6187	5237	3	**27556**	**59087**
2028-29	13664	3514	6534	5604	3	**29319**	**62863**
2029-30	14552	3743	6901	5996	3	**31195**	**66882**
2030-31	15424	3966	7254	6386	3	**33033**	**70827**
2031-32	16349	4204	7626	6801	3	**34983**	**75006**
2032-33	17330	4455	8017	7243	3	**37048**	**79435**
2033-34	18369	4722	8427	7714	3	**39235**	**84129**
2034-35	19470	5004	8858	8215	3	**41550**	**89103**
2035-36	20541	5279	9267	8708	3	**43798**	**93928**
2036-37	21671	5569	9695	9230	3	**46168**	**99019**
2037-38	22863	5876	10144	9784	3	**48670**	**104389**
2038-39	24120	6197	10613	10372	3	**51305**	**110054**
2039-40	25446	6538	11104	10995	3	**54086**	**116030**
2040-41	26717	6866	11563	11600	3	**56749**	**121755**

Table 6-6 : Total Tollable Traffic @ Toll Plaza 2- Chainage 105.000 KM

(Most Likely Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	3549	996	1600	1910	3	**8058**	**12721**
2018-19	3815	1070	1706	2063	3	**8657**	**13670**
2019-20	4100	1150	1820	2228	3	**9301**	**14689**
2020-21	4387	1230	1932	2395	3	**9947**	**15712**
2021-22	4694	1315	2050	2575	3	**10637**	**16807**
2022-23	5022	1407	2177	2768	3	**11377**	**17978**
2023-24	5372	1505	2311	2976	3	**12167**	**19232**
2024-25	5747	1609	2454	3199	3	**13012**	**20574**
2025-26	6120	1712	2592	3423	3	**13850**	**21908**
2026-27	6518	1823	2740	3663	3	**14747**	**23329**
2027-28	6941	1940	2896	3920	3	**15700**	**24843**
2028-29	7393	2067	3061	4194	3	**16718**	**26456**
2029-30	7873	2201	3235	4488	3	**17800**	**28175**
2030-31	8344	2333	3403	4779	3	**18862**	**29866**
2031-32	8844	2473	3580	5090	3	**19990**	**31659**
2032-33	9374	2621	3766	5420	3	**21184**	**33562**
2033-34	9936	2778	3961	5772	3	**22450**	**35580**
2034-35	10532	2945	4166	6148	3	**23794**	**37720**
2035-36	11112	3106	4362	6517	3	**25100**	**39802**
2036-37	11723	3276	4566	6908	3	**26476**	**42001**
2037-38	12367	3455	4781	7323	3	**27929**	**44322**
2038-39	13047	3644	5006	7762	3	**29462**	**46774**
2039-40	13764	3844	5241	8227	3	**31079**	**49362**
2040-41	14451	4036	5462	8679	3	**32631**	**51849**

6.2 Modification in Concession Period

As per Article 29 of the concession agreement, if actual traffic on the project falls short or exceeds Target Traffic on project highway on defined date, concession period shall be modified subject to calculation stipulated therein. For Jaipur - Deoli project, the Target Date and Target Traffic are defined as under:

Target Date - 1st October 2018

Target Traffic - 30344 in PCU

It was observed that as per traffic projections, traffic volume falls short of target traffic in all scenarios. Extension of concession period is worked out as per provisions of concession agreement which is summarized as under -

Scenario	Projected Traffic in PCUs (average of traffic on target date, one year before target date and one year after target date)	Expected extension in Concession Period
Optimistic	23,604	It is expected that concession would be increased by 5 years (20% of original concession period of 25 years). At the same time project traffic is expected to exceed design capacity in year 2032 and in such case as per contract, concession period may be shortened by foreclosure of agreement. Taking both aspects of probable extension and shortening in concession period it is expected that revised concession period would extend up to September 27, 2036.
Most Likely	23,319	It is expected that concession would be increased by 5 years (20% of original concession period of 25 years). At the same time project traffic is expected to exceed design capacity in year 2033 and in such case as per contract, concession period may be shortened by foreclosure of agreement. Taking both aspects of probable extension and shortening in concession period it is expected that revised concession period would extend up to September 27, 2037.

Pessimistic	21,533	5 years i.e. 1826 days with concession period extending upto June 12, 2040

Accordingly, traffic and revenue projections have been worked out up to year 2040-41.

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

As per the Toll Notification (Schedule R) the following discounts have been considered:

1. Monthly Pass: For frequent users monthly pass is issued for 50 trips per month. The discount factor works out to 33.33% for 50 journeys. Similarly, there is a pass for 100 trips per month as well, with a discount factor of 33.33% for 100 journeys.
2. Daily Pass (for Return Trip): A 75% discount will be offered on the return trip.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. Local Car / Jeep / Van to be charged at Rs 150 per month (2007)

Building of inflation and escalation of rate on the basis of WPI are done as per toll notification (Schedule R) as given under

The formula for determining the applicable rate of fee shall be as follows:-

$$\text{Applicable rate of fee} = \text{base rate} + \text{base rate} \times \left\{ \frac{\text{WPI A} - \text{WPI B}}{\text{WPI B}} \right\} \times 0.4$$

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2015-16. A moderate growth in Wholesale Price Index (WPI) has been assumed after that. Following graph provides projection of rate of inflation

(WPI) in India. Data has been taken from Office of Economic Advisor web site (*www.eaindustry.nic.in*)

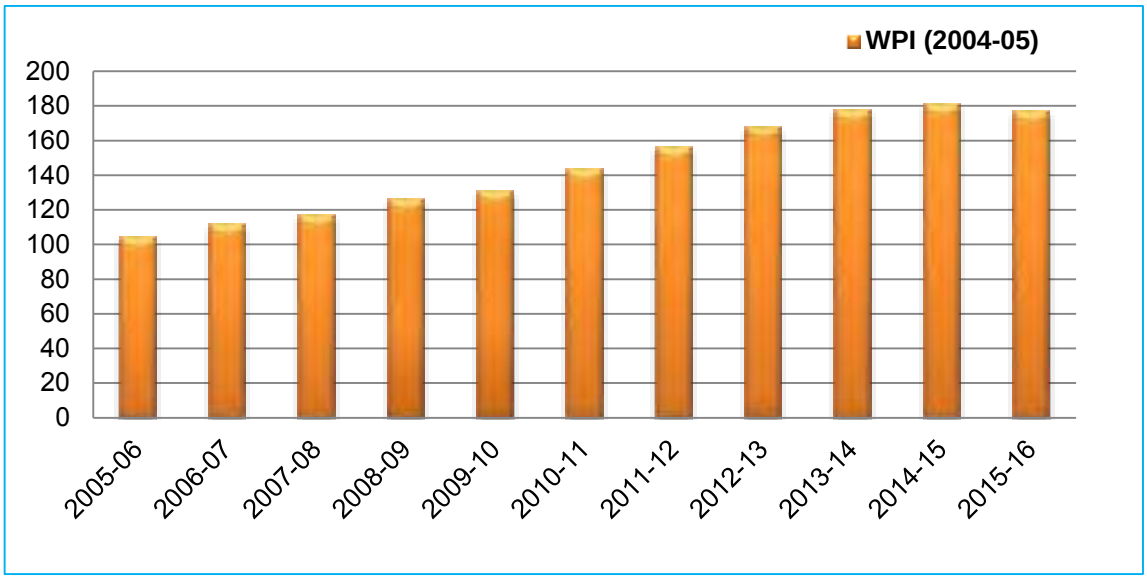


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same is considered for projection of WPI in future years.

It has been observed that project corridor witness's high percentage of overweight vehicles. In response to same Concessionaire has further declared special rates for overweight vehicles which are applicable on project corridor.

These overweight categories and rate on base year (2015-16) are given as under

Table 7-1 : Overweight Traffic Rate

Category	Rate (Rs)
LCV (Single Journey of Ten Times)	1300
LCV (Single Journey of Two Times)	260
Truck/ Bus (Single Journey of Ten Times)	2700
Truck/ Bus (Single Journey of Two Times)	540
Multi Axle Vehicle (Single Journey of Ten Times)	4150
Multi Axle Vehicle (Single Journey of Two Times)	830

Normal escalation in the basis of WPI would be applicable to these rates as well.

In addition to above concessive has also declared special rates for overweight return journey as under

Table 7-2 : Special Overweight Return Pass

Category	Rate (Rs.)
Mini Bus /LCV	170
Truck/Bus	210
Multi Axle	205

These rates would be escalated at normal inflation rate.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules, 2008.

Table 7-3 : Base Toll Rates 2007 - 08

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Light Motor Vehicle	0.65
Light Commercial Vehicle, Light Goods Vehicle or Mini Bus	1.05
Bus or Truck (2 Axle)	2.2
Three Axle commercial vehicles	2.4
Heavy Construction Machinery (HCM) or Earth Moving Equipment (EME) or Multi Axle Vehicle (MAV) (4-6 axles)	3.45
Oversized Vehicle (seven or more axles)	4.2

There are number of bypasses and structures in each package. Equivalent length for structures is added to tollable length at each toll plaza. Bypasses having cost more

than Rs. 10 Cr. are to be charged 1.5 times the normal fee. This has been incorporated in rates. Following table provides details of tollable lengths at each toll plaza

Table 7-4 : Tollable Length Jaipur – Deoli section of NH -12

Toll Plaza Chainage	Length (km)	Bypass Cost (Cr)	Equivalent Structure length (km)	Tollable highway + structure length (km)
30.500	59.164	64.5 (Chaksu Bypass)	-	59.194
105.000	66.500	-	-	66.50

Additional rate for bypass having cost more than 10 Cr has been added as per schedule -R in toll rates for toll plaza at 30.50 km

Other than this there is no structure or bypass which qualifies for additional toll rate at any toll plaza.

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs. five) for the concession period and are given below. Since applicable length of highway length is equal for both plazas, applicable toll rates are also same

Thus worked out rates for various categories of vehicle and discounts are given as under

Table 7-5 : Toll Rates for Single Journey @ Km 30.500

Year	CAR	LCV	Truck / Bus	Multi Axle	Oversized Vehicles
2017-18	90	140	290	445	560
2018-19	95	145	305	470	590
2019-20	100	155	320	495	620
2020-21	105	165	335	520	650
2021-22	110	170	355	550	685
2022-23	115	180	375	580	725
2023-24	120	190	395	610	765
2024-25	125	200	415	645	805
2025-26	135	210	440	680	850
2026-27	140	225	465	715	895
2027-28	150	235	490	755	945
2028-29	155	250	515	800	995
2029-30	165	265	545	845	1050
2030-31	175	280	575	890	1110
2031-32	185	295	605	940	1175
2032-33	195	310	640	995	1240
2033-34	205	330	680	1050	1310
2034-35	220	345	715	1110	1385
2035-36	230	365	760	1175	1465
2036-37	245	390	805	1240	1550
2037-38	260	410	850	1315	1640
2038-39	275	435	900	1390	1740
2039-40	290	460	950	1475	1840
2040-41	310	485	1010	1560	1950

Table 7-6 : Toll Rates for Return Journey @ Km 30.500

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles
2017-18	130	210	435	670	840
2018-19	140	220	455	705	880
2019-20	145	230	480	745	930
2020-21	155	245	505	785	980
2021-22	165	260	535	825	1030
2022-23	170	270	560	870	1085
2023-24	180	285	590	915	1145
2024-25	190	300	625	965	1205
2025-26	200	320	660	1020	1270
2026-27	210	335	695	1075	1340
2027-28	225	355	735	1135	1415
2028-29	235	375	775	1195	1495
2029-30	250	395	815	1265	1580
2030-31	265	415	860	1335	1665
2031-32	280	440	910	1410	1760
2032-33	295	465	965	1490	1860
2033-34	310	490	1020	1575	1965
2034-35	330	520	1075	1665	2080
2035-36	345	550	1140	1760	2200
2036-37	365	580	1205	1865	2325
2037-38	390	615	1275	1970	2460
2038-39	410	650	1350	2090	2605
2039-40	435	690	1430	2210	2760
2040-41	460	730	1510	2340	2920

Table 7-7 : Toll Rates for Overweight Ticket @ Km 30.500

Year	LCV (Single Journey of Ten Times)	LCV (Single Journey of Two Times)	Truck/ Bus (Single Journey of Ten Times)	Truck/ Bus (Single Journey of Two Times)	Multi Axle Vehicle (Single Journey of Ten Times)	Multi Axle Vehicle (Single Journey of Two Times)
2017-18	1400	280	2900	580	4450	890
2018-19	1450	290	3050	610	4700	940
2019-20	1550	310	3200	640	4950	990
2020-21	1650	330	3350	670	5200	1040
2021-22	1700	340	3550	710	5500	1100
2022-23	1800	360	3750	750	5800	1160
2023-24	1900	380	3950	790	6100	1220
2024-25	2000	400	4150	830	6450	1290
2025-26	2100	420	4400	880	6800	1360
2026-27	2250	450	4650	930	7150	1430
2027-28	2350	470	4900	980	7550	1510
2028-29	2500	500	5150	1030	8000	1600
2029-30	2650	530	5450	1090	8450	1690
2030-31	2800	560	5750	1150	8900	1780
2031-32	2950	590	6050	1210	9400	1880
2032-33	3100	620	6400	1280	9950	1990
2033-34	3300	660	6800	1360	10500	2100
2034-35	3450	690	7150	1430	11100	2220
2035-36	3650	730	7600	1520	11750	2350
2036-37	3900	780	8050	1610	12400	2480
2037-38	4100	820	8500	1700	13150	2630
2038-39	4350	870	9000	1800	13900	2780
2039-40	4600	920	9500	1900	14750	2950
2040-41	4850	970	10100	2020	15600	3120

Table 7-8 : Toll Rates for Overweight Return Ticket @ Km 30.500

Year	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	180	220	215
2018-19	190	230	225
2019-20	200	245	235
2020-21	210	260	250
2021-22	220	275	265
2022-23	230	290	280
2023-24	245	305	295
2024-25	260	320	310
2025-26	275	340	325
2026-27	290	360	345
2027-28	305	380	365
2028-29	320	400	385
2029-30	340	420	405
2030-31	360	445	425
2031-32	380	470	450
2032-33	400	495	475
2033-34	420	520	500
2034-35	445	550	530
2035-36	470	580	560
2036-37	495	610	590
2037-38	520	625	620
2038-39	550	680	655
2039-40	580	715	690
2040-41	610	755	730

Table 7-9 : Toll Rates for Monthly Pass Local @ Km 30.500

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	245	1530	3045	2475
2018-19	260	1615	3210	2610
2019-20	275	1705	3385	2755
2020-21	290	1800	3570	2905
2021-22	305	1900	3765	3065
2022-23	320	2005	3970	3235
2023-24	340	2115	4190	3415
2024-25	355	2230	4420	3605
2025-26	375	2355	4665	3805
2026-27	395	2485	4920	4015
2027-28	420	2620	5190	4235
2028-29	440	2765	5475	4470
2029-30	465	2915	5775	4715
2030-31	490	3075	6095	4975
2031-32	520	3245	6430	5250
2032-33	550	3425	6785	5540
2033-34	580	3615	7160	5845
2034-35	615	3815	7555	6165
2035-36	650	4025	7970	6505
2036-37	685	4245	8410	6865
2037-38	725	4480	8875	7245
2038-39	770	4725	9365	7645
2039-40	815	4985	9880	8065
2040-41	865	5260	10425	8510

Table 7-10 : Toll Rates for Monthly Pass @ Km 30.500

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle	Oversized Vehicle	Truck/Bus - 100 Trips
2017-18	2940	4655	9635	14910	18615	19265
2018-19	3095	4900	10140	15695	19595	20280
2019-20	3260	5160	10680	16525	20635	21355
2020-21	3430	5435	11245	17405	21730	22490
2021-22	3615	5725	11845	18335	22895	23695
2022-23	3810	6030	12485	19320	24125	24965
2023-24	4015	6355	13155	20365	25425	26315
2024-25	4235	6700	13870	21470	26805	27740
2025-26	4465	7065	14630	22640	28270	29255
2026-27	4710	7455	15430	23885	29820	30860
2027-28	4970	7865	16280	25200	31465	32565
2028-29	5245	8305	17185	26600	33210	34370
2029-30	5540	8765	18145	28085	35065	36290
2030-31	5850	9260	19165	29660	37030	38325
2031-32	6180	9780	20245	31335	39120	40490
2032-33	6530	10335	21395	33115	41340	42785
2033-34	6900	10925	22615	35000	43700	45230
2034-35	7295	11550	23910	37010	46205	47820
2035-36	7720	12220	25290	39145	48870	50580
2036-37	8165	12925	26755	41410	51705	53510
2037-38	8640	13680	28315	43825	54715	56625
2038-39	9145	14480	29970	46390	57915	59940
2039-40	9685	15330	31735	49115	61320	63465
2040-41	10255	16235	33605	52020	64945	67215

Table 7-11 : Toll Rates for Single Journey @ Km 105.000

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles
2017-18	70	115	240	380	460
2018-19	75	120	255	400	485
2019-20	80	130	270	420	510
2020-21	85	135	280	440	540
2021-22	90	140	295	465	565
2022-23	90	150	315	490	595
2023-24	95	155	330	515	630
2024-25	105	165	350	545	665
2025-26	110	175	365	575	700
2026-27	115	185	385	605	740
2027-28	120	195	410	640	780
2028-29	125	205	430	675	820
2029-30	135	215	455	715	870
2030-31	140	230	480	755	915
2031-32	150	240	505	795	970
2032-33	160	255	535	840	1025
2033-34	165	270	565	890	1080
2034-35	175	285	600	940	1145
2035-36	185	300	635	995	1210
2036-37	200	320	670	1050	1280
2037-38	210	340	710	1115	1355
2038-39	220	360	750	1180	1435
2039-40	235	380	795	1245	1520
2040-41	250	400	840	1320	1610

Table 7-12 : Toll Rates for Return Journey @ Km 105.000

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles
2017-18	105	175	360	570	690
2018-19	115	180	380	600	730
2019-20	120	190	400	630	765
2020-21	125	200	425	665	805
2021-22	130	215	445	700	850
2022-23	140	225	470	735	895
2023-24	145	235	495	775	945
2024-25	155	250	520	820	995
2025-26	160	260	550	860	1050
2026-27	170	275	580	910	1105
2027-28	180	290	610	960	1170
2028-29	190	310	645	1015	1235
2029-30	200	325	680	1070	1300
2030-31	215	345	720	1130	1375
2031-32	225	365	760	1195	1455
2032-33	240	385	805	1260	1535
2033-34	250	405	850	1335	1625
2034-35	265	430	900	1410	1715
2035-36	280	455	950	1490	1815
2036-37	295	480	1005	1575	1920
2037-38	315	510	1065	1670	2030
2038-39	335	540	1125	1765	2150
2039-40	350	570	1195	1870	2275
2040-41	375	605	1265	1980	2410

Table 7-13 : Toll Rates for Overweight Tickets @ Km 105.000

Year	LCV (Single Journey of Ten Times)	LCV (Single Journey of Two Times)	Truck/ Bus (Single Journey of Ten Times)	Truck/ Bus (Single Journey of Two Times)	Multi Axle Vehicle (Single Journey of Ten Times)	Multi Axle Vehicle (Single Journey of Two Times)
2017-18	1150	230	2400	480	3800	760
2018-19	1200	240	2550	510	4000	800
2019-20	1300	260	2700	540	4200	840
2020-21	1350	270	2800	560	4400	880
2021-22	1400	280	2950	590	4650	930
2022-23	1500	300	3150	630	4900	980
2023-24	1550	310	3300	660	5150	1030
2024-25	1650	330	3500	700	5450	1090
2025-26	1750	350	3650	730	5750	1150
2026-27	1850	370	3850	770	6050	1210
2027-28	1950	390	4100	820	6400	1280
2028-29	2050	410	4300	860	6750	1350
2029-30	2150	430	4550	910	7150	1430
2030-31	2300	460	4800	960	7550	1510
2031-32	2400	480	5050	1010	7950	1590
2032-33	2550	510	5350	1070	8400	1680
2033-34	2700	540	5650	1130	8900	1780
2034-35	2850	570	6000	1200	9400	1880
2035-36	3000	600	6350	1270	9950	1990
2036-37	3200	640	6700	1340	10500	2100
2037-38	3400	680	7100	1420	11150	2230
2038-39	3600	720	7500	1500	11800	2360
2039-40	3800	760	7950	1590	12450	2490
2040-41	4000	800	8400	1680	13200	2640

Table 7-14 : Toll Rates for Overweight Return Pass @ Km 1050.00

Year	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	150	190	170
2018-19	160	200	180
2019-20	170	210	190
2020-21	180	220	200
2021-22	190	230	210
2022-23	200	245	220
2023-24	210	260	230
2024-25	220	275	245
2025-26	230	290	260
2026-27	245	305	275
2027-28	260	320	290
2028-29	275	340	305
2029-30	290	360	320
2030-31	305	380	340
2031-32	320	400	360
2032-33	340	420	380
2033-34	360	445	400
2034-35	380	470	420
2035-36	400	495	445
2036-37	420	520	470
2037-38	445	550	495
2038-39	470	580	520
2039-40	495	610	550
2040-41	520	645	580

Table 7-15 : Toll Rates for Overweight Local Monthly Pass @ Km 105.000

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	245	1155	1940	5250
2018-19	260	1220	2045	5540
2019-20	275	1285	2155	5845
2020-21	290	1355	2275	6165
2021-22	305	1430	2400	6505
2022-23	320	1510	2530	6865
2023-24	340	1595	2670	7245
2024-25	355	1685	2815	7645
2025-26	375	1780	2970	8065
2026-27	395	1880	3135	8510
2027-28	420	1985	3305	8980
2028-29	440	2095	3485	9475
2029-30	465	2210	3675	9995
2030-31	490	2330	3875	10545
2031-32	520	2460	4090	11125
2032-33	550	2595	4315	11735
2033-34	580	2740	4550	12380
2034-35	615	2890	4800	13060
2035-36	650	3050	5065	13780
2036-37	685	3220	5345	14540
2037-38	725	3395	5640	15340
2038-39	770	3580	5950	16185
2039-40	815	3775	6275	17075
2040-41	865	3985	6620	18015

Table 7-16 : Toll Rates for Overweight Monthly Pass @ Km 105.000

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle	Oversized Vehicle	Truck/Bus - 100 Trips
2017-18	2375	3840	8045	12615	15360	16090
2018-19	2505	4045	8470	13285	16170	16940
2019-20	2635	4255	8920	13985	17025	17835
2020-21	2775	4485	9395	14730	17930	18785
2021-22	2925	4725	9895	15515	18890	19790
2022-23	3080	4975	10425	16350	19905	20855
2023-24	3245	5245	10990	17235	20980	21980
2024-25	3425	5530	11585	18170	22120	23170
2025-26	3610	5830	12220	19160	23325	24435
2026-27	3810	6150	12890	20210	24605	25775
2027-28	4020	6490	13600	21325	25965	27200
2028-29	4240	6850	14355	22510	27405	28710
2029-30	4480	7235	15155	23765	28935	30310
2030-31	4730	7640	16005	25100	30555	32010
2031-32	4995	8070	16910	26515	32280	33820
2032-33	5280	8530	17870	28020	34110	35735
2033-34	5580	9015	18890	29620	36060	37775
2034-35	5900	9530	19970	31320	38125	39945
2035-36	6240	10080	21125	33125	40325	42245
2036-37	6605	10665	22345	35045	42660	44695
2037-38	6985	11285	23650	37085	45145	47295
2038-39	7395	11945	25030	39255	47790	50065
2039-40	7830	12650	26505	41565	50600	53010
2040-41	8295	13395	28070	44020	53590	56140

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza starting from the year 2017-18 are shown in tables below.

Table 7-17 : Toll Revenue Optimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 30.500	Toll at Plaza 105.000	Total
2017-18	99.87	50.96	**150.83**
2018-19	113.66	58.15	**171.81**
2019-20	129.43	66.40	**195.83**
2020-21	146.09	74.69	**220.78**
2021-22	165.91	84.67	**250.58**
2022-23	187.35	96.03	**283.38**
2023-24	212.55	108.75	**321.30**
2024-25	240.47	123.84	**364.31**
2025-26	272.00	139.49	**411.49**
2026-27	306.21	157.43	**463.64**
2027-28	347.56	178.76	**526.32**
2028-29	391.14	201.22	**592.36**
2029-30	442.39	228.20	**670.60**
2030-31	497.10	257.13	**754.23**
2031-32	560.82	289.69	**850.51**
2032-33	630.13	326.07	**956.21**
2033-34	708.91	367.28	**1076.19**
2034-35	798.45	414.25	**1212.70**
2035-36	897.58	466.30	**1363.88**

2036-37	1003.80	521.96	**1525.76**
2037-38	1128.09	587.84	**1715.93**
2038-39	1,265.08	660.01	**1,925.09**
2039-40	1,425.25	742.48	**2,167.73**
2040-41	1,588.25	829.21	**2,417.45**

Table 7-18 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 30.500	Toll at Plaza 105.000	Total
2017-18	93.61	47.65	**141.26**
2018-19	103.58	52.88	**156.46**
2019-20	115.02	58.88	**173.90**
2020-21	128.62	65.61	**194.23**
2021-22	144.70	73.69	**218.39**
2022-23	161.82	82.79	**244.61**
2023-24	181.85	92.89	**274.74**
2024-25	203.77	104.76	**308.53**
2025-26	228.29	116.91	**345.20**
2026-27	254.56	130.68	**385.24**
2027-28	286.20	146.93	**433.13**
2028-29	319.11	163.90	**483.01**
2029-30	357.62	184.11	**541.73**
2030-31	398.06	205.47	**603.53**
2031-32	444.87	229.31	**674.18**
2032-33	495.14	255.63	**750.78**
2033-34	551.80	285.17	**836.98**

2034-35	615.65	318.61	**934.27**
2035-36	685.52	355.32	**1040.85**
2036-37	759.37	394.03	**1153.41**
2037-38	845.17	439.52	**1284.70**
2038-39	938.88	488.72	**1427.61**
2039-40	1047.73	544.62	**1592.35**
2040-41	1156.52	602.51	**1759.03**

Table 7-19 : Toll Revenue Most Likely Scenario

(Rs. Crores)

Year	Toll at Plaza 30.500	Toll at Plaza 105.000	Total
2017-18	98.99	50.51	**149.49**
2018-19	112.16	57.39	**169.55**
2019-20	127.18	65.22	**192.39**
2020-21	142.86	73.00	**215.86**
2021-22	161.52	82.40	**243.91**
2022-23	181.45	93.04	**274.48**
2023-24	204.93	104.90	**309.84**
2024-25	230.78	118.92	**349.70**
2025-26	259.83	133.35	**393.18**
2026-27	291.12	149.81	**440.93**
2027-28	328.86	169.31	**498.18**
2028-29	368.38	189.70	**558.09**
2029-30	414.70	214.03	**628.74**
2030-31	463.80	239.98	**703.78**
2031-32	520.79	269.09	**789.89**

2032-33	582.38	301.38	**883.77**
2033-34	652.25	337.82	**990.07**
2034-35	731.18	379.30	**1110.48**
2035-36	818.12	425.01	**1243.13**
2036-37	910.62	473.50	**1384.12**
2037-38	1018.43	530.79	**1549.21**
2038-39	1,136.68	592.95	**1,729.62**
2039-40	1,274.55	663.82	**1,938.36**
2040-41	1,413.51	737.83	**2,151.34**

CHAPTER 8

OPERATION & MAINTENANCE COST

8.1 General

While traffic and toll rates account for the income of a project. Capital cost of construction and O -&- M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	148.7	Km
Main Carriageway	Paved Area	2487100	SQM
Service Road	Paved Area	257334	SQM
Bus bays	Paved Area	84000	SQM
Truck Lay bye	Paved Area	2925	SQM
Structure		44219	SQM
Major Bridge	Area	19677	SQM
Minor Bridge	Area	15109	SQM
Flyover	Area	9433	SQM
RCC Crash Barrier	Length	29740	RMT
Metal Beam Crash Barrier	Length	29740	RMT
Guard Post	Nos	59480	No.
Kerb Detail	Length	297400	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on guess basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Jaipur to Deoli on NH-12 in state of Rajasthan.

a) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

b) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. This operation and its cost is spread over three years.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Yearwise Details of Operation & Maintenance Cost

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2017-18	11.27				0.07	0.04		11.38	1.12	12.75	Regular O & M
2018-19	11.50				0.07	0.04		11.60	1.19	13.75	Regular O & M
2019-20	11.73	1.72	23.37	16.05	0.07	0.04		52.97	1.25	66.40	Renewal of Wearing course + Pavement repair
2020-21	11.96	1.47	20.03	16.05	0.07	0.04		49.62	1.33	65.78	Renewal of Wearing course + Pavement repair
2021-22	12.20	1.72	23.37	16.05	0.07	0.04		53.44	1.40	74.92	Renewal of Wearing course + Pavement repair
2022-23	12.20				0.07	0.04	0.00	12.31	1.48	18.25	Regular O & M
2023-24	12.45				0.07	0.04		12.55	1.57	19.68	Regular O & M
2024-25	12.70				0.07	0.04		12.80	1.66	21.22	Regular O & M
2025-26	12.95				0.07	0.04		13.05	1.75	22.89	Regular O & M
2026-27	13.21	1.72	23.37	19.26	0.07	0.04		57.66	1.85	106.90	Renewal of Wearing course + Pavement repair
2027-28	13.47	1.47	20.03	25.68	0.07	0.04		60.76	1.96	119.12	Renewal of Wearing course + Pavement repair
2028-29	13.74	1.72	23.37	19.26	0.07	0.04		58.19	2.07	120.65	Renewal of Wearing course + Pavement repair

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2029-30	14.43				0.07	0.04		14.53	2.19	31.87	Regular O & M
2030-31	15.15				0.07	0.04		15.26	2.32	35.37	Regular O & M
2031-32	15.91				0.07	0.04		16.01	2.45	39.26	Regular O & M
2032-33	16.23	0.49		3.21	0.07	0.04		20.03	2.59	51.94	Renewal of Wearing course + Pavement repair
2033-34	16.55	1.47	20.03	16.05	0.07	0.04		54.21	2.74	148.63	Renewal of Wearing course + Pavement repair
2034-35	16.88	1.72	23.37		0.07	0.04		42.07	2.90	121.99	Renewal of Wearing course
2035-36	16.88				0.07	0.04		16.99	3.07	52.09	Regular O & M
2036-37	16.88				0.07	0.04		16.99	3.24	55.08	Regular O & M
2037-38	16.88				0.07	0.04		16.99	3.43	58.25	Regular O & M
2038-39	16.88				0.07	0.04		16.99	3.63	61.60	Regular O & M
2039-40	16.88	1.72	23.37		0.07	0.04		42.07	3.83	161.34	Renewal of Wearing course
2040-41	16.88				0.07	0.04		16.99	4.06	68.89	Regular O & M

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

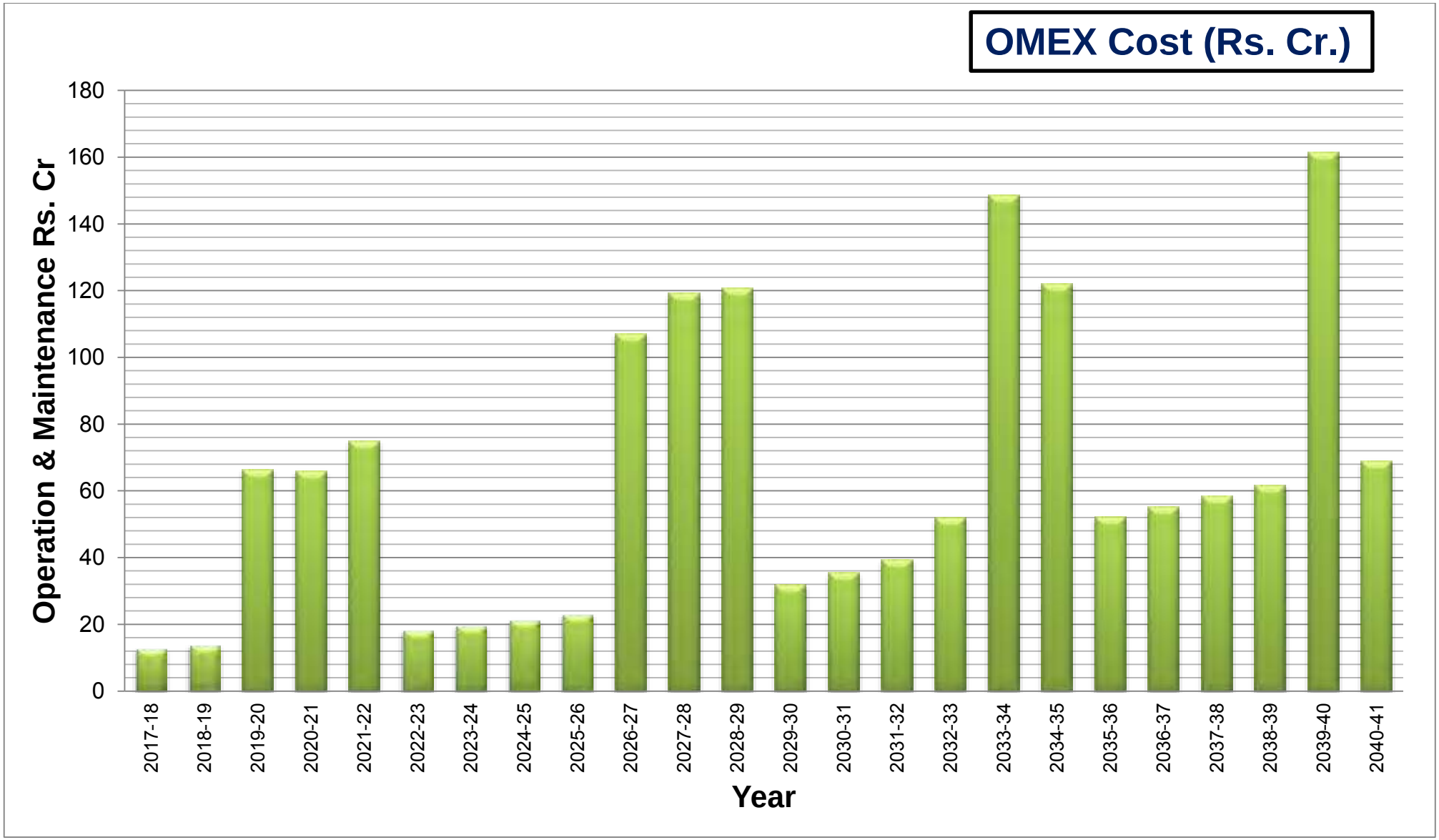


Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Jaipur to Deoli section of NH-12 in state of Rajasthan from km 18.700 to km 165.000 is currently a four lane road. The road is in sound condition and serves to reasonably good levels of traffic volume. The project corridor falls in the influence zone of fast upcoming metro city Jaipur. There are many upcoming projects in the area which have the potential to boost economic growth of area and add value to development of region. All these developments have potential to give positive impact to traffic flow on project. As estimated in this study report project traffic is expected to grow at rate of 6-8% per annum.

Following can considered as major outcome of study

a) There is good amount of tollable traffic running on project

b) Project corridor has potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall growth of the economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance cost is also reasonable

Based on above it can be considered a stable healthy project from traffic and revenue point of view

OMALUR TO NAMAKKAL (KM 180.000 TO KM 248.625)

SECTION OF NH-7 IN THE STATE OF TAMIL NADU

MARCH
2017

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1
INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Omalur - Namakkal section of NH-7 from Km 180.000 to km 248.625 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. Project has concession period of 20 years. Project achieved COD on 6th August-2009. The Project has been commissioned and is currently in the operation / maintenance phase. Project under consideration is a combination of construction and maintenance packages as given under

Maintenance package – From Km 180.000 to Km 207.500

Construction & Maintenance Package – From Km 207.500 to Km 248.625

1.2 Objective of the Study

M/s IRB INVIT FUND has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost Projection Report***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2
PROJECT DETAILS

2.1 Project Corridor

The project corridor is one of the busiest route (NH-7) connecting north of India to Deccan and to south. It forms the part of main connectivity network joining commercial hubs like Hyderabad, Bengaluru and down south up to Kanyakumari. Project corridor section starts from Km 180.000 which is about 20 km from Salem towards Bengaluru. Project road ends near flyover at Km 248.625 before Namakkal town.

Project stretch from Omalur to Namakkal passes through two districts namely Salem and Namakkal.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

Figure 2-1 : Index Map of Project Highway - Country Level

Figure 2-2 : Index Map of Project Highway - State Level

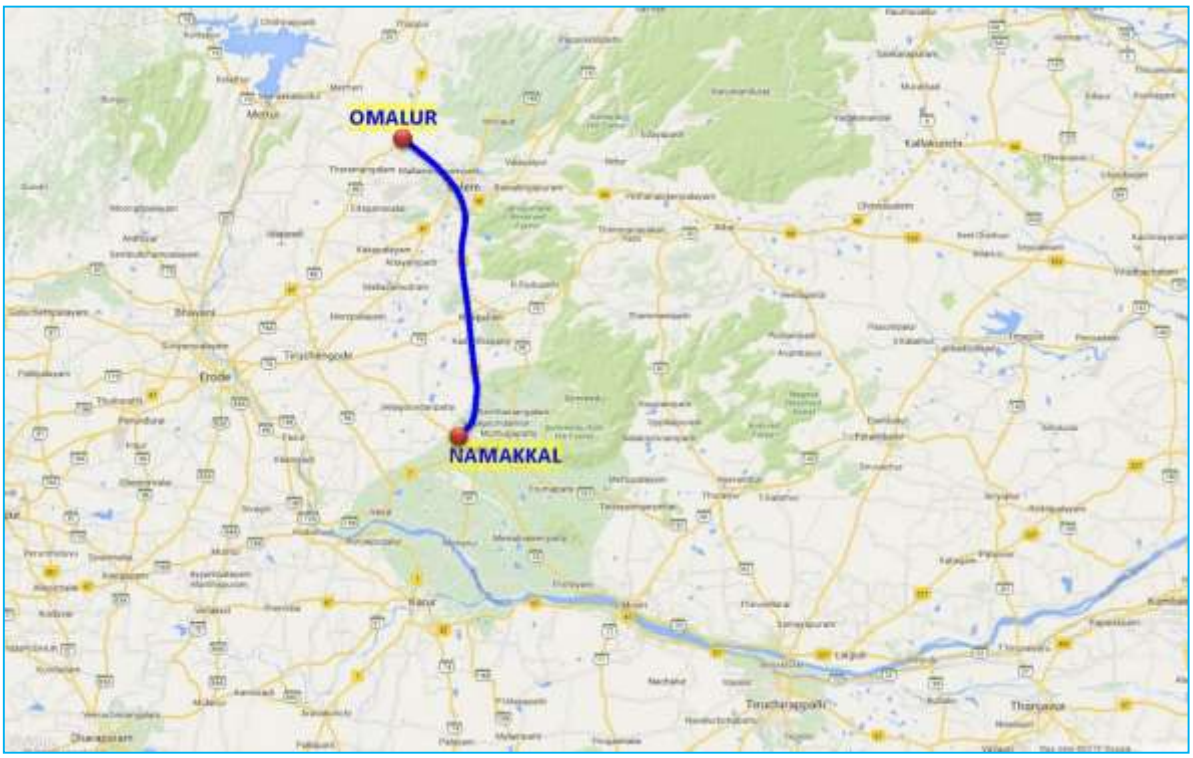


Figure 2-3 : Location Map of the Project Road

2.2 Corridor Description

NH-7 is a major North-South National Highway in India that runs through the states of Uttar Pradesh, Madhya Pradesh, Maharashtra, Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu. The highway connects several important Indian cities such as Varanasi, Rewa, Jabalpur, Nagpur, Adilabad, Nirmal, and Armoor in (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bangalore, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari. A major part of NH 7 falls on the North-South Corridor of NHDP.

Abutting land along the project corridor from Omalur to Namakkal is a mix of agriculture, urban and semi-urban land use. Salem being at the heart of alignment and Namakkal at one end provides urban dominance.

In general land use can be categorized as below

- From km 180 to km 199 Semi-urban
- From Km 199 to km 207 (including Salem Bypass) – Urban
- From Km 207 to km 248.60 rural & agricultural

2.3 Salient Features

The salient features of the project corridor are as given below;

- Four Laning of Carriageway = 68.625 Kms
- Minor Bridges = 14 Nos.
- Flyovers & ROB's= 5 Nos.
- Culverts = 36 Nos.
- Under passes = 8 Nos.
- Major intersection = 16 Nos.
- Service Road = 23.58 Kms.
- Toll Plaza Complex = 1 Nos.

The details of the structures are given below.

2.3.1 Flyovers & ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-1 : List of Flyovers & ROB's along Project Corridor

Sr. No.	Chainage	Span Arrangement	Total Width of Super Structure	Type of Super Structure	Type of Sub Structure & Foundation
1	207+600	4 x 30.0	12.00m width 11.00 m carriageway & 8.5m width with 7.5m carriageway RCC Crash barrier	PSC Post tensioned T-Girder	RCC Circular pier, abutment Open foundation & Reinforced earth wall
2	211+825	1 x 30.0	20m total width for two carriageways with 8.75m width clear carriageway	PSC Post tensioned T-Girder	RCC Circular pier, abutment & Reinforced earth wall, Open foundation
3	228+600	3 x 25	20m total width for two carriageways with 8.75m width clear carriageway	PSC Post tensioned T-Girder	RCC Circular pier, abutment & Reinforced earth wall, Open foundation
4	221+000 ROB	3 x 30.0	21.0m total width for two carriageways with 9.5m clear carriageway with 1.5m footpath.	PSC Post tensioned T-Girder	RCC Column type pier, abutment Open foundation & Reinforced earth wall
5	188+850	3 x 25	20m total width for two carriageways with 8.75m with clear carriageway	PSC Post tensioned T-Girder	RCC Circular pier, abutment & Reinforced earth wall and Open foundation

2.3.2 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-2 : List of Minor Bridges along Project Corridor

Sl. No.	CD No.	Chainage (km)	Span Arrangement	Total width of Super Structure	Type of Super Structure	Type of Sub Structure & Foundation
1	210/2	209.210	2 x 5.7 x 3.0	41.4	RCC Box	-
2	210/3	209.570	1 x 6.30	41.4	RCC Solid slab	PCC Abutment and Abutment Foundation
3	211/1	210.390	1 x 6.30	41.4	RCC Solid slab	PCC Abutment and Abutment Foundation
4	212/1	211.225	2 x 30	41.4	RCC Solid slab	PCC Abutment and Abutment Foundation
5	215/2	214.590	1 x 10.0	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
6	217/1	216.150	1 x 10.0 (Skew 20 degree)	27.0	RCC Solid slab	RCC Abutment and Abutment Foundation
7	217/2	216.185	3 x 8.0 x 3.5 (Skew 57 degrees)	24.0	RCC Box	-
8	220/2	219.610	1 x 10.80	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
9	224/4	223.965	1 x 6.0	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
10	225/2	224.632	2 x 5.20	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
11	226/2	225.576	1 x 6.0	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
12	230/2	229.890	2 x 4.2	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation
13	233/1	232.018	1 x 12.8	24.0	RCC T -Girder	RCC Abutment and Abutment Foundation
14	237/1	236.476	3 x 8.8	24.0	RCC Solid slab	PCC Abutment and Abutment Foundation

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

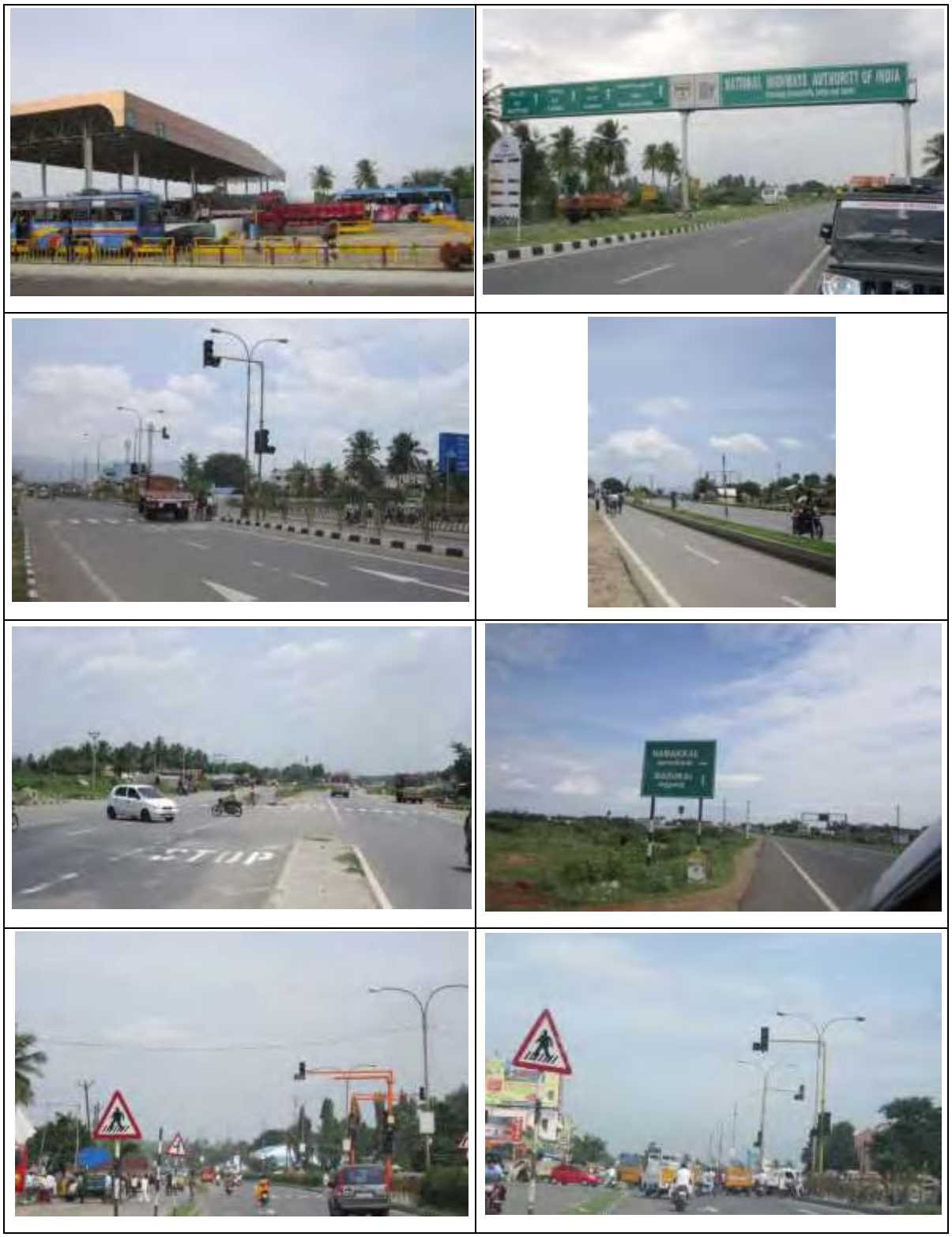


Figure 2-4 : Photographs showing Project Corridor

CHAPTER 3
TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

In the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at toll plaza location on Omalur - Namakkal section of NH-7 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into following homogenous sections from traffic point of view.

These sections can be

- Omalur to Salem
- Salem to Rasipuram
- Rasipuram to Namakkal

Table 3-1 below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Data Details

SR. NO	LOCATION	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 191.800 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1 : Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in ***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable

vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under at the toll plaza –

Table 3-3 : Traffic Data at Toll Plaza at Km 191.800

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	CAR	10179	10821
2	LCV	3694	3951
3	Truck/Bus	3091	3151
4	Multi Axle	2482	2734
	Total	**19447**	**20657**

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in Table 3-4

Table 3-4 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-5 : Traffic in PCU at Project Stretch

Period	Toll Plaza Location	Traffic No	PCU	PCU Index
FY 2016	191.800	19447	42131	**2.16**
FY 2017 upto Dec 2016	191.800	20657	43500	**2.11**

It can be observed from above that project traffic has PCU index about 2 which is a fair indicator of good mix being split between commercial and urban traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that car traffic forms 52% of total traffic at toll plaza location Km 191.800 LCV and bus / truck share 16% and 19% respectively. Multi axle consists of 13% of total traffic. Over all about 45% of traffic is commercial in nature. Higher percentage of urban traffic is due to the project corridor passing through the city of Salem which is a fast upcoming urban C category town.

Another important bifurcation of traffic is components of traffic with respect to various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16 and 2016-17 (upto Dec 2016)

Table 3-6 : Journey Type Bifurcation of Traffic at KM 191.800

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	13103	13999
2	Return Journey	4146	4333
3	Monthly Pass	2198	2325

The single journey component in total traffic numbers is as high as 68% while the return journey component is 21%. Monthly pass share is as low as 11%. As the project corridor serves as primary link for traffic between Madurai and Bangalore the component of single journey ticket is much higher. Moreover, toll structure of project is based on old toll policy and there are special rates for local single journey traffic (Please refer table 7.2). This makes the option of a monthly pass less attractive.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth

f) Special Industry Potential

g) Regional and National development vision / plan

h) Any other relevant data

3. Competing road network.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies,
- Configuration of road
- Riding comfort
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities,

Following set of urban origin and destination have been selected for this analysis

- Omalur to Salem
- Salem to Rasipram
- Rasipuram to Namakkal

Following figures depict competing road network of above pair of origin & destinations

Figure 4-1 : Project Alignment Omalur to Namakkal

Figure 4-2 : Competing Roads Omalur to Salem

Figure 4-3 : Competing Roads Salem to Rasipuram

Figure 4-4 : Competing Roads Rasipuram to Namakkal

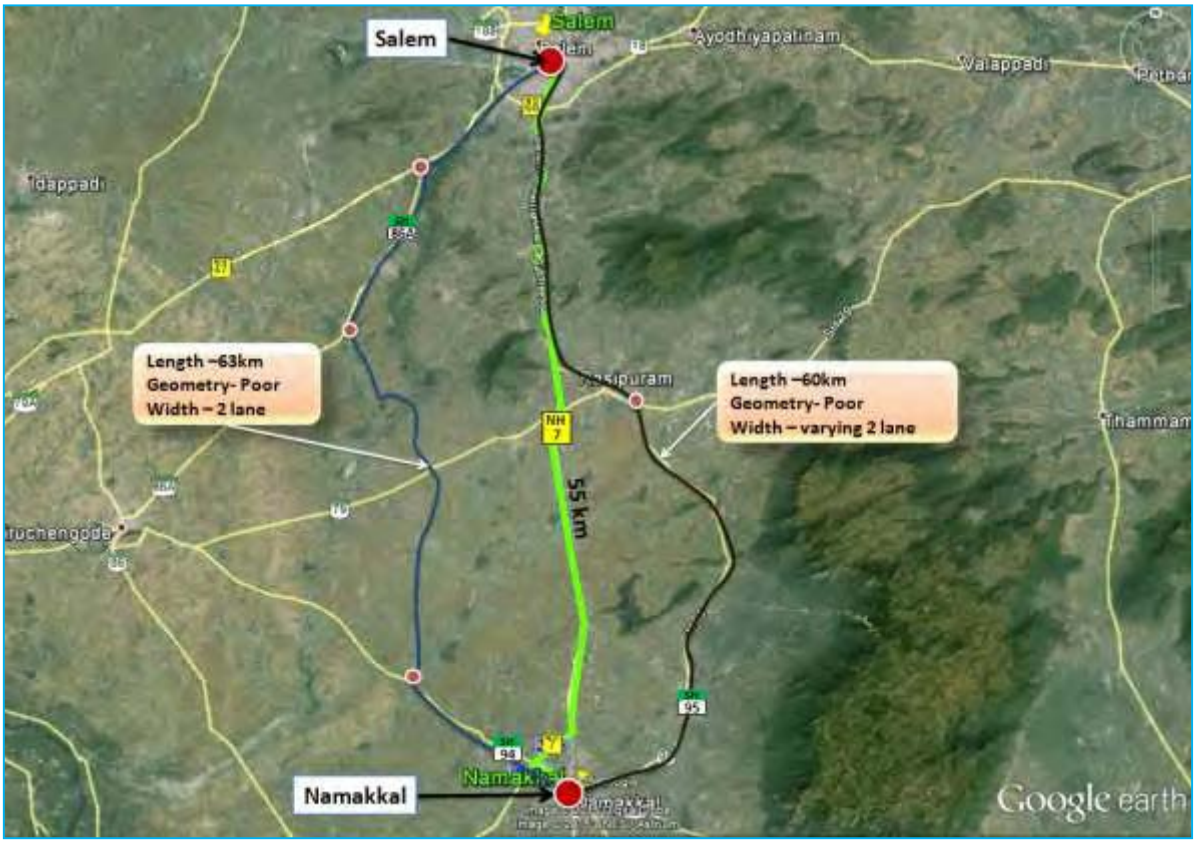


Figure 4-5 : Competing Roads Salem to Namakkal

It can be observed that the project highway is the spine of the corridor between Omalur to Salem and then to Namakkal. There are several local roads and state highways which if integrated can form a competing road network. However most of these roads run across project corridor covering much longer distances for the same pairs of origin and destination as compared to project highway. More so, the geometry and quality of road is inferior as compared to project section of NH-7, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches of damaged pavement. The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Omalur to Salem via competing road (SH-188) on East side	Competing Road	**16**	40	24	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-7 not expected
	Omalur to Salem via Project Road NH-7	**Project Road**	**13**	**70**	**11**	

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
2	Salem to Rasipuram via competing road (NH-47) on East side	Competing Road	33	40	50	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-7 not expected
	Salem to Rasipuram via Project Road NH-7	**Project Road**	**22**	**70**	**19**	
3	Rasipuram to Namakkal via competing road (SH-94) on East side	Competing Road	39	40	59	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-7 not expected
	Rasipuram to Namakkal via Project Road NH-7	**Project Road**	**33**	**70**	**28**	
	Rasipuram to Namakkal competing road (Sh-79 & SH -95) on West side	Competing Road	39	40	59	
4	Salem to Namakkal via competing road (SH-86A & SH-94) on East side	Competing Road	63	40	95	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-7 not expected
	Salem to Namakkal via Project Road NH-7	**Project Road**	**55**	**70**	**47**	
	Salem to Namakkal competing road (Sh-79 & SH -95) on West side	Competing Road	60	**40**	90	

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5
GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Omalur - Namakkal section of NH-7 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any

highway typically depends on a number of economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P	*= Number of Vehicles (Mode wise)*
EI	*= Economic Indicator*
A	*= Regression constant*
k	*= Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

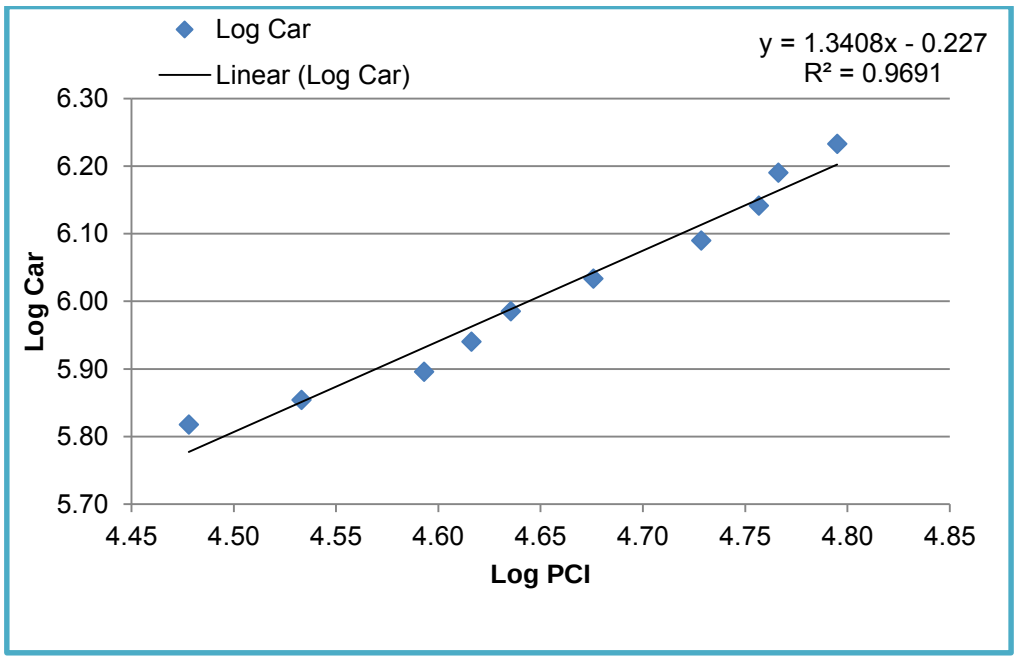


Figure 5-1 : Regression and Elasticity PCI vs. Car – Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	1%	
2006	65135000	42999	7.81	4.63	1%	
2007	65629000	47765	7.82	4.68	1%	
2008	66106000	52617	7.82	4.72	1%	
2009	66566000	56338	7.82	4.75	1%	
2010	67012000	59240	7.83	4.77	1%	
2011	67444000	62725	7.83	4.80	1%	
2012	67862000	68096	7.83	4.83	1%	
2013	68265000	84488	7.83	4.93	1%	0.70%

Regression analysis of same is given in figure below

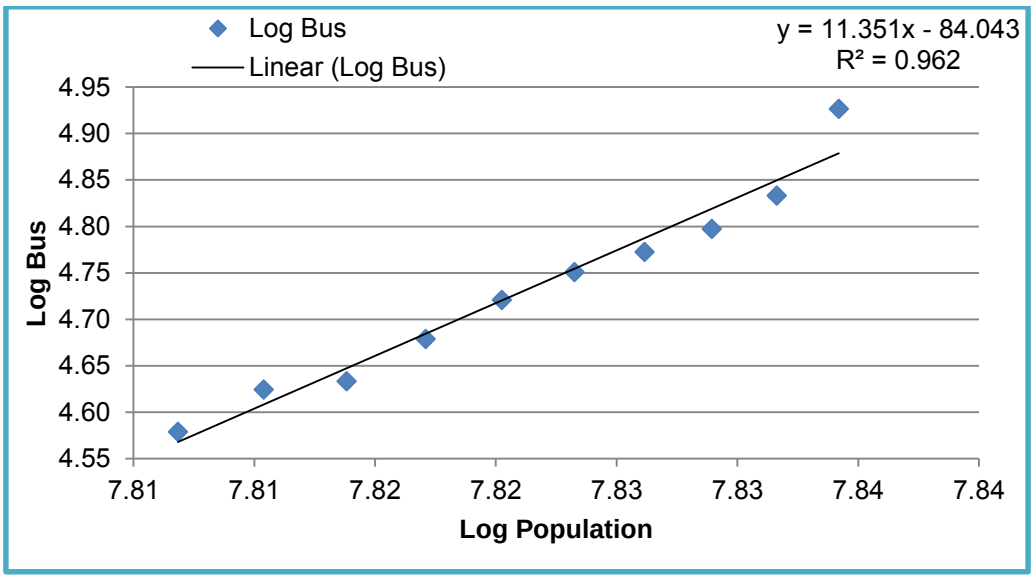


Figure 5-2 : Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

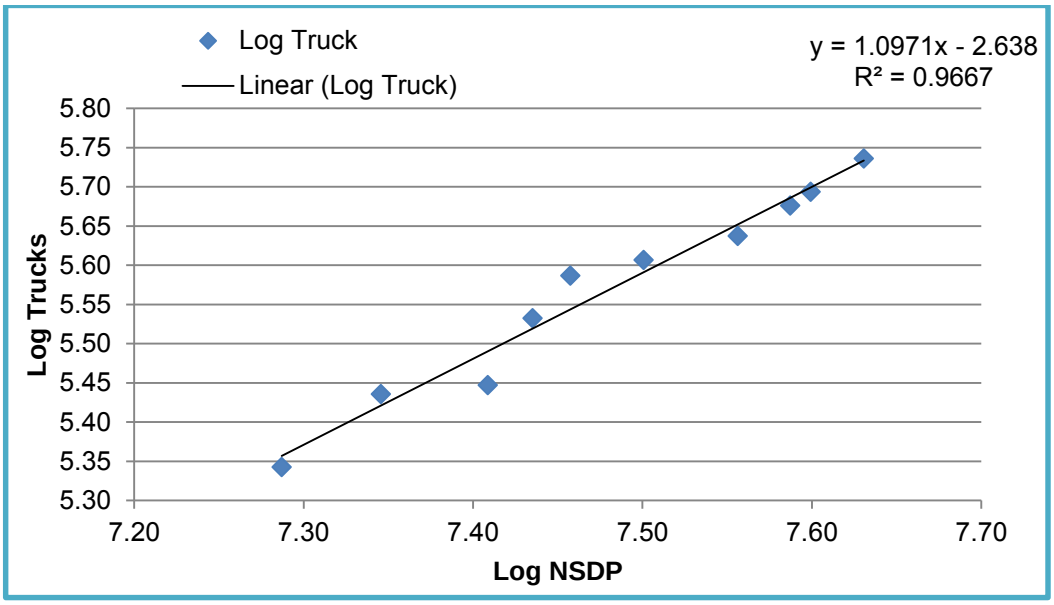


Figure 5-3 : Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity

coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamilnadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R^2 = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - -84.0434	R^2 = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R^2 = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Omalur to Namakkal has been commissioned and it under tolled operation since 2009.

M/s MVR Infrastructure & Tollways Private Limited, the concessionaire of the project, was owned by erstwhile promoters upto 2013. Project ownership is now with M/s IRB Infrastructure Developers Limited. As a result of change in management, we have not been able to rely on data from the previous concessionaire and hence are unable to establish a reliable trend in the absence of sufficient data points. A minimum of 4-5 years traffic data is required for establishing a reliable past trend.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

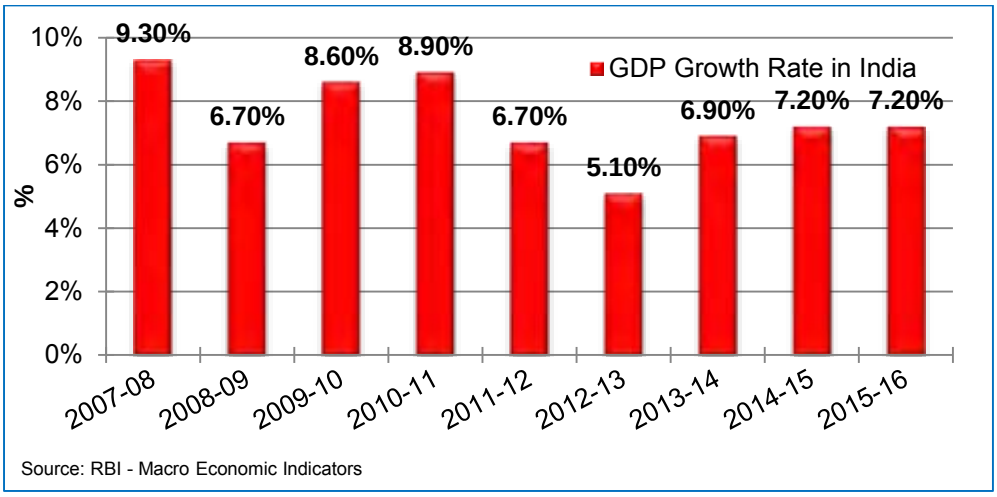


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Salem Area

The Salem handloom industry is one of the most ancient cottage industries producing quality sari, dhoti and angavasthram (traditional Indian garments) out of silk and cotton yarns. In the recent past, home furnishing items are also woven, mainly for export purposes. More than 75,000 handlooms are working and the total value of cloth produced per annum is estimated at Rs. 5,000 crores. With more than 125 spinning mills, with modern weaving units and garment units Salem has established itself as one of the major textile center in Tamil Nadu.

The region around Salem is rich in mineral ores. Salem has one of the largest magnesite, and bauxite and also iron ore deposits in India. It has many magnesite factories operated by private and public sectors such as Burn Standard & Co, Dalmia Magnesites, Tata Refractories and SAIL Refractories.

The Leigh Bazaar is the region's largest market for agricultural products, and Narasus Coffee, Nandhi Dall Mills (an old flour mill) and BSP Refineries (Usha Refined Sunflower Oil) are in Salem.

Being one of the fastest growing tier II cities, the Tamil Nadu government and ELCOT are planning to establish an IT park in Salem covering about 160 acres (0.65 sq.km).

There is an exclusive Electrical and Electronics Industrial Estate in the Suramangalam area of Salem town

5.6.2 Developments around Namakkal Area

- Namakkal is noted for truck body building activity. Truck, trailer, tanker and rig unit body building activities are being carried out in Namakkal since 1956, products built up in this region are sold to customers from other states of India and are also exported to foreign countries. About 25000 people are employed directly and indirectly in truck body building activity in Namakkal District is approximately 300 units which are engaged in this activity.
- Poultry development has been rather phenomenal in the district of Namakkal. About 1500 Poultry/Cattle feed manufacturing units are also in existence. Mostly every poultry unit has put up their own feed manufacturing unit. The district is also well known for its poultry and dairy industries, accounting for a bulk of supply of poultry products to neighboring industries. In fact, Namakkal produces about 65% of the egg output of Tamil Nadu.

Tapioca is cultivated in Namakkal District in abundance. Tapioca serves as a useful raw material in the production of Starch and Sago which has engaged 350 business units in the Namakkal region. These products often find a good market in northern India, where the demand is high. Some of the big projects around the project corridor are detailed below.

5.6.3 Salem Steel Plant & Steel SEZ by Steel Authority of India Ltd.

Salem Steel Plant, a special steel unit of Steel Authority of India Ltd has their plant located in Salem which produces cold rolled stainless steel and hot rolled stainless steel/carbon steel. The plant can produce austenitic, ferritic, martensitic and low-nickel stainless steel in the form of coils and sheets with

an installed capacity of 70,000 tonnes/year in cold rolling mill and 1,86,000 tonnes/year in hot rolling mill. In addition, the plant has country's first top-of-the-line stainless steel blanking facility with a capacity of 3,600 tonnes/year of coin blanks and utility blanks/circles. Expansion and modernisation of Salem Steel Plant is ongoing. The plan envisages installation of steel melting and continuous casting facilities to produce 1,80,000 tonnes of slabs along with expansion of the cold rolling mill complex, enhancing the capacity of Cold Rolled Stainless Steel Products from 65,000 TPA to 1,46,000 TPA and an additional roll grinding machine for the hot rolling mill to increase production to 3,64,000 TPA. The total project area is 1130 acres and cost of the project is 1780 crores.

SAIL is planning a Steel SEZ inside the Salem Steel plant covering about 250 acres.

5.6.4 The Salem Plant by Southern Iron & Steel Co. Ltd (JV with JSW Steel)

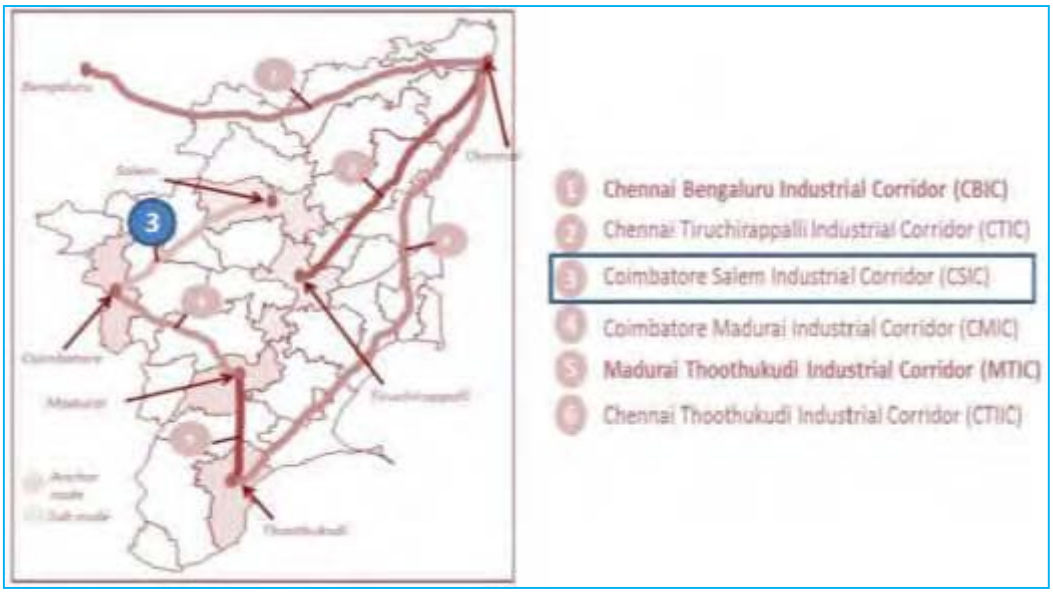
It is the first integrated steel plant of India at a cost of 2,235 Crores, located near Salem for the production of TMT corrosion resistant bars/alloy steels. The Salem plant is the largest special steel plant in India aims to develop the Kanjamalai, Kavuthimalai and Vediappanmalai iron ore mines in Tamil Nadu on receipt of requisite approvals to improve raw material security. This will facilitate expansion of production capacity to 2 MTPA. It will also allow the unit to diversify into the production of value-added products such as annealed, drawn and peeled steel. The plant is continuously working to develop special grades for critical automotive applications

5.6.5 Power Plant by The Madras Aluminum Company Ltd (MALCO)

MALCO is part of Vedanta Resources Plc, MALCO has a state-of-the-art, coal-based Captive Power Plant at the same location which was commissioned in the year 1999. In the year 2004 MALCO augmented its smelter capacity from earlier 25,000TPA to 40,000TPA. It generates 100 MW power from 4 units of 25MW each through power plant located at Mettur, Tamil Nadu. Around 90% of the entire power generated is exported; the rest is used internally.

5.6.6 Coimbatore – Salem Industrial Corridor

Coimbatore - Salem Industrial Corridor is expected to attract an investment of about Rs 14,700 crore to create further infrastructure. This in turn is expected to create investment opportunities to the tune of about Rs 43,000 crore. Sources are predicting creation of jobs for approximately 18 lakh white and blue collar personnel. This has already translated into residential developers planning to expand their offerings.



5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under. Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-5 : Recommended Growth Rates Optimistic

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
Mini Bus /LCV	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Multi Axle	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%

Table 5-6 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	4.2%	5.2%	5.2%	5.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Mini Bus /LCV	3.3%	4.2%	4.2%	4.4%	5.5%	5.0%	4.5%	4.0%	3.5%
Truck / Bus	3.9%	4.9%	4.9%	5.1%	6.5%	6.0%	5.5%	5.0%	4.5%
Multi Axle	4.2%	5.2%	5.2%	5.5%	7.0%	6.5%	6.0%	5.5%	5.0%

Table 5-7 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Mini Bus /LCV	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%
Truck / Bus	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Multi Axle	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage 191.800 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	11983	4230	3612	2922	**22747**	**49261**
2018-19	13002	4526	3906	3170	**24604**	**53268**
2019-20	14107	4844	4223	3439	**26613**	**57602**
2020-21	15236	5159	4545	3714	**28654**	**62003**
2021-22	16454	5495	4891	4011	**30851**	**66741**
2022-23	17770	5852	5263	4332	**33217**	**71842**
2023-24	19192	6232	5664	4679	**35767**	**77336**
2024-25	20727	6636	6095	5053	**38511**	**83251**
2025-26	22280	7034	6528	5431	**41273**	**89205**
2026-27	23950	7456	6993	5838	**44237**	**95586**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- Chainage 191.800 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	11159	3978	3374	2721	**21232**	**46006**
2018-19	11742	4144	3541	2863	**22290**	**48304**
2019-20	12386	4326	3725	3019	**23456**	**50838**
2020-21	13253	4565	3971	3230	**25019**	**54229**
2021-22	14180	4816	4233	3456	**26685**	**57849**
2022-23	15172	5081	4513	3698	**28464**	**61718**
2023-24	16234	5360	4811	3957	**30362**	**65843**
2024-25	17370	5656	5129	4234	**32389**	**70252**
2025-26	18499	5939	5443	4509	**34390**	**74603**
2026-27	19702	6236	5776	4802	**36516**	**79225**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- Chainage 191.800 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	11874	4191	3580	2895	**22540**	**48806**
2018-19	12823	4464	3852	3126	**24265**	**52532**
2019-20	13849	4754	4145	3376	**26124**	**56544**
2020-21	14889	5040	4440	3629	**27998**	**60581**
2021-22	16005	5343	4756	3901	**30005**	**64908**
2022-23	17205	5664	5094	4194	**32157**	**69545**
2023-24	18495	6004	5456	4508	**34463**	**74515**
2024-25	19881	6364	5844	4846	**36935**	**79842**
2025-26	21273	6714	6231	5185	**39403**	**85152**
2026-27	22762	7082	6644	5548	**42036**	**90818**

CHAPTER 7
FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Omalur – Namakkal section of NH-7 is based on old toll policy. As per the Toll Notification (Schedule R) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 time single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
   a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate on the basis of WPI are done as per toll notification (Schedule R) as given under

$$\text{Base Fee} \times \frac{\text{WPI-B}}{\text{WPI-A}} \times \text{length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates June 1997

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2015-16. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

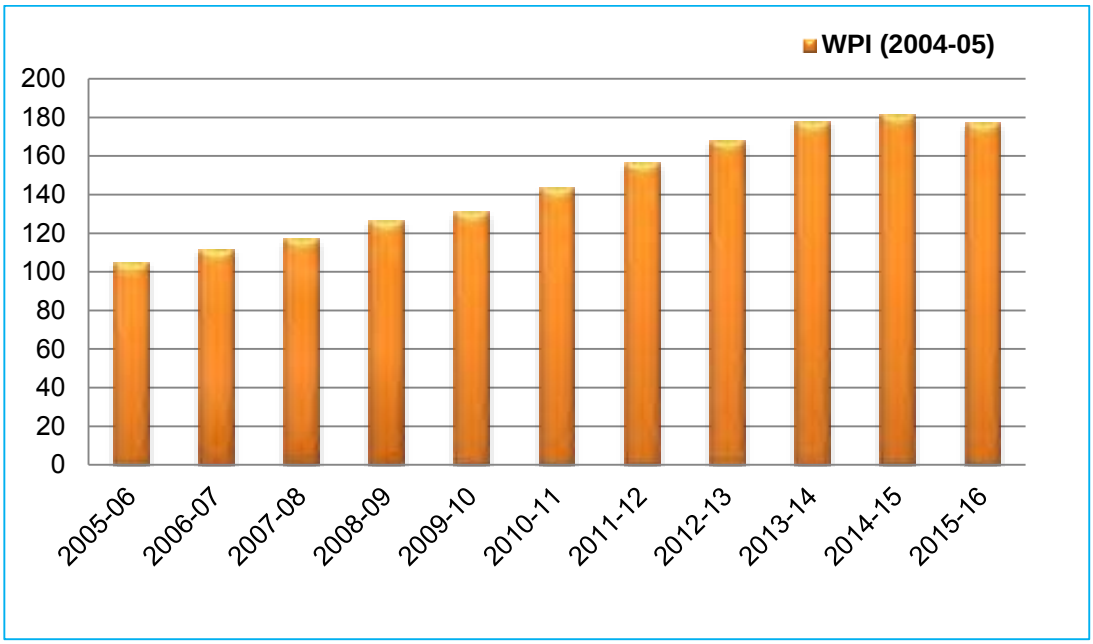


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same is considered for projection of WPI in future years.

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs. five) for the concession period and are given below.

Thus worked out rates for various categories of vehicle and discounts are given as under

Table 7-2 : Toll Rates for Single Journey @ 191.800

Year	Car/ Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/ Bus - LTO
2017-18	75	130	255	410	15	15	25
2018-19	75	135	270	435	15	15	25
2019-20	80	140	285	455	15	15	25
2020-21	85	150	300	480	15	15	25
2021-22	90	160	315	510	15	15	25
2022-23	95	165	335	535	15	15	25
2023-24	100	175	350	565	15	15	25
2024-25	105	185	370	595	15	15	25
2025-26	110	195	390	630	15	15	25
2026-27	120	205	415	665	15	15	25

Table 7-3 : Toll Rates for Multiple Journeys @ 191.800

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	109	191	383	615
2018-19	115	202	404	649
2019-20	122	213	426	685
2020-21	128	225	450	723
2021-22	136	237	474	762
2022-23	143	250	500	804
2023-24	151	264	528	848
2024-25	159	278	557	895
2025-26	168	294	588	944
2026-27	177	310	620	996

Table 7-4 : Toll Rates for Monthly Pass @ 191.800

Year	Car/ Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LT1	Car - LT2	School Bus
2017-18	2188	3829	7658	12307	150	300	1000
2018-19	2308	4039	8079	12984	150	300	1000
2019-20	2435	4262	8523	13698	150	300	1000
2020-21	2569	4496	8992	14451	150	300	1000
2021-22	2710	4743	9486	15246	150	300	1000
2022-23	2859	5004	10008	16084	150	300	1000
2023-24	3017	5279	10559	16969	150	300	1000
2024-25	3183	5570	11139	17902	150	300	1000
2025-26	3358	5876	11752	18887	150	300	1000
2026-27	3542	6199	12398	19926	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2026-27 (End of Concession Period) starting from the year 2017-18 are shown in tables below.

Table 7-5 : Toll Revenue Optimistic Scenario

(Rs. Crores)

Year	Toll Plaza 191.800	Total
2017-18	96.78	**96.78**
2018-19	109.35	**109.35**
2019-20	124.28	**124.28**
2020-21	140.81	**140.81**
2021-22	160.67	**160.67**
2022-23	181.36	**181.36**
2023-24	206.19	**206.19**
2024-25	232.48	**232.48**
2025-26	263.39	**263.39**
2026-27	298.54	**298.54**

Table 7-6 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll Plaza 191.800	Total
2017-18	88.70	**88.70**
2018-19	97.39	**97.39**
2019-20	108.84	**108.84**
2020-21	122.18	**122.18**
2021-22	138.13	**138.13**
2022-23	154.48	**154.48**
2023-24	173.99	**173.99**
2024-25	194.36	**194.36**
2025-26	218.14	**218.14**
2026-27	244.91	**244.91**

Table 7-7 : Toll Revenue Most Likely Scenario

(Rs. Crores)

Year	Toll Plaza 191.800	Total
2017-18	95.63	**95.63**
2018-19	107.52	**107.52**
2019-20	121.64	**121.64**
2020-21	137.21	**137.21**
2021-22	155.86	**155.86**
2022-23	175.14	**175.14**
2023-24	198.18	**198.18**
2024-25	222.43	**222.43**
2025-26	250.85	**250.85**
2026-27	283.01	**283.01**

CHAPTER 8

OPERATION & MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	66.725	Km
Main Carriageway	Paved Area	1134325	SQM
Service Road	Paved Area	145750	SQM
Bus bays	Paved Area	36750	SQM
Truck Lay bye	Paved Area	8775	SQM
Structure		**91909**	SQM
Major Bridge	Area	4674	SQM
Minor Bridge	Area	83615	SQM
Flyover	Area	3620	SQM
RCC Crash Barrier	Length	13345	RMT
Metal Beam Crash Barrier	Length	13345	RMT
Guard Post	Nos	26690	No.
Kerb Detail	Length	133450	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Omalur to Namakkal on NH-7 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. This operation and its cost are spread over three years.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Operation & Maintenance Cost

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System	Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual				
2017-18	5.13				0.14	0.23	5.51	1.10	6.07	Regular O & M
2018-19	5.13	1.51	6.05	5.31	0.14	0.23	18.38	1.16	21.28	Renewal of Wearing course + Pavement repair
2019-20	5.13	1.51	6.05	5.31	0.14	0.23	18.38	1.22	22.34	Renewal of Wearing course + Pavement repair
2020-21	5.13				0.14	0.23	5.51	1.28	7.03	Regular O & M
2021-22	5.13				0.14	0.23	5.51	1.34	7.38	Regular O & M
2022-23	5.13				0.14	0.23	5.51	1.41	7.75	Regular O & M
2023-24	5.13	1.51	6.05	5.31	0.14	0.23	18.38	1.48	27.15	Renewal of Wearing course + Pavement repair
2024-25	5.13	1.51	6.05	5.31	0.14	0.23	18.38	1.55	28.51	Renewal of Wearing course + Pavement repair
2025-26	5.13				0.14	0.23	5.51	1.63	8.97	Regular O & M
2026-27	5.13				0.14	0.23	5.51	1.71	9.42	Regular O & M

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

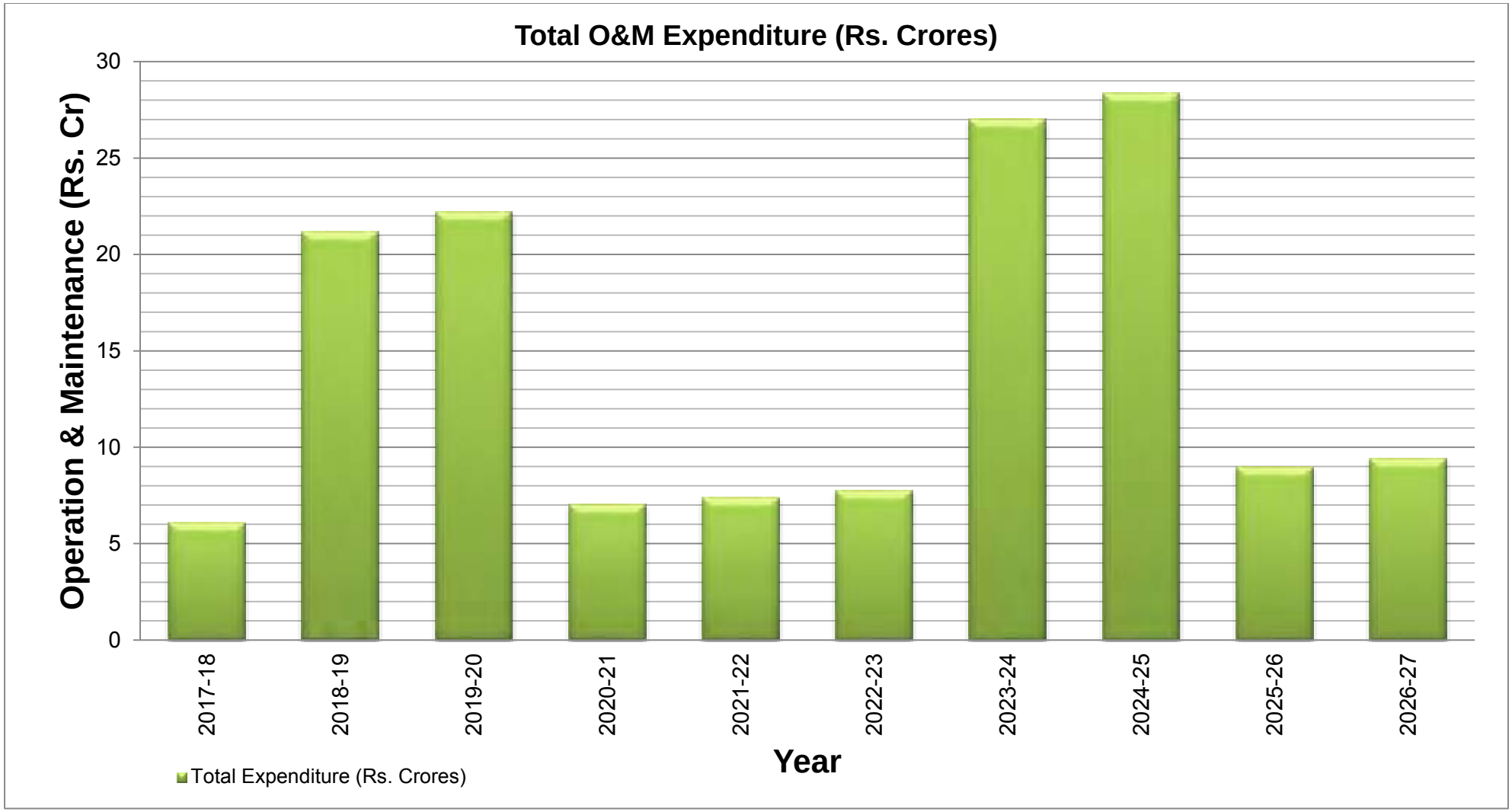


Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9
CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Omalur to Namakkal section of NH-7 in state of Tamilnadu from km 180.000 to km 248.625 is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. The project corridor is a part of critical North – South connectivity via national highway NH-7. Bangalore has already emerged as IT capital of country and the project stretch falls in its catchment. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

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TALEGAON TO AMRAVATI SECTION OF NH-6

(KM 100.000 TO KM 166.725)

IN THE STATE OF MAHARASHTRA

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

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ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Talegaon - Amravati section of NH-6 from Km 100.000 to km 166.725 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. *M/s IRB Talegaon - Amravati Tollway Pvt. Ltd*. (Concessionaire) has been awarded the Project for concession period of 22 years starting from 3rd September 2010 to 2nd September 2032. The Project has been commissioned and is currently in the operation / maintenance phase.

1.2 Objective of the Study

M/s IRB INVIT FUND has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost Projection Report***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic historical traffic data and other project details on the basis of which the above analysis has been carried out, after applying our judgement on the traffic estimates.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

The project road is part of the National Highway 6 from Km 100.00 near Talegaon to Km 166.725 near Amravati (hereinafter, referred to as the Project Corridor). Project stretch is part of major East - West national highway NH-6 commonly referred to as NH-6 or the G.E. Road (Great Eastern Road). NH-6 is a busy National Highway that runs through Gujarat, Maharashtra, Chhattisgarh, Orissa, Jharkhand and West Bengal state in India. The highway passes through the cities of Surat, Dhule, Nagpur, Raipur, Sambalpur & Kolkata. NH 6 runs over 1,949 km from Hazira to Kolkata forming important east-west connectivity across region.

The project highway corridor is in the state of Maharashtra and passes through Amravati district. En-route, it passes few major/minor urban centres, viz. Nandgaon Peth, Mozri, Tivsa, and Ramdara etc. along its length before reaching end of project stretch at Talegaon. Corridor is also known as Amravati – Nagpur Highway

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

Figure 2-1 : Index Map of Project Highway - Country Level

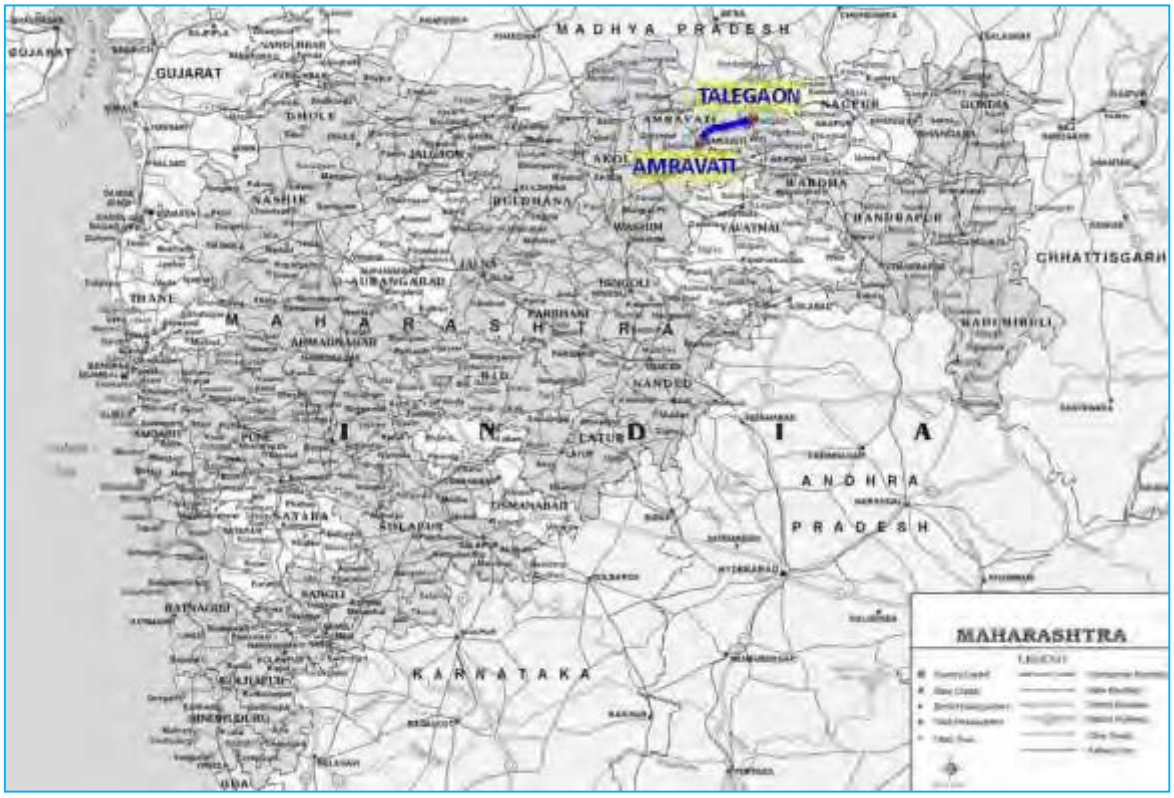

Figure 2-2 : Index Map of Project Highway - State Level

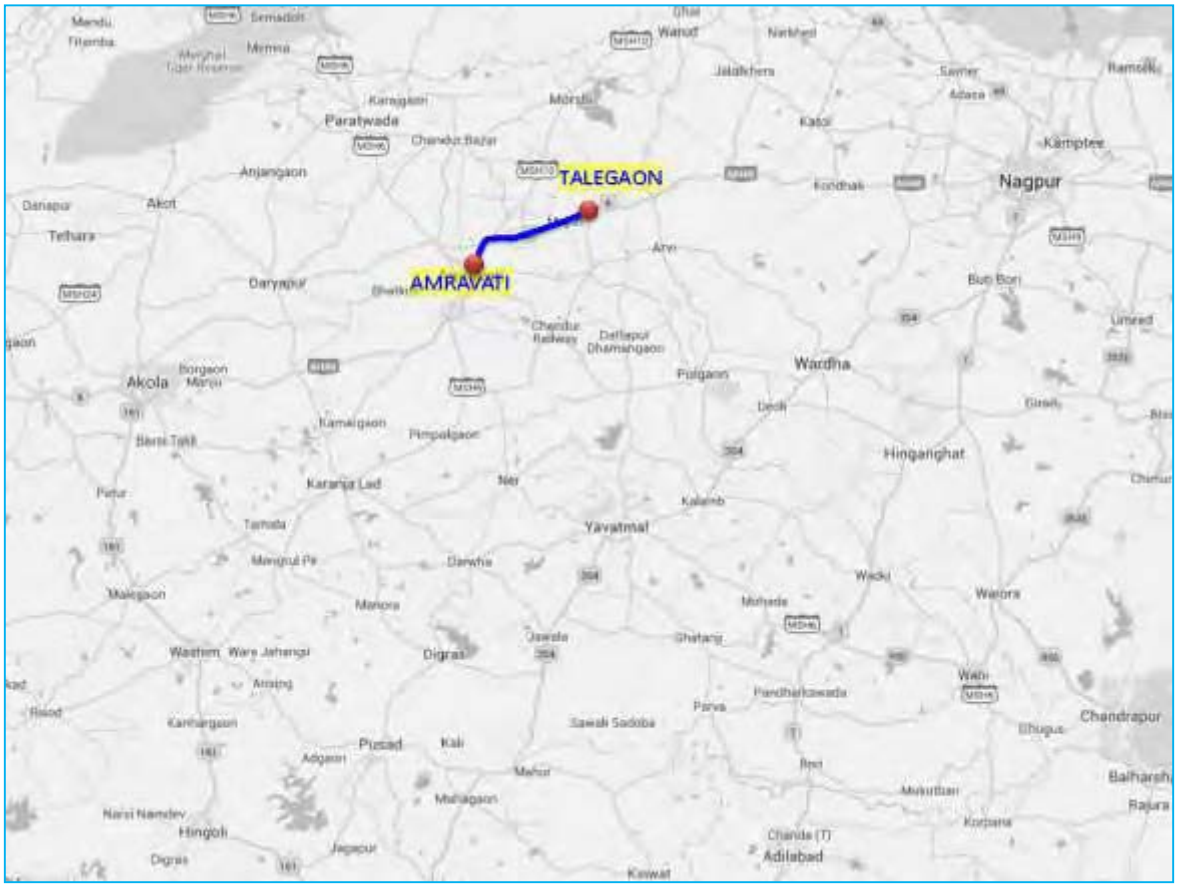

Figure 2-3 : Location Map of the Project Road

2.2 Corridor Description

The National Highway No. 6 connects Hazira and Kolkata via Surat, Dhule, Amravati, Nagpur, Raipur, and Sambalpur. It makes junctions with several other national highways which make it further important from traffic distribution point of view. Details of major junctions are as under.

- NH -8 near Surat
- NH-3 Near Dhule
- NH-7 near Nagpur
- NH-5 near Jharkoparia

National Highway No - 6 passes through five states viz. Gujrat, Madhya Pradesh, Orissa, Chhattisgarh and West Bengal.

This study stretch of National Highway-6 starts from km 100/000 (Talegaon) to Km 166.725 (Amravati). The corridor has been developed to four lane carriageway with median, paved shoulders; side drains on both side and flyovers at major intersections.

This study section of NH-6 caters to various types of traffic such as urban, suburban and regional traffic. The development alongside the highway indicates mixed land use on both sides of the highway consisting of agricultural and barren lands, residential, commercial, small & medium scale industrial establishments such as textiles, woolen blankets, ropes, watches etc. The corridor in general has significant potential for future development along the highway and in the influence area, discussed further in this Report. Dominant land use of both side of project corridor is rural agriculture land. Since this stretch is part of Great Eastern Highway which connect two major ports of country namely **Kolkata** and **Hazira**, it carries good amount of commercial bulk transportation traffic.

2.3 Salient Features

The silent features of the project corridor are as given below;

- Four Laning of Carriageway = 66.725 Kms
- Major Bridges = 1 No.
- Minor Bridges = 25 Nos.
- Flyovers = 2 Nos.
- ROB = 1 No.
- Culverts = 86 Nos.

- Pedestrian Under passes = 11 Nos.
- Vehicular Under passes = 11 Nos.
- Major intersection = 36 Nos.
- Service Road = 26.50 Kms.
- Bus Bays = 15 Nos.
- Toll Plaza Complex = 1 Nos.

The details of the structures are given below.

2.3.1 Flyovers

The list of flyovers along the project corridor is as given below

Table 2-1 : List of Flyovers along Project Corridor

Sr.	Chainage	Name of Intersecting Roads	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	120+500	Town Portion	Single Arm 1 x 3 Lanes	RCC Girder	3 x 20	24.2 m
2	140+400	NH -6 & Amravati – Morshi road MSH -10	Double arm 2 x 3 Lanes	RCC Piers & Box Girder with Desk Slab	1 x 40	12.0m

2.3.2 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-2 : List of Major Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	89/1 Wardha River Bridge	104+429	1 x 3 Lanes	RCC Piers and PCC Abutments	6 x 25.36 + 2 x 38.47	12.00m
			1 x 3 Lanes	RCC Piers and PCC Abutments	8 x 25.36 + 2 x 13.11	7.5 / 8.4

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges along Project Corridor

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	Bakhali River	100+954	1 x 3 Lanes	RCC Piers, Abutments, RCC T Beam & Slab	1 x 19.80	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	6 x 9.90 3 x 6.95	8.60m
2	Yeali Nallah	102+471	1 x 3 Lanes	RCC Abutments and RCC T Beam & Slab	1 x 20.85	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	1 x 7.0 / 4 x 5.65	12.34
3	Marwahi Nallah	111+662	1 x 3 Lanes	RCC Abutment & RCC Slab	1 x 7.0	12.0m
			1 x 3 Lanes	PCC Abutments	2 x 9.00/ 3 x 5.80	12.0m
4	Nallah	115+845	1 x 3 Lanes	RCC Abutments and RCC T Beam & Slab	1 x 22.60	12.0m
			1 x 3 Lanes	PCC pier and Abutment	2 x 11.75 / 3 x 8.7	8.25m
5	Canal Crossing	116+720	1 x 3 Lanes	RCC Abutments and RCC T Beam & Slab	1 x 18.00	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	2 x 8.8 / 1x 12.10	12.0m
6	Khadicha Nallah	119+804	1 x 3 Lanes	RCC Abutments and RCC T Beam & Slab	1 x 17.40	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	2 x 7 / 1x 7.9	12.0m

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
7	Nallah	122+681	1 x 3 Lanes	RCC Abutment & RCC T Beam & Slab	1 x 23.50	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	2 x 11.25 / 4 x 7.4	8.15m
8	Suryagana River	126+065	1 x 3 lanes	RCC Abutment & RCC T Beam & Slab	1 x 26.10	12.0m
			1 x 3 Lanes	PCC pier and Abutment	1 x 9.00 / 1 x 8.00	12.00m
9	Nallah	129+890	1x 3 lanes	RCC Abutments and RCC T Beam & Slab	1 x 17.60	12.0m
			1 x 3 Lanes	PCC pier and Abutment	2 x 7.5 / 3 x 8.3	12.0m
10	Nallah	131+072	1 x 3 Lanes	RCC Abutments & Slab	1 x 12.10	12.0m
			1 x 3 Lanes	PCC Abutment	1 x 12.125 / 1 x 21.55	8.40m
11	Nallah	138+781	1 x 3 Lanes	PCC Abutments & RCC Slab	1 x 14	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	1 x 18.50 / 1 x 28.15	12.0m
12	Nallah	141+611	1 x 3 Lanes	PCC Abutments & RCC Slab	1 x 7.9	12.0m
			1 x 3 Lanes	Stone Masonry Abutment	1 x 27.86 / 1 x 21.62	8.25m
13	Daatpadi River	142+300	1 x 3 Lanes	RCC Piers, Abutments and Girder & Slab	3 x 11.25	12.0m
			1 x 3 Lanes	PCC Pier and Abutment	2 x 18.84	8.60

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
14	Bor River	143+934	1 x 3 Lanes	RCC Abutments and RCC T Beam & Slab	1 x 29.00	12.0m
			1 x 3 Lanes	Stone Masonry Pier and Abutment		8.45m
15	Nallah	144+296	1 x 3 Lanes	PCC Abutments & RCC Slab	1 x 9.00	12.0m
			1 x 3 Lanes	PCC Abutment		12.10m
16	Chambar Nallah	145+924	1 x 3 Lanes	PCC Abutments & RCC Slab	1 x 8.00	12.0 m
			1 x 3 Lanes	PCC Abutment		12.10m
17	Bhanamati	148+466	1 x 3 lanes	PCC Piers & Abutments, RCC Slab	2 x 7.5	
			1 x 3 Lanes	Stone Masonry pier and Abutment		8.50m
18	Ghasmusa Nallah	149+028	1 x 3 Lanes	PCC Piers & Abutments, RCC Slab	3 x 8.3	
			1 x 3 Lanes	Stone Masonry pier and Abutment		8.50m
19	Nallah	153+370	1 x 3 Lanes	RCC Abutments and RCC T – Beams & Slab	1 x 12.12	
			1 x 3 Lanes	RCC Abutment		12.0m
20	Nallah	153+370	1 x 3 Lanes	RCC Abutments and RCC T- Beams & Slab	1 x 21.55	
			1 x 3 Lanes	RCC Abutment		12.0m

Sr	Bridge No.	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
21	Nallah	155+970	1 x 3 Lanes	RCC Abutments and RCC T- Beams & Slab	1 x 18.50	
			1 x 3 Lanes	RCC Abutment		12.0m
22	Nallah	157+310	1 x 3 lanes	RCC Abutments and RCC T- Beams & Slab	1 x 28.15	
			1 x 3 Lanes	RCC Abutment		12.0m
23	Nallah	161+191	1 x 3 Lanes	RCC Abutments and RCC T- Beams & Slab	1 x 27.86	
			1 x 3 Lanes	RCC Abutment		12.0m
24	Nallah	162+214	1 x 3 Lanes	RCC Abutments and RCC T- Beams & Slab	1 x 21.62	
			1 x 3 Lanes	RCC Abutment		12.0m
25	Nallah	164 +880	1 x 3 Lanes	RCC Pier, Abutments and RCC T-Beams & Slab	2 x 18.84	
			1 x 3 Lanes	RCC Abutment		12.0m

Table 2-4 : List of ROB's /RUB's along Project Corridor

Sr	ROB/RUB	Chainage	Structural Configuration	Structure Type	Span Arrangement	Width of Structure
1	ROB	163+344	2 x 3 Lanes	RCC Abutments, RCC T Beam & Slab	1 x 30.25	27.50m

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4 : Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

In the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.
The following traffic data has been collected for project

The following traffic data has been collected for project.

- Classified traffic volume counts at toll plaza locations on Amravati Talegaon section of NH-6 for base year 2015-16 and 2016-17 (upto Dec 2016)
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into three homogenous sections from traffic point of view.

These sections can be

- Talegaon to Tivasa
- Talegaon to Mozri
- Talegaon to Amravati

Table 3-1 below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic Data Details

SR. NO	LOCATION	CTV	Single Journey Traffic	Return Journey Traffic	Monthly Pass Traffic	Local Traffic
1	Km 142.800 Toll Plaza	AADT for Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016	For Year 2015-2016
		AADT for year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016	For Year 2016-2017 upto Dec 2016

The locations of each of the traffic survey are illustrated in Figure 3-1.

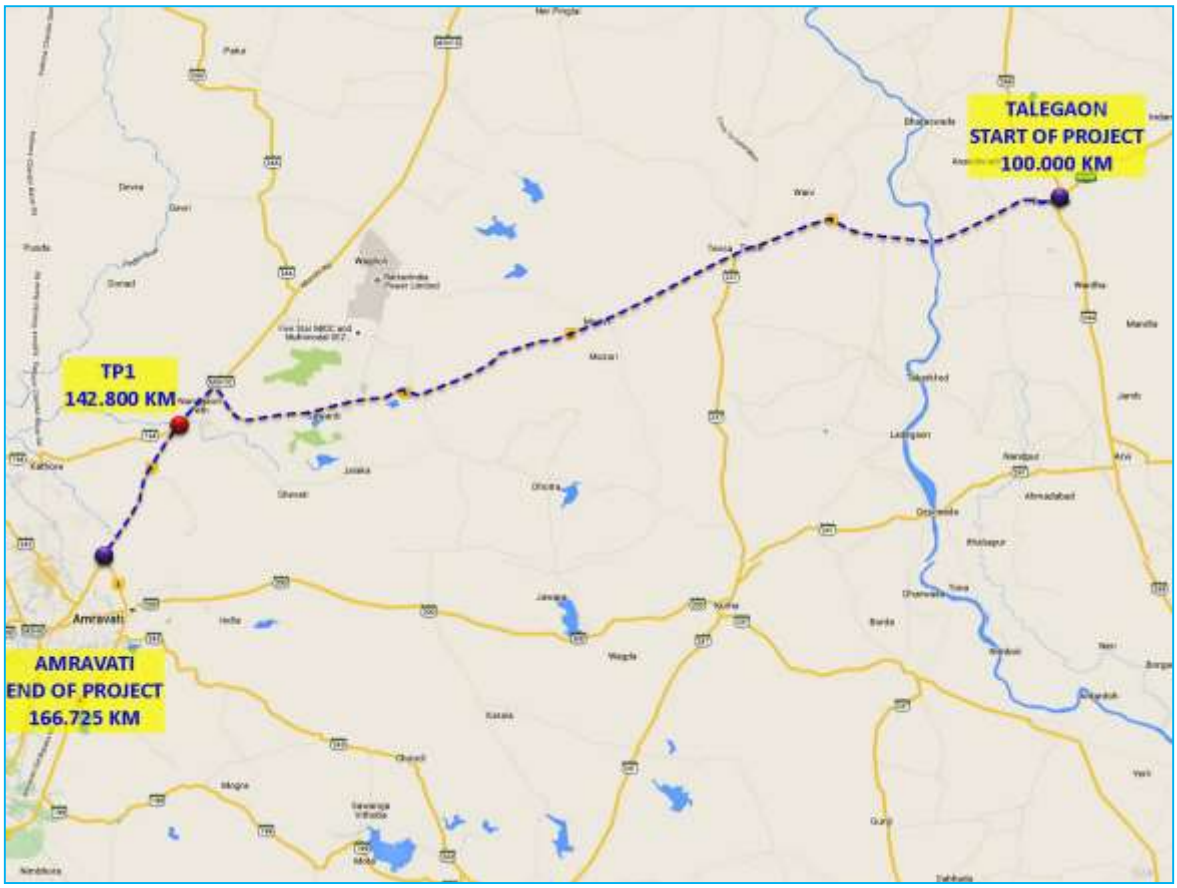

Figure 3-1 : Toll Plaza Location

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual

traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in ***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / van
- Mini Bus /LCV
- Truck / Bus
- Multi Axle
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of the project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have significant potential to affect toll revenue. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, portion of monthly pass traffic are some such characteristics of traffic. These will be discussed in subsequent sections of this report

3.3.1 Traffic Data

The Concessionaire has provided Traffic data for base year 2015-16 and 2016-17 (upto Dec 2016) as under for toll plaza -

Table 3-3 : Traffic Data at Toll Plaza at Km 142.800

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.) – FY 2015-16	Annual Average Daily Traffic (Nos.) – FY 2016-17 upto Dec 2016
1	Car	5105	5770
2	Mini Bus/ LCV	1253	1333
3	Truck/Bus	1238	1244
4	Multi Axle	1742	1808
5	Oversized Vehicles	2	1
	Total	9340	10156

The above data was arrived at by applying standard trip frequencies to monthly passes and return journey tickets issued.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in “IRC-64-1990: Guidelines for Capacity of Roads in Rural areas”. The adopted passenger car unit values (PCU) are presented in ***Table 3-4.***

Table 3-4 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-5 : Traffic in PCU at Project Stretch

Period	Toll Plaza Location	Traffic No	PCU	PCU Index
FY 2016	142.800 (Nandgaon Peth)	9340	17786	1.90
FY 2017 upto Dec 2016	142.800 (Nandgaon Peth)	10156	20713	2.04

It can be observed from above that project traffic has PCU index close to 1.9 which indicates good mix of commercial, goods traffic and passenger traffic

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A Larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

For the purpose of analysis, the traffic numbers of last full financial year i.e. FY 2015-16 have been considered as the base numbers.

It is observed that car traffic forms 55% of total traffic at toll plaza location 142.800 where multi axle commercial vehicles comprise 19% of total traffic. Over all about 45% of traffic is commercial in nature.

Another important bifurcation of traffic is components of traffic with respect various type of toll ticketing like

1. Single Journey
2. Return Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16 and 2016-17 (upto Dec 2016)

Table 3-6 : Journey Type Bifurcation of Traffic at KM 142.800

Sr. No	Type	Traffic Volume (Nos.) for FY 2015-16	Traffic Volume (Nos.) for FY 2016-17 (upto Dec 2016)
1	Single Journey	4160	4456
2	Return Journey	2860	2967
3	Monthly Pass	2320	2733

A significant part of the traffic at KM 142.800 is single journey (44%) followed by return journey (31%) and monthly passes which share 25% of the total traffic volume.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development

- Tourism potential
- Upcoming major infrastructural or Industrial projects
- Special Industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flow on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time
- Geometric deficiencies like blind horizontal curves and steep vertical gradients etc.,
- Configuration of road
- Riding quality
- Traffic delays,
- Length of road,
- Passing through built up or Urban Area,
- Terrain,
- Facilities,

Following set of urban origin and destination have been selected for this analysis

- Talegaon to Tivasa
- Talegaon to Mozri
- Talegaon to Amravati

We have included images of competing network for the above mentioned travel points in this report.

Figure 4-1 : Project Alignment Talegaon to Amravati

Figure 4-2 : Competing Roads Talegaon to Tivasa

Figure 4-3 : Competing Roads Talegaon to Mozri

Figure 4-4 : Competing Roads Talegaon to Amravati

It can be observed that project highway forms the main spine of corridor between Talegaon and Amravati. There are several local roads and state highways which if integrated can for competing road network. However most of these roads run across

project corridor covering much longer distance for same of pair of origin and destination as compared to project highway. More so, their geometry and riding quality of road is inferior as compared to project section of NH-6 adding to travel time. These have sharp turns, bottlenecks and patches of damaged pavement Following table provide quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Average Speed (KMPH)	Time Taken (Min)	Observations
1	Talegaon to Tivsa via competing road (SH-244, SH-241 & SH-237) on East side	Competing Road	43	40	65	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-6 not expected
	Talegaon to Tivsa via Project Road NH-6	**Project Road**	**17**	**70**	**15**	
2	Talegaon to Mojhri via competing road (SH-244, SH-241 & SH-237) on East side	Competing Road	55	40	83	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-6 not expected
	Talegaon to Mojhri Project Road NH-6	**Project Road**	**25**	**70**	**21**	
3	Talegaon to Amravati via competing road (SH-244 & SH-241) on East side	Competing Road	62	45	83	Competing roads of poor geometry and lesser widths, passes thru villages. Shifting of traffic from NH-6 not expected
	Talegaon to Amravati via Project Road NH-6	**Project Road**	**53**	**70**	**45**	

As can be observed from table above, there is significant time saving and consequently cost savings for traffic which aligns to the project highway. Time and fuel saving is a major criterion for selection of routes. Under these circumstances it is not envisaged that commercial or passenger traffic would switch to competing roads from project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have a number of uncertainties associated with them, forecasts of traffic are dependent on the projections of other factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Bharuch - Surat section of NH-8 has been done taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast**.**

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicle traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on a number of economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP

Time series data of vehicle (both passenger and goods) Registered in state of Maharashtra is used as the base data for analysis of growth.

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P = *Number of Vehicles (Mode wise)*

EI = *Economic Indicator*

A = *Regression constant*

k = *Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on the Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2005	36077	1479877	4.56	6.17		
2006	40671	1648379	4.61	6.22	13%	
2007	45582	1822458	4.66	6.26	12%	
2008	50138	1979191	4.70	6.30	10%	
2009	50183	2182969	4.70	6.34	0%	
2010	54246	2440404	4.73	6.39	8%	
2011	59587	2750167	4.78	6.44	10%	
2012	61468	3162000	4.79	6.50	3%	
2013	64218	3439300	4.81	6.54	4%	7.6%

Regression analysis of same is given in figure below

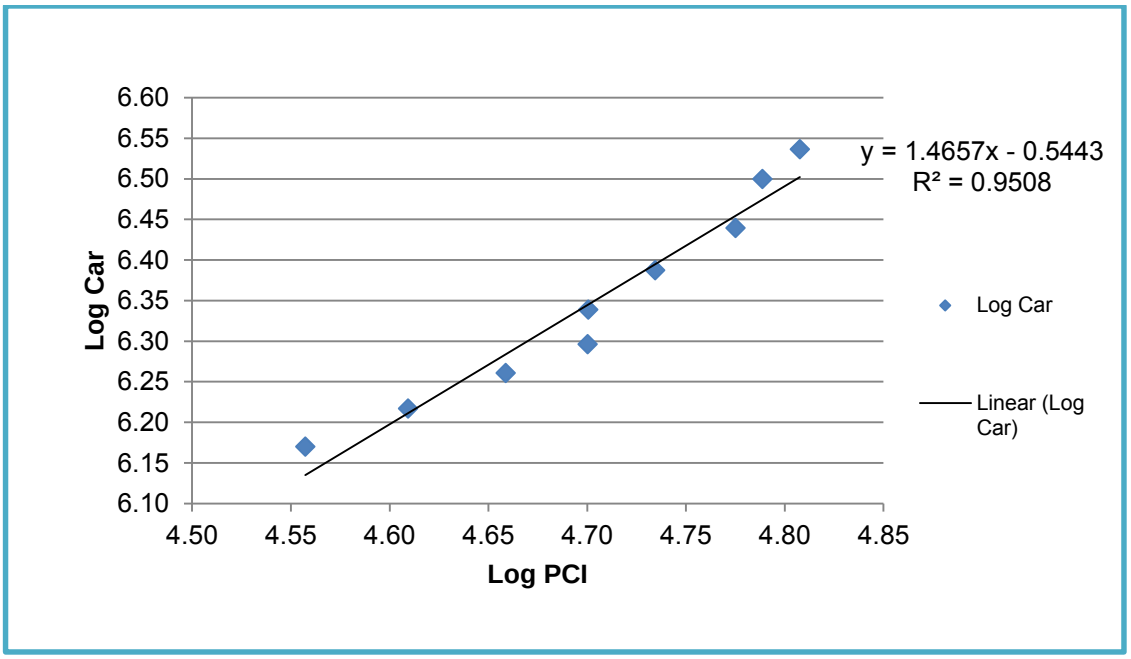

Figure 5-1 : Regression and Elasticity PCI vs. Car – Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2005	103218000	60426	8.01	4.78		
2006	104804000	64357	8.02	4.81	2%	
2007	106386000	69589	8.03	4.84	2%	
2008	107972000	71813	8.03	4.86	1%	
2009	109553000	74712	8.04	4.87	1%	
2010	111118000	80290	8.05	4.90	1%	
2011	112374333	89540	8.05	4.95	1%	
2012	114184000	96600	8.06	4.98	2%	
2013	115697000	105400	8.06	5.02	1%	1.44%

Regression analysis of same is given in figure below

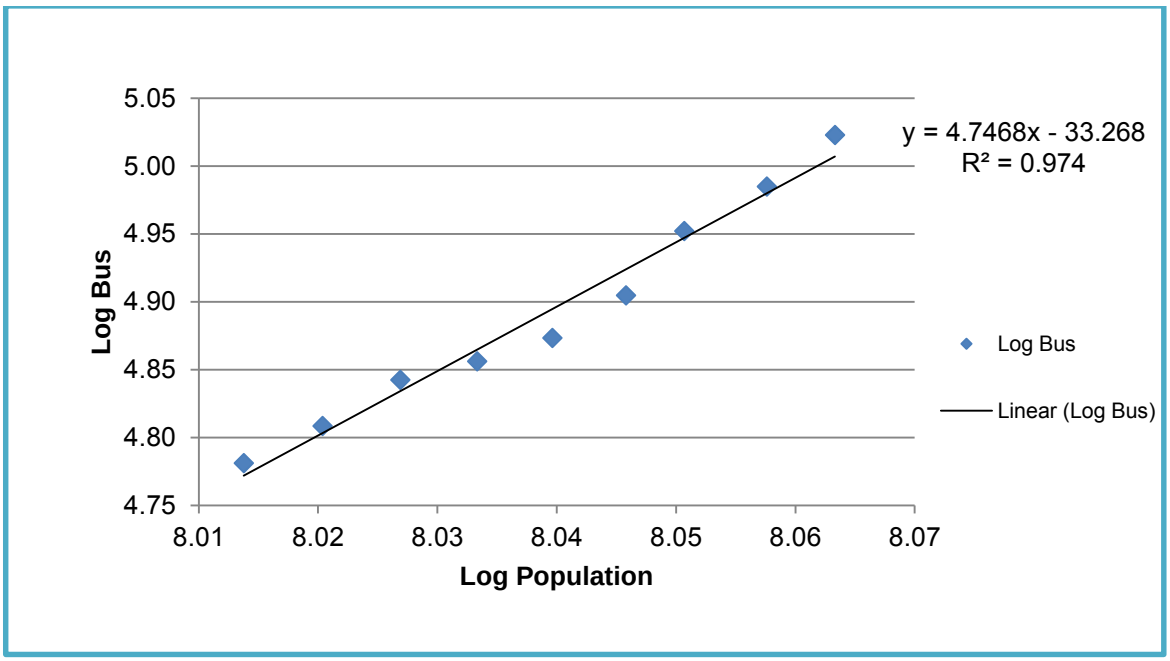

Figure 5-2 : Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth
2005	42363200	621971	7.63	5.79		
2006	48198300	700356	7.68	5.85	14%	
2007	53808100	780992	7.73	5.89	12%	
2008	54653300	845617	7.74	5.93	2%	
2009	59933800	896397	7.78	5.95	10%	
2010	66762500	973788	7.82	5.99	11%	
2011	69590400	1067825	7.84	6.03	4%	
2012	74913700	1140900	7.87	6.06	8%	
2013	80559300	1249600	7.91	6.10	8%	7.01%

Following figure depict regression analysis and extrapolation.

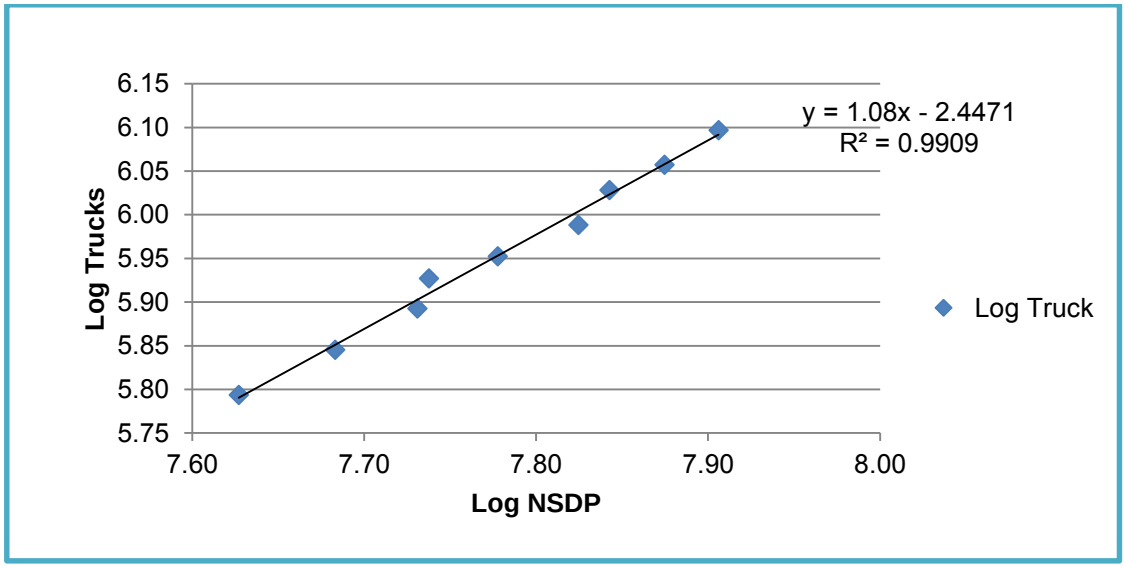

Figure 5-3 : Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data

are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Maharashtra	Car/Jeep	PCI	y = 1.4657x - -0.5443	R^2 = 0.9508	1.4657	7.56%	11.08%
	Bus	Population	y = 4.7468x - -33.2683	R^2 = 0.974	4.7468	1.44%	6.82%
	Truck	NSDP	y = 1.08x - - 2.4471	R^2 = 0.9909	1.0800	7.01%	7.57%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Talegaon to Amravati has recently been commissioned and tolling only commenced in 2013. Only 3-year traffic data is available with project concessionaire and as a result we have insufficient data points to establish past trends of growth. A minimum of about 5 years' traffic data is required for establishing a reliable past trend.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

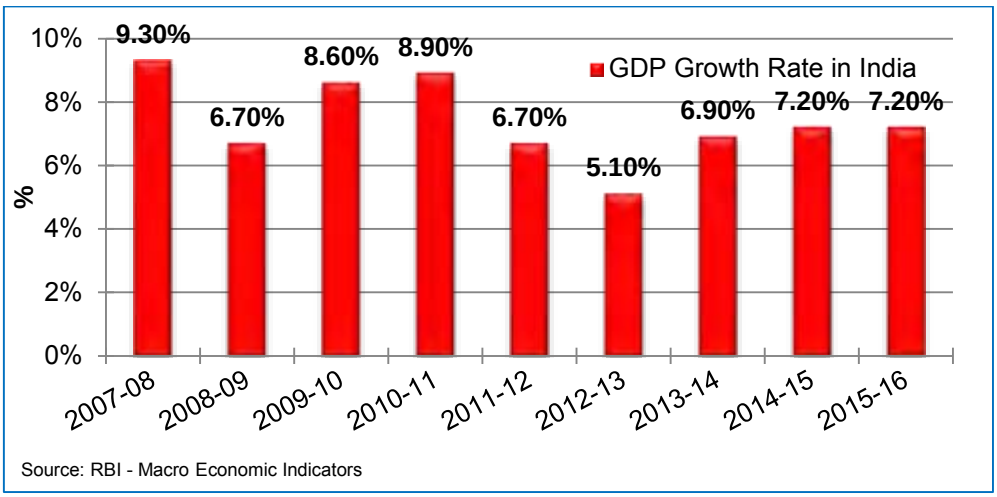

Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 and 2015-16 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor

Like many other cities of similar classification, Amravati is ramping up its infrastructure. New flyovers and roads are being built under the Integrated Road Development Programme (IRDP) of the Government of Maharashtra.

The city is rapidly expanding towards Badnera, 10 km to the south, an important railway junction where the branch railway line serving Amravati joins the main Mumbai - Bhusawal - Wardha - Nagpur - Howrah rail route.

Amravati is growing as an industrial center, with cotton mills leading the way. Amravati district is home to Vidarbha Sugar Mills Ltd., Kurha. It is the sole surviving sugar factory in Amravati region.

Relevant information is compiled as under.

5.6.1 Nandgaon Peth/Sawardi Five Star MIDC

Nandgaon Peth/ Sawardi MIDC is located on the NH-6 near Amravati. With the presence of a special SEZ in the region, there is potential for several projects to kick off in the near future. State and Central governments are both planning to set up key projects in the MIDC

5.6.2 Amravati Thermal Power Plant

Amravati thermal power plant is being developed on a total area of 1,350 acres by Maharashtra Industrial Development Corporation at Nandgaon Peth village located on NH-6. It will consist of *best-in-class* BHEL units of 2700 MW. The plant has been assured coal linkages for the entire 2,700 MW from public sector Coal India Ltd.

The total capacity of the power plant is 2,700 MW comprising two phases each of 1,350 MW. The two phases will each consist of five units of 270 MW

5.6.3 Amravati Integrated Textile Park

Integrated Textile Park is proposed in Nandgaon Peth MIDC. This Amravati Textile Park has 8 major textile units with investment of Rs 1243 crores.

5.6.4 Missiles Factory by Bharat Dynamics Ltd

Bharat Dynamics Ltd, the manufacturer of India's missiles is setting up a missiles factory at Nandgaon Peth Five Star MIDC, thus giving a major boost to industrial development in the city

The Defense public sector undertaking has acquired 530 acres. It will invest Rs. 250 crores initially.

5.6.5 Amravati Educational Hub

Amravati is well known since decades for a well diversified range of colleges in the Vidarbha region. The city boasts of various well known agricultural, engineering, medical, arts & science colleges. Panjabrao Deshmukh Medical College, Panjabrao Deshmukh agricultural college, Government College of Engineering are a few of the prominent institutions which have been established in Amravati. Regarding schooling, Amravati at large has many private schools which offer immense quality education.

All the projects and developments discussed as above would contribute to further urbanization and development of the city, consequently adding to the growth of traffic on project highway.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, the following overall growth rates are recommended for each category of vehicle as under. Rate of growth is moderated in light of overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years. Recent demonetization of Rs. 1000 and Rs. 500 currency in November 2016 impacted cash transactions business activities adversely. This may have some negative effect on lower end of economy structure as it will take a while to equip this sector of industry for cashless transactions. Our assessment is that this could impact the movement of goods and services during such interim period. Thus, it would be prudent then to moderate projected traffic growth rates in pessimistic scenario for the near term while the long term growth prospects remain intact.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-5 : Recommended Growth Rates Optimistic

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Mini Bus /LCV	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Truck / Bus	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Multi Axle	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%
Oversized Vehicles	8.5%	8.0%	7.5%	7.0%	6.5%	6.0%

Table 5-6 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	2017	2018	2019	2020	2025	2030	2035	2040	2045
CAR	3.9%	4.9%	4.9%	5.1%	6.5%	6.0%	5.5%	5.0%	4.5%
Mini Bus /LCV	3.4%	4.2%	4.2%	4.4%	5.5%	5.0%	4.5%	4.0%	3.5%
Truck / Bus	3.7%	4.6%	4.6%	4.8%	6.0%	5.5%	5.0%	4.5%	4.0%
Multi Axle	4.2%	5.3%	5.3%	5.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Oversized Vehicles	4.2%	5.3%	5.3%	5.5%	7.0%	6.5%	6.0%	5.5%	5.0%

Table 5-7 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	2020	2025	2030	2035	2040	2045
CAR	7.5%	7.0%	6.5%	6.0%	5.5%	5.0%
Mini Bus /LCV	6.5%	6.0%	5.5%	5.0%	4.5%	4.0%
Truck / Bus	7.0%	6.5%	6.0%	5.5%	5.0%	4.5%
Multi Axle	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%
Oversized Vehicles	8.0%	7.5%	7.0%	6.5%	6.0%	5.5%

CHAPTER 6

TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- Chainage 142.800 KM (Optimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5971	1434	1439	2052	2	**10898**	**20751**
2018-19	6458	1533	1551	2226	2	**11770**	**22414**
2019-20	6985	1640	1672	2415	2	**12714**	**24212**
2020-21	7520	1746	1795	2607	2	**13670**	**26033**
2021-22	8097	1860	1926	2816	2	**14701**	**27992**
2022-23	8718	1980	2067	3041	2	**15808**	**30099**
2023-24	9386	2108	2219	3284	2	**16999**	**32365**
2024-25	10106	2244	2382	3547	2	**18281**	**34803**
2025-26	10831	2378	2545	3813	2	**19569**	**37251**
2026-27	11608	2522	2718	4099	2	**20949**	**39872**
2027-28	12440	2674	2904	4407	2	**22427**	**42679**
2028-29	13331	2835	3102	4738	2	**24008**	**45684**
2029-30	14287	3006	3314	5094	2	**25703**	**48902**
2030-31	15240	3172	3525	5451	2	**27390**	**52103**
2031-32	16257	3346	3748	5833	2	**29186**	**55515**
2032-33	17342	3530	3985	6241	2	**31100**	**59151**
2033-34	18499	3724	4237	6678	2	**33140**	**63028**
2034-35	19734	3929	4506	7145	2	**35316**	**67160**
2035-36	20952	4125	4769	7610	2	**37458**	**71228**
2036-37	22246	4331	5047	8105	2	**39731**	**75545**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- Chainage 142.800 KM (Pessimistic Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5576	1350	1347	1911	2	**10186**	**19435**
2018-19	5855	1407	1411	2011	2	**10686**	**20403**
2019-20	6162	1469	1481	2121	2	**11235**	**21469**
2020-21	6573	1550	1574	2269	2	**11968**	**22898**
2021-22	7011	1635	1673	2428	2	**12749**	**24422**
2022-23	7478	1724	1779	2599	2	**13582**	**26048**
2023-24	7977	1819	1892	2781	2	**14471**	**27780**
2024-25	8508	1918	2012	2975	2	**15415**	**29624**
2025-26	9033	2014	2130	3168	2	**16347**	**31450**
2026-27	9590	2115	2253	3374	2	**17334**	**33394**
2027-28	10181	2221	2384	3593	2	**18381**	**35452**
2028-29	10809	2332	2522	3826	2	**19491**	**37644**
2029-30	11477	2448	2670	4074	2	**20671**	**39963**
2030-31	12128	2557	2813	4319	2	**21819**	**42232**
2031-32	12817	2672	2963	4578	2	**23032**	**44631**
2032-33	13544	2791	3121	4853	2	**24311**	**47163**
2033-34	14311	2917	3288	5144	2	**25662**	**49848**
2034-35	15124	3047	3464	5453	2	**27090**	**52677**
2035-36	15906	3168	3632	5753	2	**28461**	**55411**
2036-37	16729	3294	3808	6069	2	**29902**	**58279**

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- Chainage 142.800 KM

(Most Likely Growth Scenario)

Year	CAR	Minibus /LCV	Truck/ Bus	Multi axle	Oversized Vehicles	Total No.	Total PCU (Including Non-Paid Traffic)
2017-18	5918	1421	1426	2031	2	**10798**	**20559**
2018-19	6372	1513	1531	2193	2	**11611**	**22105**
2019-20	6861	1612	1643	2369	2	**12487**	**23767**
2020-21	7352	1709	1755	2547	2	**13365**	**25436**
2021-22	7878	1812	1874	2738	2	**14304**	**27222**
2022-23	8443	1921	2002	2944	2	**15312**	**29135**
2023-24	9049	2036	2139	3164	2	**16390**	**31183**
2024-25	9698	2158	2284	3402	2	**17544**	**33376**
2025-26	10344	2276	2428	3641	2	**18691**	**35557**
2026-27	11033	2401	2582	3896	2	**19914**	**37881**
2027-28	11768	2533	2746	4169	2	**21218**	**40358**
2028-29	12553	2671	2919	4461	2	**22606**	**42998**
2029-30	13391	2818	3104	4773	2	**24088**	**45812**
2030-31	14218	2960	3285	5084	2	**25549**	**48582**
2031-32	15095	3109	3477	5415	2	**27098**	**51521**
2032-33	16027	3265	3681	5767	2	**28742**	**54638**
2033-34	17017	3429	3897	6142	2	**30487**	**57945**
2034-35	18067	3601	4124	6541	2	**32335**	**61454**
2035-36	19092	3763	4345	6933	2	**34135**	**64870**
2036-37	20175	3932	4577	7350	2	**36036**	**68477**

6.2 Modification in Concession Period

As per Article 29 of the concession agreement, if actual traffic on the project falls short or exceeds Target Traffic on project highway on defined date, concession period shall be modified subject to calculation stipulated therein. For Talegaon - Amravati project, the Target Date and Target Traffic are defined as under:

Target Date - 1st April 2020

Target Traffic - 41052 in PCU

It was observed that as per traffic projections, traffic volume falls short of target traffic in all scenarios. This warrants for an extension of the envisaged concession period. Based on the above traffic estimate probable extension of concession period is worked out as per article 29 of concession agreement which is summarized as under –

Scenario	Projected Traffic in PCUs (average of traffic on target date, one year before target date and one year after target date)	Expected extension in Concession Period
Optimistic	26,079	4.4 years i.e. 1608 days with concession period now extending upto January 26, 2037
Most Likely	25,619	4.4 years i.e. 1608 days with concession period now extending upto January 26, 2037
Pessimistic	22,895	4.4 years i.e. 1608 days with concession period now extending upto January 26, 2037

Hence, traffic and toll revenue projections have been worked out for additional 5 years beyond original concession period.

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

As per the Toll Notification (Schedule R) the following discounts have been considered:

1. Monthly Pass: For frequent users monthly pass is issued for 50 trips per month. The discount factor works out to 33.33% for 50 journeys.
2. Daily Pass (for Return Trip): A 75% discount will be offered on the return trip.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. Local Car / Jeep / Van to be charged at Rs 150 per month (2007)
5. Additionally, Concessionaire has introduced monthly rates for local commercial vehicles also.

Building of inflation and escalation of rate on the basis of WPI are done as per toll notification (Schedule R) as given under

The formula for determining the applicable rate of fee shall be as follows:-

$$\text{Applicable rate of fee} = \text{base rate} + \text{base rate} \times \left\{ \frac{\text{WPI A-WPI B}}{\text{WPI B}} \right\} \times 0.4$$

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2016. A moderate growth in Wholesale Price Index (WPI) has been assumed after that. Following graph provides projection of rate of inflation (WPI) in

India. Data has been taken from Office of Economic Advisor web site (*www.eaindustry.nic.in*)

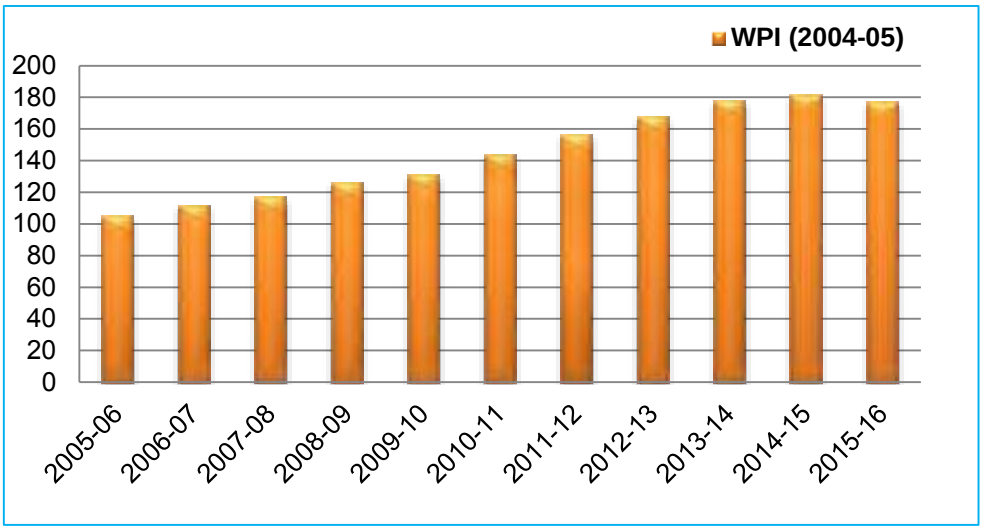

Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. Same is considered for projection of WPI in future years.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule R of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules, 2008.

Table 7-1 : Base Toll Rates 2007 - 08

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Light Motor Vehicle	0.65
Light Commercial Vehicle, Light Goods Vehicle or Mini Bus	1.05
Bus or Truck (2 Axle)	2.2
Three Axle commercial vehicles	2.4
Heavy Construction Machinery (HCM) or Earth Moving Equipment (EME) or Multi Axle Vehicle (MAV) (4-6 axles)	3.45
Oversized Vehicle (seven or more axles)	4.2

Factor of inflation / growth has been incorporated as per Schedule R. WPI are available up to 2015-16.

Amravati bypass qualifies for adding to toll rate since its cost is more than 10 Cr. There is not structure in project which qualifies for addition in toll rates.

Table 7-2 : Additional Rate for Amravati Bypass

Total Cost of Bypass	**95.09 Cr**	**Length**	**17.43 km**
Type of Vehicle	**Base Rate for 15 Cr**	**Addition for every 5 Cr over 15 Cr**	**Rate 2007-8**
Car/Jeep/Van	5.00	1.00	**22**
LCV	7.50	1.50	**33**
Bus	15.00	3.00	**66**
2-axle	15.00	3.00	**66**
3 - Axle	22.00	4.50	**98.5**
Multi Axle	30.00	6.00	**132**

Above table provides for rates applicable for accounting for bypass in toll rates. This has been incorporated in toll rates at Toll Plaza at Km 142.800 at Nandgaon Peth.

Other than this there is no structure or bypass which qualifies for additional toll rate at any toll plaza.

Toll rates are calculated as per guidelines provided in schedule R (rounded to nearest Rs. five) for the concession period and are given below. Since applicable length of highway length is equal for both plazas, applicable toll rates are also same

Thus worked out rates for various categories of vehicle and discounts are given as under.

Table 7-3 : Toll Rates for Single Journey @ KM 142.800

Year	CAR	LCV	Truck / Bus	Multi Axle	Oversized Vehicles
2017-18	85	135	275	425	540
2018-19	90	140	290	450	565
2019-20	95	150	305	470	595
2020-21	100	155	325	495	630
2021-22	105	165	340	525	660
2022-23	110	175	360	550	700
2023-24	115	185	380	580	735
2024-25	125	195	400	615	775
2025-26	130	205	420	645	820
2026-27	140	215	445	680	860
2027-28	145	230	470	720	910
2028-29	155	240	495	760	960
2029-30	160	255	520	800	1015
2030-31	170	270	550	845	1070
2031-32	180	285	580	895	1130
2032-33	190	300	615	945	1195
2033-34	200	315	650	1000	1265
2034-35	215	335	685	1055	1335
2035-36	225	355	725	1120	1415
2036-37	240	375	770	1185	1495

Table 7-4 : Toll Rates for Return Journey @ KM 142.800

Year	CAR	LCV	Truck / Bus	HCM /EME/ MAV	Oversized Vehicles
2017-18	130	200	415	640	810
2018-19	135	215	435	675	850
2019-20	145	225	460	710	895
2020-21	150	235	485	745	945
2021-22	160	250	510	785	995
2022-23	165	260	540	830	1045
2023-24	175	275	565	875	1105
2024-25	185	290	600	920	1165
2025-26	195	305	630	970	1225
2026-27	205	325	665	1025	1295
2027-28	220	340	700	1080	1365
2028-29	230	360	740	1140	1440
2029-30	245	380	780	1205	1520
2030-31	255	400	825	1270	1605
2031-32	270	425	875	1345	1695
2032-33	285	450	920	1420	1795
2033-34	305	475	975	1500	1895
2034-35	320	500	1030	1585	2005
2035-36	340	530	1090	1675	2120
2036-37	360	560	1155	1775	2245

Table 7-5 : Toll Rates for Monthly Pass @ KM 142.800

Year	Car – LP*	LCV – LC*	Truck/Bus – LC*	Car	Mini Bus /LCV	Truck/Bus	Multi Axle	Oversized Vehicle
2017-18	235	785	1570	2865	4485	9230	14195	17945
2018-19	250	830	1655	3015	4725	9715	14945	18895
2019-20	265	875	1745	3175	4975	10230	15735	19895
2020-21	280	925	1840	3345	5240	10775	16575	20950
2021-22	295	975	1940	3520	5520	11350	17460	22070
2022-23	310	1030	2045	3710	5815	11960	18395	23255
2023-24	325	1085	2155	3910	6130	12605	19390	24510
2024-25	345	1145	2275	4125	6460	13290	20440	25845
2025-26	365	1210	2400	4350	6815	14015	21555	27255
2026-27	385	1275	2530	4590	7185	14780	22740	28750
2027-28	405	1345	2670	4840	7585	15595	23995	30335
2028-29	425	1420	2815	5110	8005	16465	25325	32020
2029-30	450	1500	2970	5395	8450	17380	26740	33805
2030-31	475	1585	3135	5695	8925	18355	28240	35700
2031-32	500	1670	3305	6020	9430	19395	29835	37715
2032-33	530	1760	3485	6360	9965	20495	31525	39855
2033-34	560	1855	3675	6725	10535	21665	33325	42130
2034-35	590	1955	3875	7110	11135	22905	35235	44550
2035-36	620	2065	4090	7520	11780	24225	37270	47115
2036-37	655	2180	4315	7955	12460	25630	39430	49845

*** LP- Local Passenger, LC – Local Commercial**

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2036-37 (End of Concession Period+ 5 Years) starting from the year 2017-18 are shown in tables below.

Table 7-6 : Toll Revenue Optimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 142.800	Total
2017-18	59.04	**59.04**
2018-19	67.35	**67.35**
2019-20	76.79	**76.79**
2020-21	86.64	**86.64**
2021-22	98.65	**98.65**
2022-23	111.37	**111.37**
2023-24	126.64	**126.64**
2024-25	144.27	**144.27**
2025-26	162.18	**162.18**
2026-27	183.67	**183.67**
2027-28	208.56	**208.56**
2028-29	235.19	**235.19**
2029-30	265.25	**265.25**
2030-31	298.63	**298.63**
2031-32	337.95	**337.95**
2032-33	379.60	**379.60**
2033-34	428.34	**428.34**
2034-35	482.82	**482.82**
2035-36	544.32	**544.32**
2036-37	610.52	**610.52**

Table 7-7 : Toll Revenue Pessimistic Scenario

(Rs. Crores)

Year	Toll at Plaza 142.800	Total
2017-18	55.18	**55.18**
2018-19	61.10	**61.10**
2019-20	67.77	**67.77**
2020-21	75.77	**75.77**
2021-22	85.48	**85.48**
2022-23	95.59	**95.59**
2023-24	107.69	**107.69**
2024-25	121.49	**121.49**
2025-26	135.31	**135.31**
2026-27	151.81	**151.81**
2027-28	170.73	**170.73**
2028-29	190.77	**190.77**
2029-30	213.12	**213.12**
2030-31	237.68	**237.68**
2031-32	266.49	**266.49**
2032-33	296.53	**296.53**
2033-34	331.51	**331.51**
2034-35	370.18	**370.18**
2035-36	413.37	**413.37**
2036-37	459.23	**459.23**

Table 7-8 : Toll Revenue Most Likely Scenario

(Rs. Crores)

Year	Toll at Plaza 142.800	Total
2017-18	58.46	**58.46**
2018-19	66.38	**66.38**
2019-20	75.35	**75.35**
2020-21	84.62	**84.62**
2021-22	95.91	**95.91**
2022-23	107.78	**107.78**
2023-24	122.01	**122.01**
2024-25	138.32	**138.32**
2025-26	154.79	**154.79**
2026-27	174.46	**174.46**
2027-28	197.13	**197.13**
2028-29	221.28	**221.28**
2029-30	248.40	**248.40**
2030-31	278.37	**278.37**
2031-32	313.55	**313.55**
2032-33	350.56	**350.56**
2033-34	393.76	**393.76**
2034-35	441.80	**441.80**
2035-36	495.69	**495.69**
2036-37	553.39	**553.39**

CHAPTER 8

OPERATION & MAINTAINENACE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	66.725	Km
Main Carriageway	Paved Area	1134325	SQM
Service Road	Paved Area	145750	SQM
Bus bays	Paved Area	10290	SQM
Truck Lay bye	Paved Area	8775	SQM
Structure		**13277**	SQM

Item	Parameter	Quantity	Unit
Major Bridge	Area	4674	SQM
Minor Bridge	Area	6671	SQM
Flyover	Area	1932	SQM
RCC Crash Barrier	Length	13345	RMT
Metal Beam Crash Barrier	Length	13345	RMT
Guard Post	Nos	26690	No.
Kerb Detail	Length	133450	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

Future cost of operation and maintenance is estimate on guess basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Talegaon to Amravati on NH-6 in state of Maharashtra.

a) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

b) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. This operation and its cost are spread over three years.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Operation & Maintenance Cost

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2017-18	12.45				0.02	0.59		13.06	1.10	14.39	Regular O & M
2018-19	12.45				0.02	0.59		13.06	1.16	15.11	Regular O & M
2019-20	12.45			3.82	0.02	0.59		16.87	1.22	20.51	Pavement repair
2020-21	12.45				0.02	0.59		13.06	1.28	16.66	Regular O & M
2021-22	12.45	1.47	15.76	3.82	0.02	0.59		34.10	1.34	45.70	Renewal of Wearing course + Pavement repair
2022-23	12.45	1.47	15.76	3.82	0.02	0.59	0.00	34.10	1.41	47.98	Renewal of Wearing course + Pavement repair
2023-24	12.45				0.02	0.59		13.06	1.48	19.29	Regular O & M
2024-25	12.45				0.02	0.59		13.06	1.55	20.25	Regular O & M
2025-26	12.45				0.02	0.59		13.06	1.63	21.27	Regular O & M
2026-27	12.45				0.02	0.59		13.06	1.71	22.33	Regular O & M
2027-28	12.45	1.47	16.36	7.64	0.02	0.59		38.52	1.80	69.17	Renewal of Wearing course + Pavement repair

Year	Annual maintenance (Rs. Cr)	Thermoplastic painting (Rs. Cr)	Renewal Coat with BC (Rs. Cr.)	Special Repair of pavement	Structure maintenance (Rs. Cr)	Electric System		Total Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Expenditure (Rs. Crores)	Remarks
						Annual	Periodic				
2028-29	12.45	1.47	16.36	7.64	0.02	0.59		38.52	1.89	72.63	Renewal of Wearing course + Pavement repair
2029-30	12.45				0.02	0.59		13.06	1.98	25.85	Regular O & M
2030-31	12.45				0.02	0.59		13.06	2.08	27.14	Regular O & M
2031-32	12.45				0.02	0.59		13.06	2.18	28.50	Regular O & M
2032-33	12.45				0.02	0.59		13.06	2.29	29.92	Regular O & M
2033-34	12.45	1.47	16.36	3.82	0.02	0.59		34.70	2.41	83.51	Renewal of Wearing course + Pavement repair
2034-35	12.45	1.47	16.36	3.82	0.02	0.59		34.70	2.53	87.68	Renewal of Wearing course + Pavement repair
2035-36	12.45				0.02	0.59		13.06	2.65	34.64	Regular O & M
2036-37	12.45				0.02	0.59		13.06	2.79	36.37	Regular O & M

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

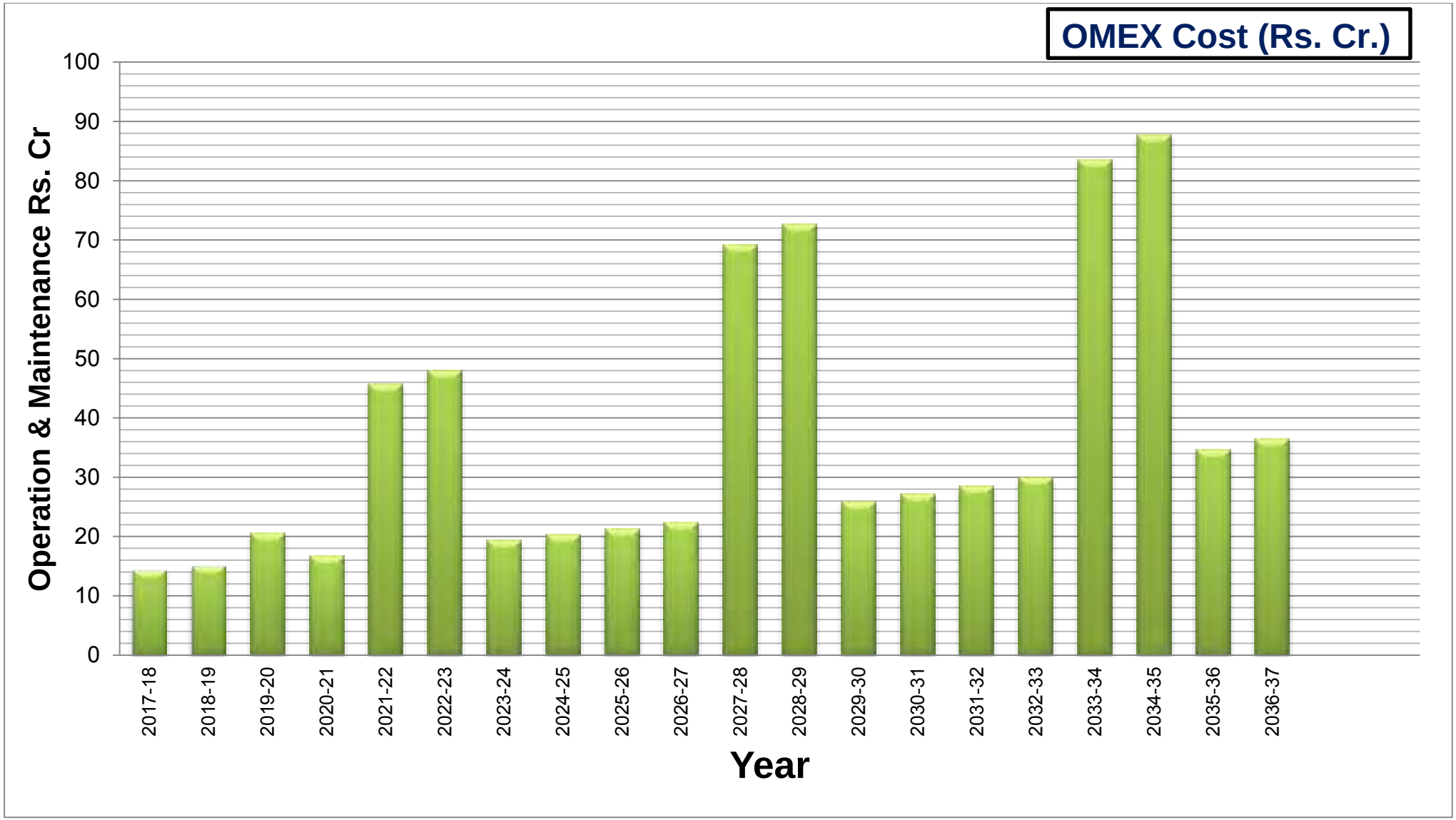

Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Talegaon to Amravati section of NH-6 in state of Maharashtra from km 100.000 to km 166.725 is currently a four lane road. The road is in sound condition and serves to stable traffic volumes. Project corridor is part of major east west connectivity national highway NH-6. There are many upcoming projects in area which will boost economic growth of area and add value to development of region. All these developments have potential to give positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is good amount of tollable traffic running on project

b) Project corridor has potential to witness traffic growth @ 7-8% annually in the near future, further moderated by 1-2% in the longer term due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance cost is also reasonable

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

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Mr. Anil Yadav, CFO - IRB Infrastructure Developers Limited
IRB InvIT Fund
IRB Complex, Chandivli Farm
Chandivli Village, Andheri (East)
Mumbai 400072
Phone : +91 22 6733 6400
Fax : +91 22 6675 1024

January 13, 2017

Kind Attention: Mr. Anil Yadav, CFO - IRB Infrastructure Developers Limited

Dear Sir,

Re: IRB InvIT Fund's senior debt long term rating

India Ratings and Research (India Ratings) has assigned IRB InvIT Fund's (IRB InvIT) senior debt a long-term rating of 'IND AAA'. The Outlook is Stable.

The rating reflects IRB InvIT's strong ability to meet its external senior financial obligations, including that of the entities under it. Post issuance, IRB InvIT's consolidated external debt would be INR7704.55 million on 31 March 2017. The rating on IRB InvIT is a reflection of the combined credit quality of the underlying assets. This is not a rating of the units of IRB InvIT. The rating should not be construed as the rating for the existing outstanding debt of each special purpose vehicle (SPV).

The final rating has been published on India Ratings' public website.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

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can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91-22-40001700.

Sincerely,

India Ratings

Sandeep Singh
Senior Director

Abhash Sharma
Director

India Ratings & Research
A Fitch Group Company

India Ratings Assigns IRB InvIT Fund a Long Term Senior Debt Rating of 'IND AAA'; Outlook Stable

13
JAN 2017

By Chintan Lakhani

India Ratings and Research (Ind-Ra) has assigned IRB InvIT Fund (IRB InvIT) a long-term senior debt rating of 'IND AAA'. The Outlook is Stable.

The rating reflects IRB InvIT's strong ability to meet its external senior financial obligations, including that of the entities under it. Post issuance, IRB InvIT's consolidated external debt would be INR7,704.55 million on 31 March 2017. The rating on IRB InvIT is a reflection of the combined credit quality of the underlying assets. This is not a rating of the units of IRB InvIT. The rating should not be construed as the rating for the existing outstanding debt of each special purpose vehicle (SPV).

Ind-Ra expects significant deleveraging (77.5% of the INR35.13 billion debt on 31 December 2016) of the operational toll road projects post receipt of subscription proceeds, resulting in robust coverage metrics and favourable gearing. The overall operational track record of the combined portfolio (around 4.5 years) and highly fungible cash flows of InvIT structure bolster the overall credit profile. IRB InvIT's cash flows show considerable resilience to stress cases, reflecting ample cushion for timely debt servicing in potential downside scenarios. The debt infused by IRB InvIT in the SPVs shall be subordinate to the external debt and IRB InvIT shall not have a right to call an event of default under any project documents and/or any financial documents until the external debt is fully paid off.

INVIT PROFILE

IRB Infrastructure Developers Limited (IRBIDL, 'IND A-'/Rating Watch Positive) has floated an infrastructure investment trust and intends to house six operational SPVs under it. The SPVs are IDAA Infrastructure Pvt Ltd (IDAA), IRB Surat Dahisar Tollway Private Ltd (IRBSD), IRB Talegaon Amravati Tollway Pvt Ltd, IRB Jaipur Deoli Tollway Pvt Ltd), IRB Tumkur Chitradurga Tollway Pvt Ltd and M.V.R Infrastructure and Tollways Pvt Ltd. Ind-Ra rates the bank facilities of the first four SPVs. IRB InvIT plans to raise INR43 billion as a fresh issue. The proceeds are likely to be used for the repayment of around 77.5% of the external outstanding debt (INR35.13 billion on 31 December 2016) and the entire sponsor debt of around INR14 billion. Subsequently, the credit profile of the entities would change significantly, which has been factored into the rating.

The subscription process for IRB InvIT's units will be similar to the initial public offer process. Proceeds from the subscription of units will be used in deleveraging operational SPVs. Post issuance, IRBIDL is likely to hold 25% of units in IRB InvIT.

INVIT OVERVIEW

IRB InvIT was established under Indian Trusts Act 1882 by signing Indenture of trust dated 16 October 2015 with the trustee (IDBI Trusteeship Services Limited). The trustee would monitor IRB InvIT's operations in relation to its investment objectives and compliance with applicable regulations. IRB InvIT received the certificate of registration as an Infrastructure Investment Trust on 15 March 2016 under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014 (InvIT regulations). As required by InvIT regulations, IRB InvIT has appointed IRB Infrastructure Private Limited (IRBIPL) and Modern Road Makers Private Limited as the investment manager and project manager, respectively. IRB InvIT would receive principal and interest payments on the debt lent to the portfolio assets apart from the dividends from the SPVs.

IRB InvIT shall replace all existing termination payments, shortfall guarantees and undertakings given by IRBIDL in respect of each loan facility. Although the SPVs shall continue to have separate escrow accounts, the structure of IRB InvIT would ensure that any debt service shortfall in one entity would be bridged by the surplus cash flow in any other entity. Distribution to unit holders from InvIT shall happen once in six months, only after fulfilling the external debt obligations of all SPVs.

KEY RATING DRIVERS

Likely Strong Coverage Metrics: Ind-Ra expects the deleveraging to improve the combined debt-equity ratio to 0.15x post the issue from the current 1.44x (on 30 September 2016). This is also visible in the projected coverage metrics in the base case with a healthy minimum debt service coverage ratio of 3.3x (in FY23) and loan life coverage ratio of 5.1x. Ind-Ra assumes that, in line with the provisions of the existing bank loan agreements, the SPVs shall continue to hold existing debt service reserve account equivalent to three months of debt service obligations. The debt/EBITDA and loan-to-value ratio are projected to be around 0.88x and 11.8% in FY18 in Ind-Ra's base case projections. Ind-Ra assumes that the maximum debt outstanding on 31 March 2017 will not exceed INR10 billion i.e. around 12.5% of the existing valuation of INR80 billion.

Robust Pool of Operational Assets: The rating reflects the robustness of cash flows from a pool of six operating toll road assets with average operational life of more than 4.5 years. Two projects (IDAA and IRBSD), which accounted for 54% of the total revenue of all SPVs in FY16, registered a revenue CAGR of around 9% in FY16, The average year-on-year revenue growth rates for each of the six SPVs has been upwards of 8% for FY16. That being said, Ind-Ra's projections factor in a moderated revenue growth rate assumption for all the assets. Out of the six projects, toll rates of three (IDAA, IRBSD, M.V.R Infrastructure and Tollways) are 100% linked to Wholesale Price Index and for rest of the projects the toll rates are partially (40%) linked to Wholesale Price Index, apart from a fixed escalation of 3%.

Improved Credit Metrics due to Premium Deferment: The rating reflects IRB Tumkur Chitradurga Tollway project's improved coverage metrics due to a premium deferment for FY15-FY24. Till the amounts of deferred premium are paid or recovered, they shall all times carry an interest rate equal to 2% above the bank rate. The overall impact on the cash flows due to the premium deferment is INR4.05 billion. In case project revenues are more than projections submitted to National Highways Authority of India ('IND AAA'/Stable) the latter will have the right to advance the payments, which shall be in consultation with senior lenders.

Established Sponsor Group Track Record: IRBIDL is one of the largest infrastructure development and construction companies in India. Apart from the six InvIT assets, IRBIDL had 14 road projects as of 30 June 2016, of which eight were operational and four were under construction. The group's ability and inclination in supporting its projects cannot be undermined, as is well demonstrated in the projects rated by Ind-Ra.

Acquisitions Shall Hold Key: Although the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014 (InvIT regulations) allow acquisitions of under construction assets, the investment manager of IRB InvIT intends to acquire only operational assets based on yield thresholds, traffic characteristics, residual concession period etc. The fund shall have the right of first offer on the existing and future assets of the sponsor group and will enter into a deed of right of first offer and right of first refusal, future asset agreement in relation to the same.

IRBIPL, the investment manager, has 18 years of experience in operating a road asset on a build operate and transfer basis. IRBIPL would assess potential acquisitions and shall propose the same for the decision of unit holders.

Low Operational Risk: The O&M costs, projected by the management, are based on historical numbers for each project. O&M costs have been vetted by GMD Consultants – an independent third party, and the average costs are largely comparable to the average cost of Ind-Ra rated peers. Debt service coverage metrics remain strong even in Ind-Ra's stress case scenarios for routine O&M and major maintenance costs. Considering the IRB group's vast experience in the highway sector, O&M (both routine and periodic maintenance) of the project stretches is not likely to be a concern.

RATING SENSITIVITIES

Future developments that may, individually or collectively, result in a negative rating action are:

- higher-than-expected outstanding debt
- deterioration in the underlying asset quality and inclusion of under construction assets/weak entity in the portfolio
- any systemic risk affecting the highway sector resulting in a significant decline in revenue increasing the risk of non-payment of external debt and obligations significantly
- any adverse regulatory changes or non-receipt of regulatory approvals

COMPLEXITY LEVEL OF INSTRUMENTS

External debt of InvITs is an instrument with high complexity levels where the relationship between numerous interdependent risk factors and intrinsic return characteristics is highly involved, requiring a forward-looking analysis and projections.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has six branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Kolkata. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

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Applicable Criteria

Rating Criteria for Infrastructure and Project Finance

Analyst Names

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CARE Ratings
Professional Risk Opinion

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Chandivali Farm,
Chandivali Village,
Andheri (E),
Mumbai – 400 072,
Maharashtra, India.

February 23, 2017

Confidential

Dear Sir,

Issuer Rating

Please refer to your request for assigning an Issuer rating to IRB InvIT Fund (Trust).

2. The following rating has been assigned by our Rating Committee:

Type of Rating	Rating[1]	Rating Action
Issuer Rating	**CARE AAA (Is); Stable** **[Triple A (Issuer Rating); Outlook: Stable]**	**Assigned**

3. The rating is only an opinion on the general creditworthiness of the Trust and not specific to any particular debt instrument. Further for arriving at the rating, CARE has relied upon the business plan submitted by you.

4. The rating is subject to the Trust Group's debt exposure not exceeding Rs.1000 crore post issuance of the Initial Public offer. Trust Group hereby refers to the Trust and the Project SPVs which form part of the initial portfolio of the Trust.

5. The rationale for the rating shall be communicated separately.

6. The above rating is normally valid for a period of one year from the date of our initial communication of rating to you (that is February 22, 2017). CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information

[1]*Complete definitions of the ratings assigned are available at www.carerating.com and in other CARE publications.*

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which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating; CARE shall carry out the review on the basis of best available information throughout the life time of such FDs. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE's Issuer Ratings are **not** recommendations to buy or sell any securities of the issuer.
10. If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

[Sakshi Dakhera]
Dy Manager
sakshi.dakhera@careratings.com

[Rajashree Murkute]
Asst General Manager
rajashree.murkute@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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Professional Risk Opinion

No: CARE/HO/RR/2016-17/2422

Mr Tushar Kawedia
IRB InvIT Fund
IRB Complex,
Chandivli Farm, Chandivli Village,
Andheri (E),
Mumbai-400072.

March 01, 2017

Confidential

Dear Sir,

Credit rating for Bank Facilities

Please refer to our letter dated February 23, 2017 on the above subject.

1. The rationale for the ratings is attached as **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.
2. A write-up (brief rationale) on the above ratings is attached as **Annexure-II** and is proposed to be issued to the press shortly.

If you have any further clarifications, you are welcome to approach us.

Thanking you,

Yours faithfully,

[Sakshi Dakhera]
Dy. Manager

[Rajashree Murkute]
Asst. General Manager

Encl: As above

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CIN-L67190MH1993PLC071691

Annexure I

Rating Rationale

IRB InvIT Fund

(An irrevocable trust set up under the Indian Trusts Act, 1882, and registered as an infrastructure investment trust with the Securities and Exchange Board of India)

Ratings

Type of Rating	Amount(Rs. crore)	Rating[1]	Rating Action
Issuer Rating	-	**CARE AAA(Is); Stable [Triple A(Issuer Rating); Outlook: Stable]**	Assigned

The rating assigned is subject to the Trust Group's debt exposure not exceeding Rs.1000 crore post issuance of the IPO.

Rating Rationale

CARE has assigned an Issuer Rating of CARE AAA(Is); Stable to IRB InvIT Fund(Trust). The rating reflects high credit quality and established operational track record charachterised by healthy revenue growth of the underlying Toll Road assets resulting in strong liquidity. The rating further derives strength from substantial repayment of combined debt from proceeds of the Initial Public Offer(IPO) thereby translating into healthy debt coverage and favorable capital structure of the Trust Group. The Trust Group refers to Trust and Project Special Purpose Vehicles(SPVs) forming part of its initial portfolio. Further rating also takes into account favourably, established track record in infrastructure, especially road sector of the Sponsor, Investment Manager and Project Manager of the Trust.

The above rating strengths are however tempered by exposure to inherent traffic growth related risk and Operation and Maintenance(O&M) expenses related risk, associated with Built-Operate–Toll (BOT) road projects. Additionally, regulatory risk at SPV level and also the regulatory framework governing InvITs in India is untested and thus remain a concern. Post IPO issuance, the debt at the SPV level shall continue to be exposed to interest rate risk considering the rates are subject to periodic reset, though reduced from earlier level.Besides,non maintenance of Major Maintenance Reserve Account(MMRA) (partly offset by increasing cash generation on account of improving vehicular traffic movement)for future Major Maintenance; combined with linkage of toll

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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CIN-L67190MH1993PLC071691

rate revision (which may be negative consequent to adverse WPI movement) are construed as credit weaknesses.

For arriving at the rating, CARE has considered combined business and financial risk of the Trust Group as the Trust will hold 100% stake in the underlying SPVs. Moreover,the InvIT regulations stipulate that not less than 90% of net distributable cash flows(NDCF) of SPVs shall be distributed to the InvIT in proportion of its holding in the SPVs. This would strengthen fungibility of the cashflows and thereby enable Trust to extend need based financial support to SPVs. The regulations cap Trust's borrowings and deferred payments at 49% of value of assets. Under CARE's base case scenario,no debt is expected to be raised at the Trust level(standalone).However subsequent to IPO, debt may be raised on standalone level of Trust. Nevertheless,the rating assigned is subject to the Trust Group's debt exposure not exceeding Rs.1000 crorepost issuance of the IPO.

Thus, the ability of the underlying SPVs to achieve envisaged growth in the toll revenue, lower than estimated repayment and/or pre-payment of the senior debt, any change impacting the InvIT regulations and any additional debt-funded acquisitions of infrastructure assets remain key rating monitorable.

Background

On September 26, 2014, SEBI had notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014; thereby providing a regulatory framework for registration and regulation of Infrastructure Investment Trusts (InvITs) in India.

InvITs have been introduced as investment vehicles which enable infrastructure developers to monetize completed assets. Mandatory listing of InvITs provides investment opportunity in infrastructure to a larger pool of investors and financial institutions (domestic as well as global). This acts as a catalyst in deleveraging the developers and encouraging their participation in future growth in Indian infrastructure segment.

Accordingly, IRB Infrastructure Developers Limited intends to form an infrastructure investment trust by transferring its six operational SPVs: IDAA Infrastructure Pvt Ltd (IDAA, rated CARE A), IRB Surat Dahisar Tollway Private Ltd (IRBSD,), IRB Talegaon Amravati Tollway Pvt Ltd (IRBTA,), IRB Jaipur Deoli Tollway Pvt Ltd(IRBJD,), IRB Tumkur Chitradurga Tollway Pvt Ltd(IRBTC, rated CAREA-[SO],Stable), and MVR Infrastructure and Tollways Pvt Ltd (MVR, rated CARE A-[SO], Stable).

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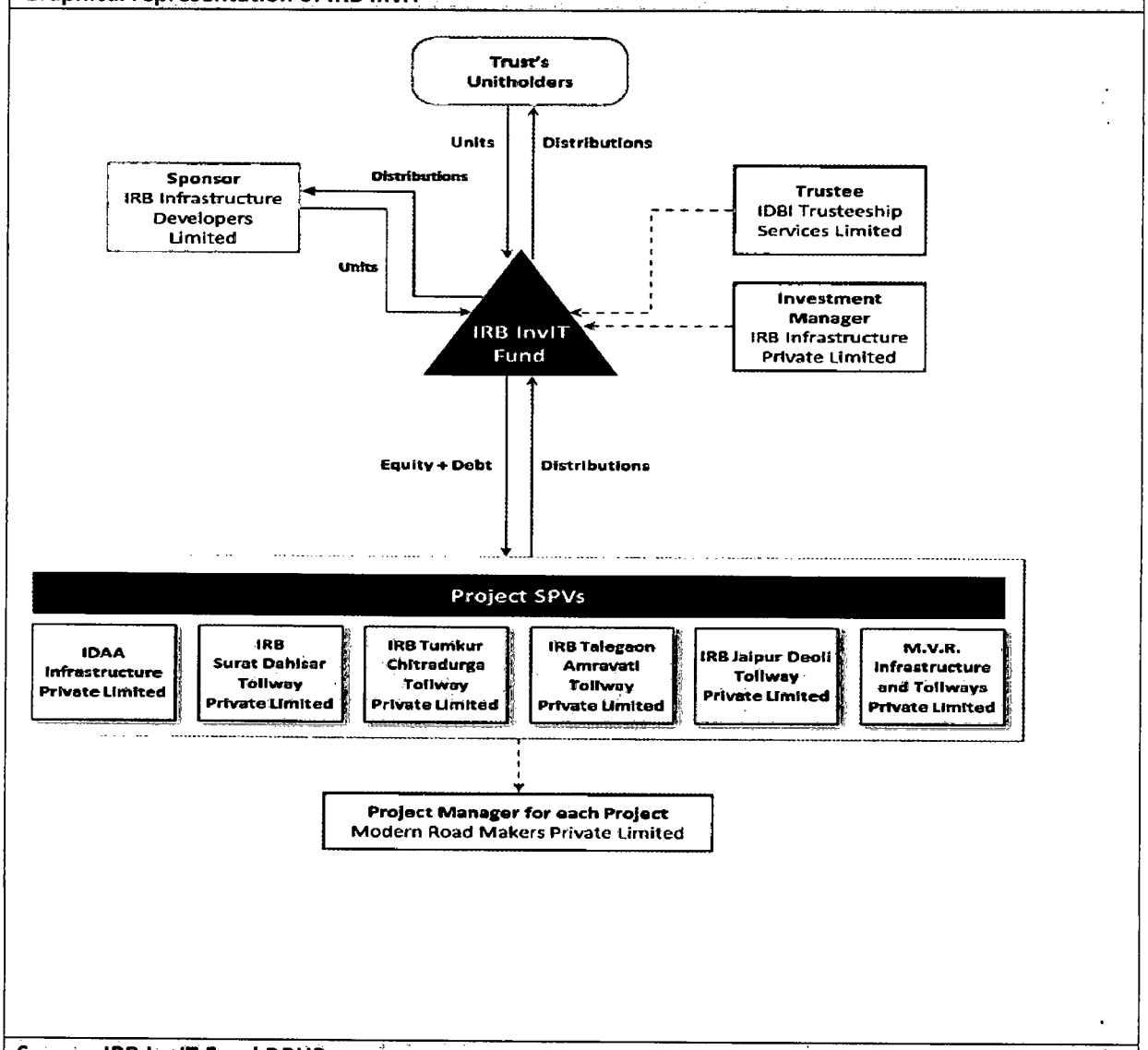
N L67190MH1993PLC071691

Draft document for the initial public offering (IPO) of units of its infrastructure investment trust (InvIT) named 'IRB InvIT Fund' (IRB InvIT), was was filed with SEBI on September 07, 2016. The entire IPO process is expected to be completed by end of FY17. IRB InvIT plans to raise Rs. 4,300 crore through fresh issue with an option to retain oversubscription of up to 25% of the issue size in accordance with the InvIT Regulations. The proceeds will be used for the repayment and/ or prepayment of senior debt (ie bank term loans) to the extent of Rs.2,400 crore (i.e. repayment of ~71% of the external outstanding debt expected to be be outstanding as of March 31,2017) and the entire sponsor debt of Rs.1,400 crore.

Graphical representation of IRB InvIT



Source: IRB InvIT Fund DRHP

Credit Risk Assessment

The debt rated is the combined senior debt of the SPVs forming part of IRB InvIT Fund. CARE has relied on the business plan shared by the client. The assessment reflects estimated performance of IRB InvIT, which encompasses performance and liquidity position of all six road projects. Given the fungibility of cash flows (via InvIT) amongst the SPVs, under proposed mechanism, a combined credit risk assessment has been undertaken. Besides, as conveyed by the client, IRB InvIT, in the capacity of a sponsor shall extend guarantee to lenders of all the SPVs in relation to the term loans availed by them.

Experienced Sponsor, Investment Manager and Project Manager with established track record in infrastructure, especially road sector

The promoter and CMD of **sponsor group (i.e. IRB),** Mr Virendra D. Mhaiskar has more than two decades of experience in the infrastructure sector especially roads. Besides, he is well-supported by experienced professionals, having more than a decade's experience in their respective fields. As on December 31, 2016, IRB held a portfolio of 14 operational BOT projects, 5 toll road projects under implementation and 3 recently awarded projects, with all toll roads structured into separate SPVs. Such SPVs are subsidiaries of IRB and the construction and O&M activity is carried out by in-house through Modern Road Makers Pvt. Ltd. (MRM, rated CARE A/A1, a wholly owned subsidiary of IRB). As on December 31, 2016, the total road length under portfolio stood at 11,828 lane km with 6,525 lane km operational. The above includes market share of 18.79% on the Golden Quadrilateral under NHDP Phase-I of NHAI. Out of 22 projects, some of the key operational projects include busy stretches like Mumbai-Pune (NH and Expressway), Bharuch-Surat, Surat-Dahisar (NH-8) and Ahmedabad-Vadodara Expressway. Consolidated operating income of IRB in FY16 was Rs 5,249cr (Rs. 3,956 crore in FY15) and PAT was Rs 636 cr (Rs 542 cr in FY15).

IRB Infrastructure Private Limited (IIPL) is the investment manager of the trust. Incorporated as a public limited company on December 23, 1997, IIPL was converted into a private limited company on February 4, 2005. IIPL has experience in operating a road BOT project for a period of approximately 18 years and also in developing, operating and maintaining toll plazas in the infrastructure sector. It was also the concessionaire for a BOT project i.e. a bridge across the Patalganga river and a rail over bridge near Kharpada village in Maharashtra, The project was

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undertaken pursuant to an agreement among the PWD, Maharashtra, the MoRTH and the IIPL in November 1997 for a concession period of 17 years and 9 months, which got expired on August 28, 2015. Net worth of IIPL as on March 31, 2016 stood at Rs. 39 crore.

Trustee and Investment Manager have appointed **Modern Road Makers Private Limited (MRM, rated CARE A) as the Project Manager**, to carry out operations and management of the Project SPVs. Incorporated on March 15, 1994, MRM (a wholly owned subsidiary of IRB) is Engineering, Procurement and Construction (EPC) company. MRM exclusively executes the construction and Operation & Maintenance (O&M) activity for road and highway. projects awarded to IRB group. MRM has experience in the execution of construction work for roads and highways including National Highways (NHs). As on December 31, 2016 IRB's order book stood at Rs.12,011 crore out of which Rs.10,262 crore is towards EPC orders and balance towards O&M contracts from various SPVs of IRB. MRM will execute annual O&M contracts with respective SPVs which can be renewed at the end of year through bidding exercise. **InvIT's performance will depend, in part, upon the continued satisfactory service and performance of the Investment Manager, the Project *Manager***

InvIT*, because of its robust cash flow fungibility mechanism, shall be instrumental in creation of long-term financing avenues for infrastructure projects*

Continued impetus and thrust of the government on development of infrastructure is reflected in various initiatives taken by government and capital market authorities in past few years towards creating conducive regulatory framework and efficient policy decisions and more transparent and smooth implementations. Creation of business Trusts/ InvITs is a testament of such initiatives. It would enable infrastructure developers to unlock tied-up capital for reinvestment so as provide liquidity into an otherwise cash-strapped infrastructure sector. InvITs- as a long-term financing tool would help to deleverage the debt-laden infrastructure sector and also help to reduce burden on banking system. Investments in InvITs are expected from investors seeking long-term stable returns (commensurate with risk). InvITs possess potential to attract huge pool of long-term investments from pension funds, insurance companies and other investors seeking long term stable returns.

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Following table exhibits key highlights of the InvIT structure and impact of same on IRB InvIT:

Particular	Remarks	Impact on IRB InvIT
Investments Restrictions	Publicly placed InvITs are required to hold at least 80% of its assets in completed and revenue generating eligible infrastructure projects. (No such conditions are applicable to Private placed InvITs)	IRB InvIT proposes to invest **only i.e 100%** in completed projects with relatively more stable cash flows. ***Also, Trust reserves Right of First Offer and Right of First Refusal, which will enable it to have the right to access the existing and future assets which are developed or acquired by the IRB or its existing /future subsidiaries after the Issue,*** as ***and when they become operational***
Distribution of Surplus	**<u>From SPV to InvIT</u>** not less than 90% of net distributable cash flows of the SPV shall be distributed to the InvIT in proportion of its holding in the SPV **<u>From InvIT to Unit Holder</u>** Not less than 90 % of Net Distributable Cash Flows (NDCF) of the InvITs shall be distributed to the unit holders. These distributions shall be declared half yearly in case of public InvITs	As per regulatory guidelines
Cap on overall gearing	InvIT's borrowings and deferred payments to be ***not more than 49% of value of assets******	Initially, IRB proposes to retain external loan only to the extent **of 13% of** the asset value (pursuant to the Issue) providing

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Particular	Remarks	Impact on IRB InvIT
		sufficient financial flexibility in mobilising additional debt, if required.
Fund raising	Units of all InvITs need to be mandatorily listed on a recognized stock exchange. Cumulative value of the assets held by the InvIT should be at **least 500 crore.** Minimum investment by an Investor Rs.10 lakh (Rs.1 crore in case of private placement). Non-Residents including foreign portfolio investors are permitted to invest in InvITs under the automatic route. ***InvIT would require subscription to atleast 90% of the offer amount mentioned in final offer document***	This ensures that if the IPO is placed and successful, the trust would be able to get atleast Rs. 3,870 crore(i.e. 90% of Rs. 4300 crore) Which would in turn help to **repay/prepay the envisaged debt and consequently maintain healthy capital structure.**

****** Value of InvIT is defined under the regulation as value of the InvIT as assessed by the value based on value of the infrastructure and other assets owned by the InvIT, whether directly or through SPV excluding any debtor liabilities thereof.***

As per valuation report dated August 30,2016 by Walker Chandiok & Co LLP, value of the underlying assets is Rs. 7,993 crore so as per regulation IRB InvIT Fund can raise debt upto Rs. 3,917 crore. However, management has confirmed amount of external debt that the Trust intends to retain would not exceed Rs. 1000 crore with current portfolio. However, in case the fund intends to acquire any new asset the amount may increase depending on the valuation at that time and after approval has been sought from the unit holders.

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Assessment of IRB InvIT's project portfolio:

- ***Issue Size and utilization of proceeds:*** As per the DRHP filed with SEBI, IRB InvIT Fund intends to raise Rs.4300 crore with an option to retain oversubscription of up to 25% of the issue size in accordance with the InvIT Regulations. Net Proceeds of the issue (i.e. after deducting Issue related expenses) shall be invested in the Project SPVs. The SPVs, in turn, intend to utilize the proceeds of such investment towards:-
  a) the partial repayment/prepayment of certain loans/facilities availed by the Project SPVs from their respective senior lenders (~ Rs. 2,400 crore)
  b) the prepayment, in part or full, of the subordinate debt provided to such Project SPVs by the Sponsor and the Project Manager(i.e. MRM)
  c) prepayment, in part or full, of certain unsecured loans and advances availed by such Project SPVs from the Sponsor, the Project Manager(i.e. MRM) and other companies of the Sponsor group (i.e. IRB Group)

As on January 31, 2017 Sponsor sub-debt and unsecured loans (net) stands at approximately Rs. 1,400 crore.

Geographical Diversification mitigating regional concentration risks: The proposed IRB InvIT will own 100% all the six Project SPVs. Each of these Project are structured into separate SPVs which own, operates and maintains a toll-road project. The targeted portfolio projects are located at diversified geographical locations spread in different states (i.e. Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu). This diversification significantly mitigates business risk of the InvIT by reducing its reliance on any specific region or project and consequently reducing the potential impact of any force majeure event occurring in any particular region and/or with respect to any particular project.

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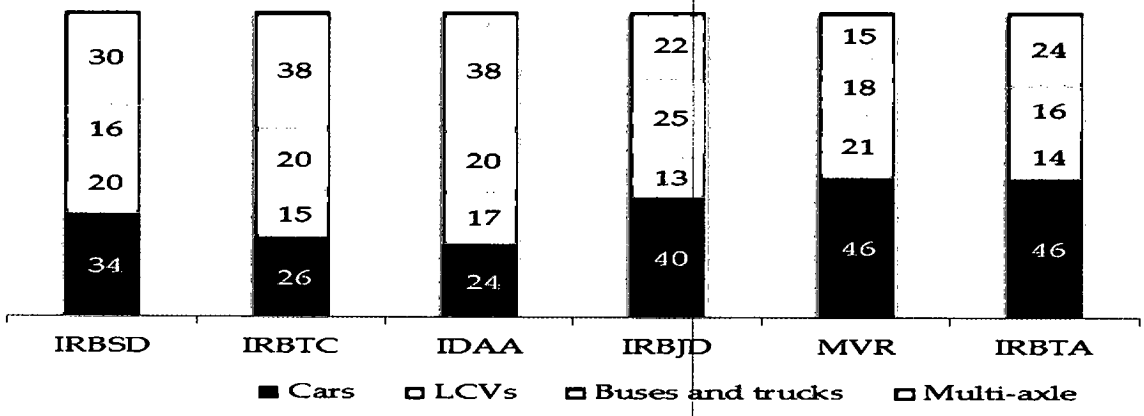
Average traffic mix(%) for the three financial years ended March 31, 2016



Source: DRHP

➢ ***Established track record of healthy revenue growth however inherent risk related to road projects continues***

All the Project SPVs are NHAI toll road projects. Toll revenues are a function of toll rates and traffic volumes. Traffic volumes are directly or indirectly dependent on multiple factors such as location of the road project(connecting areas and their commercial importance), ; growth in the automobile sector; affordability of automobiles; the quality, convenience and travel efficiency of alternative routes outside the network of toll roads etc.The Project SPVs are required to obtain and maintain certain permits, approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes regulated by various regulatory and governmental authorities for operating the Initial Road Assets. If the Project SPVs and/or the third-party contractor(s) fail to obtain or maintain them, or if there is any delay in obtaining or renewing them, SPV's business and financial condition could be materially and adversely affected.

Further, while the concession agreements of the underlying SPVs provide for an extension in the concession period if the actual traffic volumes are significantly lower than the target traffic volumes set forth in the respective concession agreements, there can be no assurance that the concession period will be actually extended by the NHAI. However, the same is not likely to have significant impact on the debt servicing of the proposed consolidated borrowings pegged at Rs.1000 crore, as the Trust Group is expected to have a long tail period of 10 years which strengthens its financial flexibility.

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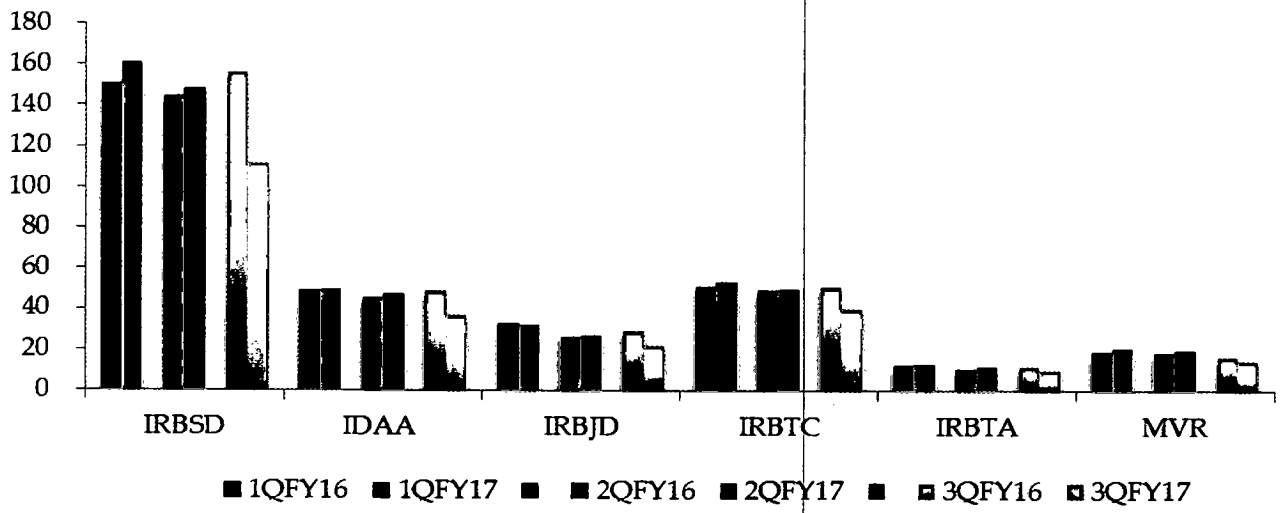
Initial portfolio projects have been operational (i.e. collecting toll: partial/entire) for a period in range of 3-7 years, average of ~ 5 years for the portfolio. In past two years ended FY16, all SPVs have demonstrated healthy traffic growth. However, overall revenue growth was impacted due to adverse WPI movement.

Table:- Project-wise Traffic & Revenue growth trend

	IDAA*		IRBSD*		IRBJD		IRBTA		IRBTC		MVR*		Combined	
Growth	**FY15**	**FY16**	**FY15**	**FY16**	**FY15**	**FY16**	**FY15**	**FY16**	**FY15**	**FY16**	**FY15**	**FY16**	**FY15**	**FY16**
Traffic(%)	5.5	7.4	15.8	8.1	102	23.0	4.7	8.2	11.8	12.3	38.0	15.0	18	11
Revenue	11.5	4.2	13.7	10.5	182.8	17.4	81.6	(1.4)	13	10.0	23.4	(1.1)	22	11

** Toll rate revision of these projects are100% linked to WPI growth*

During 1HFY17, the combined revenue of the SPVs grew by 4% YoY. Post-demonetization, the government had ordered for temporary suspension of toll collection from November 09, 2016 to December 022016. Consequently the toll revenue for 3QFY17 witnessed de-growth of 6% YoY. *NHAI compensation involves 90% of interest cost and O&M expenses (lower of actual and projected at the time of bidding) for the period during which tolling is suspended and also provide extension of the concession period. SPVs have already started receiving compensation from NHAI.*



➢ **Comfortable debt coverage Metrics and healthy capital structure post issuance – credit positive**

As on March 31,2017, bank debt is expected to be Rs. 3,401 crore (Rs. 3,512 crore as on December 31, 2016). Of this amount, it is expected that ~ 71% of the debt would be repaid/prepaid. Consequently the senior debt servicing obligation shall reduce steeply in future

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years translating into healthy debt coverage in the projected years. (Min DSCR of 3.10x in FY19). More over there will be fungibility of cash flows i.e. at combined InvIT level, surplus cash flow would be available to meet any shortfall in any of the portfolio projects. However, this has an exception, particularly in case of IRBTC which was permitted NHAI premium deferment. Here, if the surplus of IRBTC is more than projections submitted to National Highways Authority of India (NHAI) the latter will have the right to advance the payments, which shall be in consultation with senior lenders. In that situation, the fungible surpluses available will be for a lower quantum.

CARE has assumed maximum combined debt exposure of Rs. 1000 crore post the issuance. ***Any adverse change in the capital structure and /or debt coverage indicators due to further debt raised by InvIT for the purpose of supporting existing or acquiring additional assets would remain a key rating sensitivity.***

- ***DSRA at SPV level to continue – providing further comfort for debt servicing***

  To provide cushion for the debt payments against variability in the revenue, initial DSRA was created in five out of the six SPVs. As on February 15, 2017 DSRA provisions – funded reserves aggregating Rs. 90 crore and Non-Funded Reserves to the tune of Rs.113 crore are already in place for 5 out of 6 SPVs. They are expected to be maintained at required level, throughout the tenure of the senior debt thereby lending additional liquidity comfort to address any temporary cash flow shortfall.

- ***Moderate to low interest rate risk***

  Currently, project SPVs' borrowings are at floating rate of interest and are subject to periodic reset. Further, under the Project SPVs' financing agreements, the lenders are entitled to change the applicable rate of interest depending upon the policies of the Reserve Bank of India and any rise in interest rates may adversely affect financial condition and cash flows of SPVs and ultimately that of InvIT. Given the operational track record and lower residual debt amount post issuance the likelihood of further interest rate increase at the SPV level appears low. Moreover, to provide cushion for the debt payments against variability in the revenue, initial DSRA was created in five out of the six SPVs.They are expected to be maintained throughout

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the tenure of the senior debt thereby lending additional liquidity comfort to address any temporary shortfall.

- ***Low O&M risk inspite of non-maintenance of MMRA***

Major Maintenance Reserve Account (MMRA) is not maintained by the SPVs and thus they would have to rely on their cash flows in future for their O&M expenses (both routine and Periodic). The O&M costs, projected by the management, are based on historical numbers for each project. O&M costs. These expenses have been vetted by an independent third party. (GMD Consultants) and the average costs assumed in projections are largely comparable. Considering the Sponsor(i.e.IRB's) and Project Manager(i.e. MRM's) vast experience in road sector especially National Highway(NH) projects, O&M (both routine and periodic maintenance) of the project stretches is not likely to be a significant concern.

Financial Performance- Combined of the Trust Group (as mentioned in the DRHP)

(Rs. Crore)

For the period ended / as at Mar.31,	*2014 (12m, A)*	*2015 (12m, A)*	*2016 (12m, A)*
Working Results			
Toll Income	*720.13*	*890.88*	*964.83*
Other Income	*25.08*	*9.37*	*21.89*
Total Operating income	745.2	900.25	986.72
PBILDT	669.55	727.97	826.22
Interest	375.59	444.84	434.82
Depreciation	356.39	425.38	467.58
PBT	(45.15)	(126.14)	(59.06)
PAT (after deferred tax)	(47.40)	(123.79)	(76.44)
Gross Cash Accruals	309.00	301.59	391.14
Financial Position			
Equity Capital	1,114.56	1,114.56	1,114.56
Networth (Including *Subordinated Unsecured Promoter loan)*	2,022.74	1,904.68	1,828.24
Total Debt	4,847.99	4,706.83	4,478.31
Solvency Ratios			
Debt Equity ratio (times)	2.40	2.47	2.45
Interest coverage(times)	1.78	1.64	1.90
Term debt/Gross cash accruals	*11.22*	*11.00*	*7.51*

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

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Annexure II
Press Release
IRB InvIT Fund

(An irrevocable trust set up under the Indian Trusts Act, 1882, and registered as an infrastructure investment trust with the Securities and Exchange Board of India)

Ratings

Type of Rating	Amount(Rs. crore)	Rating[2]	Rating Action
Issuer Rating	-	**CARE AAA(Is); Stable [Triple A(Issuer Rating); Outlook: Stable]**	Assigned

Details of instruments/facilities in Annexure-1

The rating assigned is subject to the Trust Group's debt exposure not exceeding Rs.1000 crore post issuance of the IPO.

Detailed Rationale & Key Rating Drivers

CARE has assigned an Issuer Rating of CARE AAA(Is); Stable to IRB InvIT Fund(Trust). The rating reflects high credit quality and established operational track record charachterised by healthy revenue growth of the underlying Toll Road assets resulting in strong liquidity. The rating further derives strength from substantial repayment of combined debt from proceeds of the Initial Public Offer(IPO) thereby translating into healthy debt coverage and favorable capital structure of the Trust Group. The Trust Group refers to Trust and Project Special Purpose Vehicles(SPVs) forming part of its initial portfolio. Further rating also takes into account favourably, established track record in infrastructure, especially road sector of the Sponsor, Investment Manager and Project Manager of the Trust.

The above rating strengths are however tempered by exposure to inherent traffic growth related risk and Operation and Maintenance(O&M) expenses related risk, associated with Built-Operate–Toll (BOT) road projects. Additionally, regulatory risk at SPV level and also the regulatory framework governing InvITs in India is untested and thus remain a concern. Post IPO issuance, the debt at the SPV level shall continue to be exposed to interest rate risk considering the rates are subject to periodic reset, though reduced from earlier level.Besides,non maintenance of Major Maintenance Reserve Account(MMRA) (partly offset by increasing cash generation on account of improving vehicular traffic movement)for future Major Maintenance;

[1]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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combined with linkage of toll rate revision (which may be negative consequent to adverse WPI movement) are construed as credit weaknesses.

For arriving at the rating, CARE has considered combined business and financial risk of the Trust Group as the Trust will hold 100% stake in the underlying SPVs. Moreover,the InvIT regulations stipulate that not less than 90% of net distributable cash flows(NDCF) of SPVs shall be distributed to the InvIT in proportion of its holding in the SPVs. This would strengthen fungibility of the cashflows and thereby enable Trust to extend need based financial support to SPVs. The regulations cap Trust's borrowings and deferred payments at 49% of value of assets. Under CARE's base case scenario,no debt is expected to be raised at the Trust level(standalone).However subsequent to IPO, debt may be raised on standalone level of Trust. Nevertheless,the rating assigned is subject to the Trust Group's debt exposure not exceeding Rs.1000 crorepost issuance of the IPO.

Thus, the ability of the underlying SPVs to achieve envisaged growth in the toll revenue, lower than estimated repayment and/or pre-payment of the senior debt, any change impacting the InvIT regulations and any additional debt-funded acquisitions of infrastructure assets remain key rating monitorable.

Detailed description of the key rating drivers

Key Rating Strengths

Established track record of healthy revenue growth of the underlined SPVs coupled with geographical diversification mitigating regional concentration risks: The proposed IRB InvIT will own 100% of all thesix Project SPVs. Each of these Project are structured into separate SPVs which own, operates and maintains a toll-road project. All the Project SPVs are NHAI toll road projects. Initial portfolio projects have been operational (i.e. collecting toll: partial/entire) for a period in range of 3-7 years, average of ~ 5 years for the portfolio. In past two years, all SPVs have demonstrated healthy traffic growth. However, overall revenue growth was impacted due to adverse WPI movement. Further, the targeted portfolio projects are located at diversified geographical locations spread in different states (i.e. Maharashtra, Gujarat, Rajasthan, Karnataka and Tamil Nadu). This diversification significantly mitigates business risk of the InvIT by reducing its reliance on any specific region or project and consequently reducing

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the potential impact of any force majeure event occurring in any particular region and/or with respect to any particular project.

Comfortable debt coverage metrics and healthy capital structure post issuance – credit positive

As on March 31,2017, combined bank debt is expected to be Rs. 3,401 crore (Rs. 3,512 crore as on December 31, 2016). Of this amount, it is expected that ~ 71% of the debt would be repaid/prepaid. Consequently the senior debt servicing obligation shall reduce steeply in future years translating into healthy debt coverage in the projected years. More over there will be fungibility of cash flows i.e. at combined InvIT level, surplus cash flow would be available to meet any shortfall in any of the portfolio projects. However, this has an exception, particularly in case of SPV which was permitted NHAI premium deferment. In that case , if the revenues of SPV are more than projections submitted to National Highways Authority of India (NHAI) then NHAIwill have right to advance the payments, which shall be in consultation with senior lenders. In that situation, the fungible surpluses available may be of a lower quantum. Moreover, to provide cushion for the debt payments against variability in the revenue, initial Debt Service Reserve Account(DSRA)was created in five out of the six SPVs.They are expected to be maintained at required, throughout the tenure of the senior debt thereby lending additional liquidity comfort to address any temporary shortfall.

CARE has assumed maximum combined debt exposure of Rs. 1000 crore post the issuance. Any adverse change in the capital structure and /or debt coverage indicators due to further debt raised by InvIT for the purpose of supporting existing or acquiring additional assets would remain key rating sensitivity.

Established track record in infrastructure, especially road sector of the Sponsor, Investment Manager and Project Manager of the Trust.

The promoter and CMD of sponsor group (i.e. IRB), Mr Virendra D. Mhaiskar has more than two decades of experience in the infrastructure sector especially roads. Besides, he is well-supported by experienced professionals, having more than a decade's experience in their respective fields. IRB Infrastructure Private Limited (IIPL) is the investment manager of the trust. It has experience in operating a road BOT basis for a period of approximately 18 years and also in developing, operating and maintaining toll plazas. Modern Road Makers Private

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Limited (MRM, rated CARE A) has been appointed as the Project Manager of the Trust to carry out operations and management of the Project SPVs. MRM has experience in the execution of construction work for roads and highways including National Highways (NHs). As on December 31, 2016 IRB's order book stood at Rs.12,011 crore out of which Rs.10,262 crore is towards EPC orders and balance towards O&M contracts from various SPVs of IRB. MRM will execute annual O&M contracts with respective SPVs which can be renewed at the end of year through bidding exercise.

Key Rating Weaknesses

Inherent traffic growth and regulatory related risk: Toll revenues are a function of toll rates and traffic volumes. Traffic volumes are directly or indirectly dependent on multiple factors such as location of the road project(connecting areas and their commercial importance), ; growth in the automobile sector; affordability of automobiles; the quality, convenience and travel efficiency of alternative routes outside the network of toll roads etc.

Further, while the concession agreements of the underlying SPVs provide for an extension in the concession period if the actual traffic volumes are significantly lower than the target traffic volumes set forth in the respective concession agreements, there can be no assurance that the concession period will be actually extended by NHAI. However, the same is not likely to have significant impact on the debt servicing of the proposed consolidated borrowings pegged at Rs.1000 crore, as the Trust Group will have a long tail period of 10 years which strengthens its financial flexibility.

Low O&M risk inspite of non-maintenance of MMRAs: Major Maintenance Reserve Account (MMRA) is not maintained by the SPVs and thus they would have to rely on their cash flows in future for their O&M expenses (both routine and Periodic). The O&M costs, projected by the management, are based on historical numbers for each project. These expenses have been vetted by an independent third party(GMD Consultants) and the average costs assumed in projections are largely comparable. Considering the Sponsor(i.e.IRB's) and Project Manager(i.e. MRM's) vast experience in road sector especially National Highway(NH) projects, O&M (both routine and periodic maintenance) of the project stretches is not likely to be a concern.

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Moderate to low interest rate risk

Currently, project SPVs' borrowings are at floating rate of interest and are subject to periodic reset. Further, under the Project SPVs' financing agreements, the lenders are entitled to change the applicable rate of interest depending upon the policies of the Reserve Bank of India and any rise in interest rates may adversely affect financial condition and cash flows of SPVs and ultimately that of InvIT. Given the operational track record and lower residual debt amount post issuance of the likelihood of further interest rate increase at the SPV level appears low.

Analytical approach:

The debt rated is the combined senior debt of the SPVs forming part of IRB InvIT Fund. CARE has relied on the business plan shared by the client. The assessment reflects estimated performance of IRB InvIT, which encompasses performance and liquidity position of all six road projects. Given the fungibility of cash flows (via InvIT) amongst the SPVs, under proposed mechanism, a combined credit risk assessment has been undertaken. Besides, as conveyed by the client, IRB InvIT, in the capacity of a sponsor proposes to extend guarantee to lenders of all the SPVs in relation to the term loans availed by them. Additionally, Trust intends to replace all guarantees/shortfall undertakings originally extended by sponsor(i.e. IRB).

Applicable Criteria

CARE's rating methodology for debt issues of toll road projects

CARE's Policy on Default Recognition

Criteria on assigning Outlook to Credit Ratings

CARE's Issuer Rating

Rating Methodology - Infrastructure Sector Ratings

Financial ratios – Non-Financial Sector

Rating Methodology: Factoring Linkages in Ratings

About the Trust

On September 26, 2014, SEBI had notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014; thereby providing a regulatory framework for registration and regulation of Infrastructure Investment Trusts (InvITs) in India.

InvITs have been introduced as investment vehicles which enable infrastructure developers to monetize completed assets. Mandatory listing of InvITs provides investment opportunity in

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infrastructure to a larger pool of investors and financial institutions (domestic as well as global). This acts as a catalyst in deleveraging the developers and encouraging their participation in future growth in Indian infrastructure segment. Accordingly, IRB Infrastructure Developers Limited intends to form an infrastructure investment trust by transferring its six operational SPVs. Draft document for the initial public offering (IPO) of units of its infrastructure investment trust (InvIT) named 'IRB InvIT Fund' (IRB InvIT), was filed with SEBI on September 07, 2016. The IPO entire process is expected to be completed by end of FY17. IRB InvIT plans to raise Rs. 4,300 crore through fresh issue. The proceeds will be used for the repayment and/ or prepayment of senior debt (ie bank term loans) to the extent of Rs.2,400 crore (i.e. repayment of ~71% of the external outstanding debt expected to be be outstanding as of March 31,2017) and the entire sponsor debt of Rs.1,400 crore.

During FY16 (Refers to period from April 01 to March 31) combined operating revenue(as mentioned in DRHP) of the Trust Group was Rs. 986.72 crore (Rs. 900.25 crore in FY15).

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.coreratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Issuer Rating-Issuer Ratings	-	-	-	0.00	CARE AAA (Is); Stable

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015	Date(s) & Rating(s) assigned in 2013-2014
1.	Issuer Rating-Issuer Ratings	Issuer rating	0.00	CARE AAA (Is); Stable	-	-	-	-

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