



Security Cover

Valuation Report

—

May 2024





IRB Infrastructure Trust

Valuation of IRB Infrastructure Trust and its SPVs

Valuation Report

—

May 2024





Strictly private and confidential

03 May 2024

IRB Infrastructure Trust
1101, Hiranandani Knowledge Park,
Technology Street, Hill Side Avenue,
Powai, Mumbai – 400 076

Dear Sir,

Valuation Report (“Valuation Report”)

This is in accordance with the terms of reference set out in our Letter of Engagement dated 16 October 2023 (“LoE”), wherein KPMG Valuation Services LLP (Registered valuer entity under Companies (Registered Valuers and Valuation) Rules, 2017 having IBBI Registration No. IBBI/RV-E/06/2020/115) (hereinafter referred to as the “KPMG ” or “Us” or “We”) has been appointed by IRB Infrastructure Trust (“the Client”, or “IRBI Trust/Trust”, or “the Company” or “You”) in relation to carrying out Enterprise Valuation of 15 Special Purpose Vehicles (“SPVs” or “IRBI Trust Assets”) of IRBI Trust and Equity Valuation of IRBI Trust (jointly referred as “Targets”) as on the agreed date of the valuation in accordance with Regulation 21 of the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“SEBI InvIT Regulations”) where valuation is required to be conducted by a registered valuer (as defined under section 247 of the Companies Act, 2013) and such valuation report (“Report”) is required to be in compliance with the SEBI InvIT Regulations (“Engagement”).

The date for the valuation is 31 March 2024 (“Valuation Date”).

We hereby enclose our Valuation Report dated 03 May 2024. This is our deliverable and sets out KPMG’s conclusions on the valuation of the Targets and has been prepared in accordance with the LoE as of Valuation Date. The report is based on the information provided to KPMG by the management of the Targets (“Management”). As detailed in the enclosed Valuation Report, the NAV at fair value per unit of IRBI Trust is **INR 269.41 per unit** as on 31 March 2024.

The Valuation Report is confidential to the Client and will be used by the Client only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by the Client for any other purpose or by any other party for any other purpose whatsoever.

The Valuation Report is issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or in discussion with any third party or used for any other purpose without KPMG’s prior written consent. We are aware that the Report may have to be shared with certain regulatory authorities in India and stock exchanges in India and therefore Report may enter the public domain and hereby provide our consent to such sharing. It is clarified that reference to this Valuation Report in any document and/ or filing with aforementioned regulatory authorities/ stock exchanges in India, shall not be deemed to be an acceptance by the Valuer of any responsibility or liability to any person/ party other than the Client.

We will not, pursuant to the Letter of Engagement, perform any management functions for You, nor make any decisions. You are responsible for making management decisions, including accepting responsibility for the results.

The Valuation Report does not constitute an offer or invitation to any section of the public to subscribe for or purchase any securities in, or the other business or assets or liabilities of the Targets or Client. This letter forms an integral part of the Valuation Report and should be read in conjunction with the Valuation Report enclosed herein.

For KPMG Valuation Services LLP
Yours faithfully

Amit Jain
IBBI Registered Valuer
RV No- IBBI/RV/06/2018/10501



Glossary

%	Percentage	IKTPL	IRB Kota Tollway Private Limited	NHIDCL	National Highway and Infrastructure Development Corporation Limited
A	Actual	ILTPL	IRB Lalitpur Tollway Private Limited	NWC	Net Working Capital
Adj.	Adjusted	IMF	International Monetary Fund	O&M	Operation and Maintenance
AETL	AE Tollway Limited	IMHTL	IRB Hapur Moradabad Tollway Limited	PAT	Profit After Tax
B	Budgeted	INR	Indian Rupee	PBT	Profit Before Tax
bn	Billion	InvIT	Investment Trust	PDTPL	Palsit Dankuni Private Tollway Limited
CAGR	Compounded Annual Growth Rate	IRBI Trust	IRB Infrastructure Trust	PIB	Press Information Bureau
Capex	Capital Expenditure	IRBIDL	IRB Infrastructure Developers Limited	PV	Present Value
CGTL	CG Tollway Limited	IWTL	IRB Westcoast Tollway Limited	R(f)	Risk free rate of Return
CoCo	Comparable Companies	k	Thousands	R(m)	Market rate of Return
COD	Commercial operation date	Kd	Cost of Debt	Rf	Risk-free Rate
CoTrans	Comparable Transactions	Ke	Cost of Equity	SEBI	Securities and Exchange Board of India
Cr	Crore	KGTL	Kishangarh Gulabpura Tollway Limited	Sponsor	IRB Infrastructure Developers Limited
CWIP	Capital Work In Progress	Km	Kilometer	SPV	Special Purpose Vehicle
DBFOT	Design, Build, Finance, Operate and Transfer	KPMG	KPMG Valuation Services LLP	STPL	Samakhiali Tollway Private Limited
DCF	Discounted Cash Flow	KTL	Kaithal Tollway Limited	SYTL	Solapur Yedeshi Tollway Limited
EBIT	Earnings Before Interest and Tax	LoE	Letter of Engagement	t	Trillion
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization	Management	Management of IRBI Trust and its 12 SPVs	UTL	Udaipur Tollway Limited
EV	Enterprise Value	MAT	Minimum Alternate Tax	Valuation Date	31 March 2024
FCFF	Free Cash Flows to Firm	mn	Million	WACC	Weighted Average Cost Of Capital
FV	Fair Value	MoRTH	The Ministry of Road Transport and Highways	WPI	Wholesale Price Index
FY	Financial Year	n.a.	Not applicable	YATL	Yedeshi Aurangabad Tollway Limited
IBEF	India Brand Equity Foundation	n.m.	No Meaningful Figure	y-o-y	Year on year
IGEPL	IRB Golconda Expressway Private Limited	NA	Not applicable	YTD	Year to date
IGTPL	IRB Gwalior Tollway Private Limited	NAV	Net Asset Value		
		NHAI	National Highways Authority of India		

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1.

Executive Summary

Overview

Terms of the Engagement

- We have been appointed by IRBI Trust to undertake Enterprise Valuation of 15 Special Purpose Vehicles of IRBI Trust and Equity Valuation of IRBI Trust in accordance with Regulation 21 of the SEBI InvIT Regulations where valuation is required to be conducted by a registered valuer and such valuation report is required to be in compliance with the SEBI InvIT Regulations.
- As per the LoE, the valuation is to be carried out as on 31 March 2024. This report has been prepared by KPMG pursuant to terms of LoE.
- As at 31 March 2024 IRBI Trust assets comprised of the following 15 SPVs.
 - IRB Westcoast Tollway Limited (“IWTL”)
 - Solapur Yedeshi Tollway Limited (“SYTL”)
 - Yedeshi Aurangabad Tollway Limited (“YATL”)
 - Kaithal Tollway Limited (“KTL”)
 - AE Tollway Limited (“AETL”)
 - Udaipur Tollway Limited (“UTL”)
 - Chittorgarh Gulabpura Tollway Limited (“CGTL”)
 - Kishangarh Gulabpura Tollway Limited (“KGTL”)
 - IRB Hapur Moradabad Tollway Limited (“IHMTL”)
 - Palsit Dankuni Tollway Private Limited (“PDTPL”)
 - IRB Golconda Expressway Private Limited (“IGEPL”)
 - Samakhiyali Tollway Private Limited (“STPL”)
 - IRB Kota Tollway Private Limited (“IKTPL”)
 - IRB Lalitpur Tollway Private Limited (“ILTPL”)
 - IRB Gwalior Tollway Private Limited (“IGTPL”)

Valuation Approach and Methodology

Approach	Method
Income Approach	Discounted Cash Flow Method (DCF)

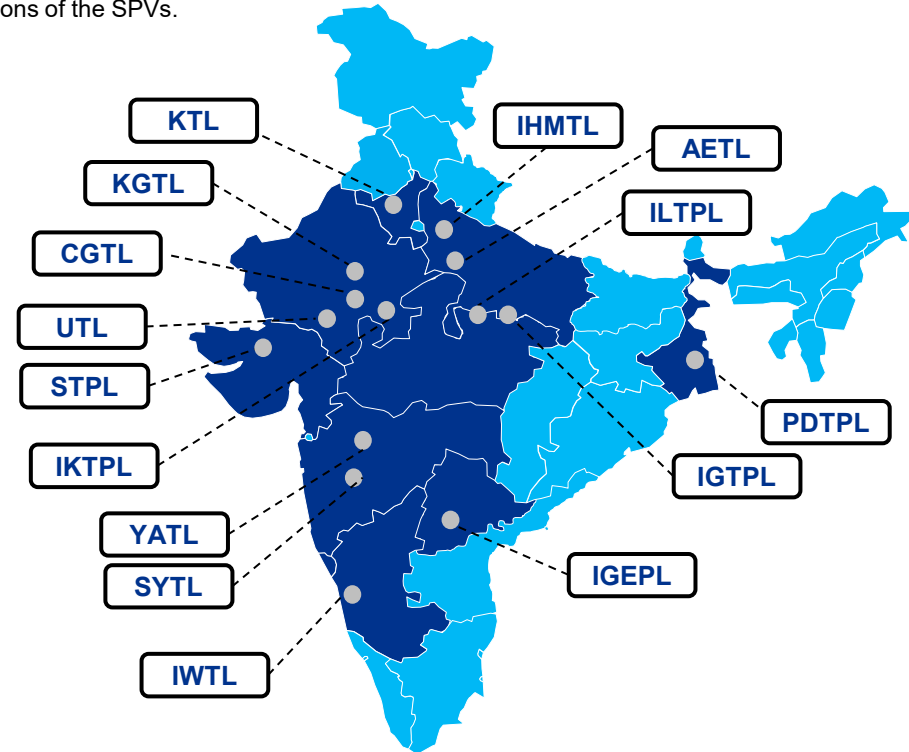
Source(s): Management information, KPMG analysis



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SPV Overview

IRBI Trust has acquired 11 DBFOT assets and 4 TOT asset from the sponsors in the states of Maharashtra, Gujarat, Rajasthan, Goa, Karnataka, Haryana, Madhya Pradesh, Uttar Pradesh, Telangana and West Bengal, which are being managed in pursuant to concessions granted by the National Highways Authority of India (“NHAI”) / Hyderabad Metropolitan Development Authority. IRBI Trust holds 100% equity interest in the SPVs. The map below represents the locations of the SPVs.



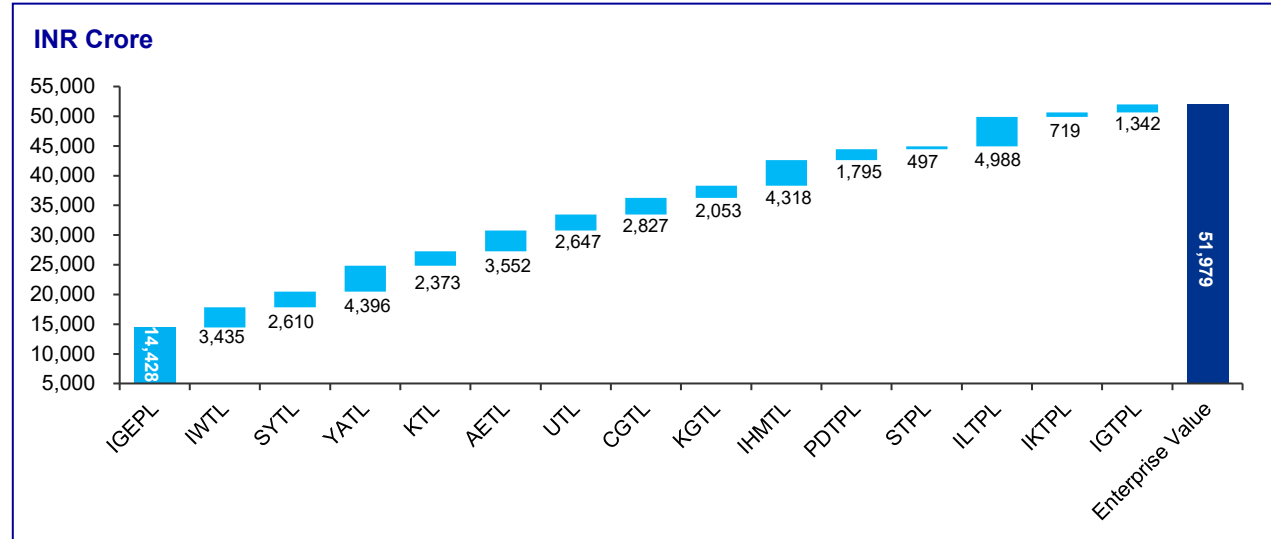
Valuation Conclusion

Valuation Conclusion (INR Crs)

Valuation Conclusion 31 March 2024		INR Crore
IRB Golconda Expressway Private Limited		14,428
IRB Westcoast Tollway Limited		3,435
Solapur Yedeshi Tollway Limited		2,610
Yedeshi Aurangabad Tollway Limited		4,396
Kaithal Tollway Limited		2,373
AE Tollway Limited		3,552
Udaipur Tollway Limited		2,647
CG Tollway Limited		2,827
Kishangarh Gulabpura Tollway Limited		2,053
IRB Hapur Moradabad Tollway Limited		4,318
Palsit Dankuni Tollway Private Limited		1,795
Samakhiali Tollway Private Limited		497
Lalitpur Tollway Private Limited		4,988
IRB Kota Tollway Private Limited		719
IRB Gwalior Tollway Private Limited		1,342
Enterprise Value of the SPVs		51,979
Cash and cash Equivalents		161
Surplus		178
Debt		(21,690)
PV of standalone expense pertaining to InvIT		(227)
Capex creditors		(397)
Equity Value of IRBI Trust		30,004
NAV at fair value per unit as on 31 March 2024		
Equity Value of IRBI Trust (INR Cr)		30,004
Units outstanding (No.)		1,113,693,265
NAV at fair value per unit (INR)		269.41

Source(s): Management information, KPMG analysis

Enterprise Value of SPVs



The Enterprise Value of the SPVs is INR 51,979 crores and the 100% Equity Value of the IRBI Trust is INR 30,004 crores as on 31 March 2024.

The NAV at fair value per unit of IRBI Trust as on 31 March 2024 is INR 269.41 per unit.

Note: SPVs are individually referred as “Target”, “Business”, “Company”, “SPV” or the “Asset” Collectively referred as SPVs or Assets

2.

IRBI Trust Overview

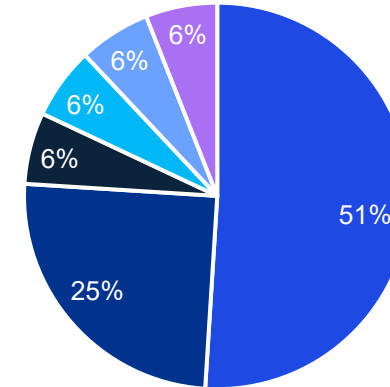
IRBI Trust Overview

IRBI Trust - Overview

- IRB Infrastructure Developers Limited (“IRBIDL” or “sponsor”) is one of the largest infrastructure development and construction companies in India in the roads and highways sector. It was incorporated on 27 July 1998 and is based in Mumbai, India.
- IRBI Trust has been settled by the sponsor as an irrevocable trust under the provisions of the Trusts Act in New Delhi, India pursuant to the Indenture of Trust dated August 27, 2019, as amended. The Indenture of Trust is registered under the Registration Act. IRBI Trust is registered with the SEBI as an infrastructure investment trust under the InvIT regulations.
- The object and purpose of IRBI Trust is to carry on the activity of an infrastructure investment trust under the InvIT regulations. Investment by the IRBI Trust shall only be in holding companies, SPVs, infrastructure projects, securities in India or other permitted investments in accordance with the InvIT regulations, the investment strategy and IRBI Trust documents.
- As at 31 March 2024 IRBI Trust assets comprised of 15 SPVs. IRBI Trust has acquired 11 DBFOT road assets and 4 TOT road asset from the sponsor. All SPVs of IRBI Trust are revenue generating. Refer subsequent slides for more details.
- IRBI trust is held by IRBIDL as sponsor with 51% stake and remaining 49% stake is held by GIC through its affiliates.
- IRBI Trust has in March 2024 by way of right issue issued 92.0 Mn units to the eligible unitholders of the IRBI Trust at an issue price of INR 244.86 per unit aggregating to INR 2,252.70 Cr. The purpose of the issue was to acquire and fund total project cost of IGEPL.
- The IRBI Trust is required to make distributions to the unitholders in accordance with the InvIT regulations and the distribution policy.

Source(s): Management information, IRBI Trust website, Provisional Consolidated Trust Financials FY2024

Shareholding Pattern of IRBI Trust as on 31 March 2024

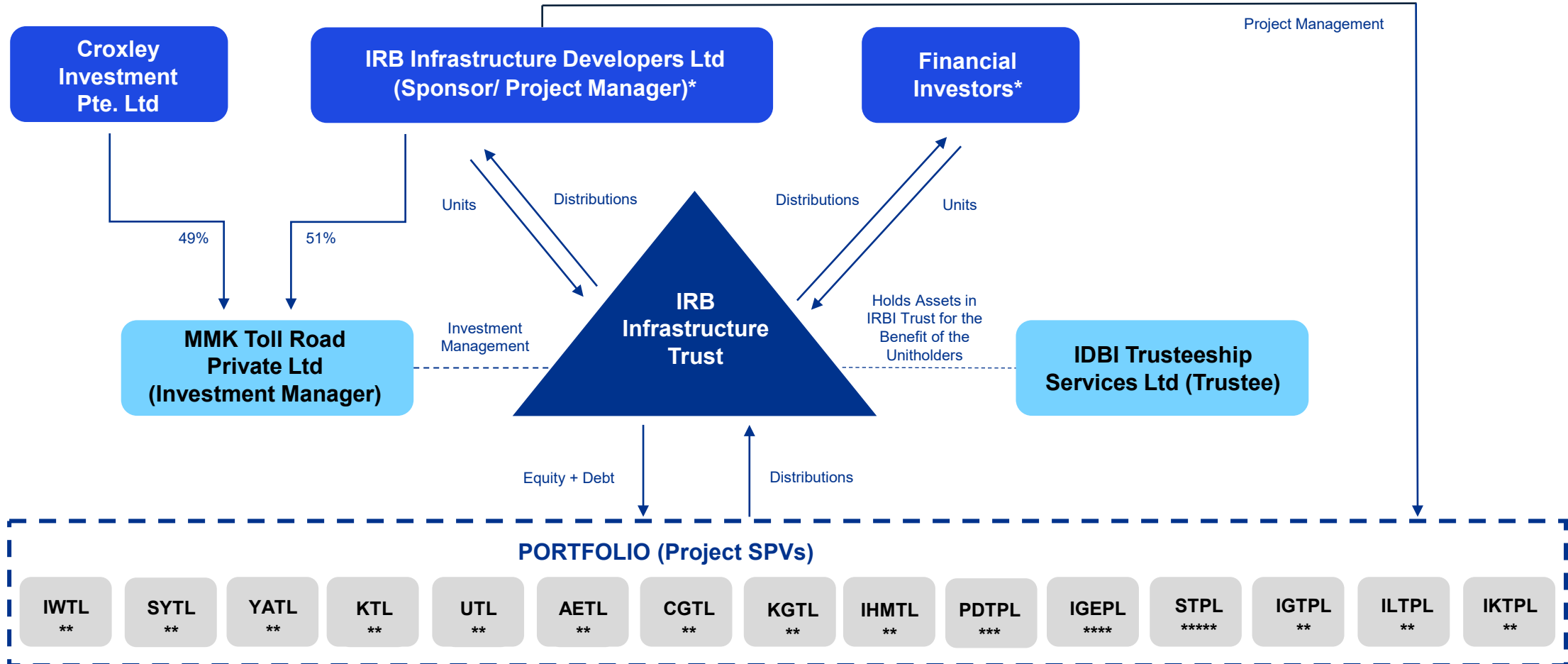


- IRB Infrastructure Developers Ltd
- Anahera Investments Pte Ltd
- Bricklayers Investment Pte Ltd
- Chiswick Investments Pte Ltd
- Stretford End Investments Pte Ltd
- Dangenham Investments Pte Ltd

Key related parties of the IRBI Trust

Role	Entity Name
Sponsor	IRB Infrastructure Developers Limited
Investment manager	MMK Toll Road Private Limited
Trustee	IDBI Trusteeship Services Limited

Structure of the IRBI Trust



* Unitholders in the IRBI Trust
 ** 100% of each project SPV held by the IRBI Trust, together with nominee shareholders.
 *** 99.96% of PDTPL held by the IRBI Trust, with the Sponsor and Sponsor's nominee shareholders holding the remaining 0.04%.
 **** 99.99% of IGEPL held by the IRBI Trust, with the Sponsor and Sponsor's nominee shareholders holding the remaining 0.01%.
 ***** 99.96% of STPL held by the IRBI Trust, with the Sponsor and Sponsor's nominee shareholders holding the remaining 0.04%.
 Source(s): IRBI Trust Corporate Presentation, Management



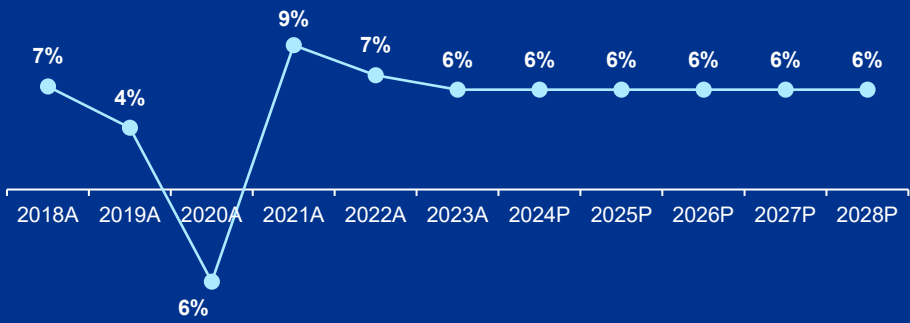
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Industry Overview

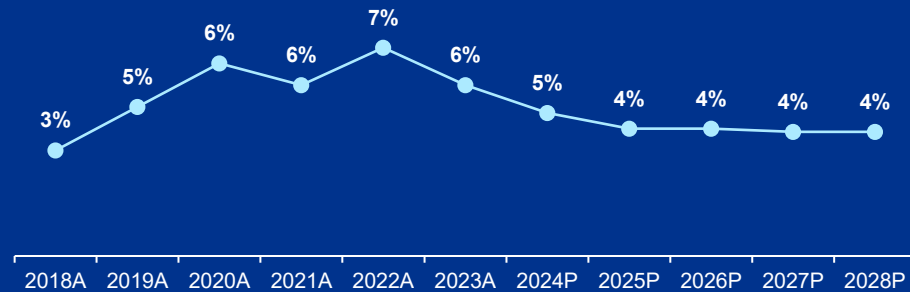
Indian Economy Outlook

Strong economic growth in the first quarter of 2023 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Also, according to IMF economic outlook, India continues to be the fastest-growing economy in the world.

Real GDP growth rate (%)



Annual percentage changes of average consumer prices (%)



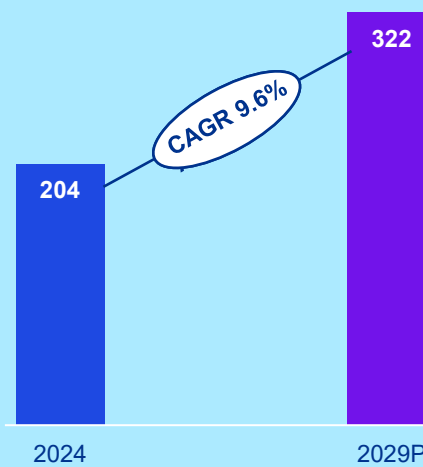
Source(s): International Monetary Fund ("IMF"), India Brand Equity Foundation ("IBEF"), Modor intelligence, EMIS

Infra Sector

Infrastructure is a key enabler in helping India become a USD 26 trillion economy by 2047. The government has announced a strong pipeline of infra projects across sectors.

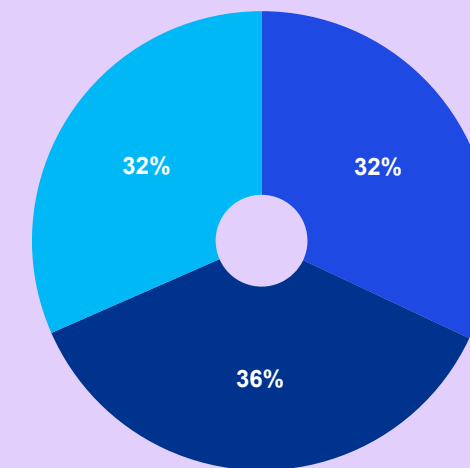
Capital investment outlay for infrastructure is being increased by 33 per cent, which would be 3.3 per cent of GDP and almost three times the outlay in 2019-20.

India Infrastructure market (USD billion)



Construction Industry

Market segmentation of India's Construction industry (2022)



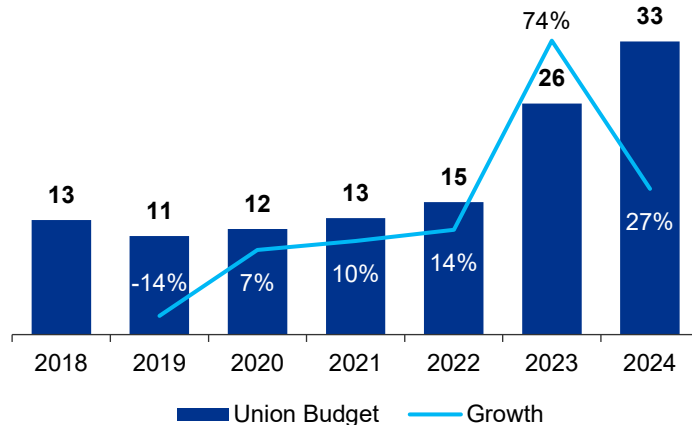
- Infrastructure construction
- Residential construction
- Commercial and special economic zones

Road Transport and Highways

Road Transport and Highways sector

- The Ministry of Road Transport and Highways (“MoRTH”) formulates and administers policies for road transport, national highways and transport research. It is also involved with the construction and maintenance of the National Highways (“NHs”) through the National Highways Authority of India (“NHAI”), and the National Highway and Infrastructure Development Corporation Limited (“NHIDCL”). NHAI is an agency of MoRTH which is also responsible for the toll collection on several highways.
- The Union Budget 2023-24 underscored the central government’s focus on infrastructure development in India with a big increase in infrastructure spending.

Outlay for Roads under the Union Budget (USD billion)



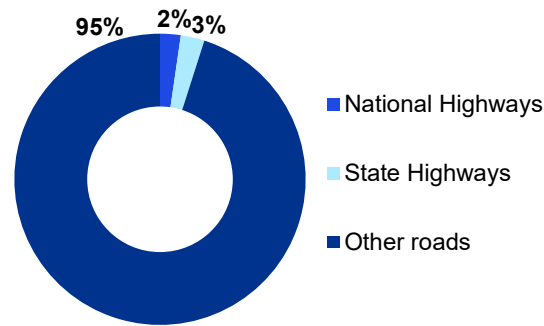
*2023 data is as of 30 December 2022

Source(s): MoRTH, IBEF, Invest India

2nd

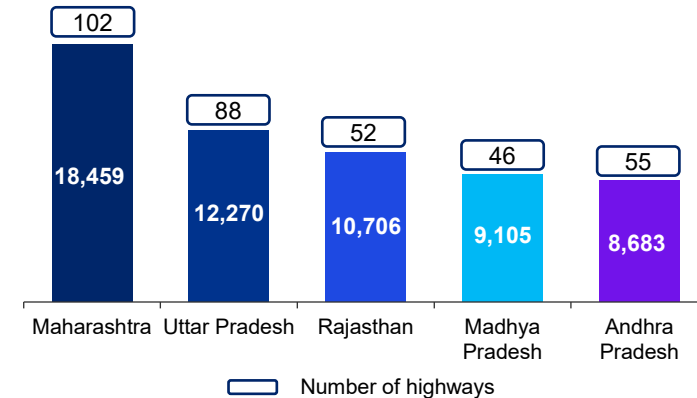
India has the second largest road network in the world of about 67 lakh km. This comprises National Highways, Expressways, State Highways, District Roads, Other District Roads and Village Roads.

Road & Highway – classification breakup



As per the data from Ministry of Road Transport and Highways, National Highways (NHs) make up for about 2.2 per cent (1,46,145 km) of the total road network of India (66,71,083 km).

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



National Highways carry over 40 per cent of the total traffic across the length and breadth of the country. Maharashtra has the largest network of National Highways with 18,459 km (12.7%). As per MoRTH, there are 962 highways in India. (State-wise split is as per Dec 2022)

36.2%

The market for roads and highways in India is projected to grow at a CAGR of 36.2 per cent during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

Key drivers of the sector

Pace of length of highways awarded and constructed (in kms)

The awarding of projects has picked up pace after the sanction of ambitious Bharatmala programme. The Government of India has allocated INR 1.9 lakh crore under the National Infrastructure Pipeline for 2025. The government also aims to construct 23 new national highways by 2025.



CAGR - Length of highways constructed



Estimated toll collection (in INR lakh crore)



Road construction target (in km)



Estimated road constructed per day

Source(s): MoRTH, Press Information Bureau ("PIB"), RTO Care, Money control

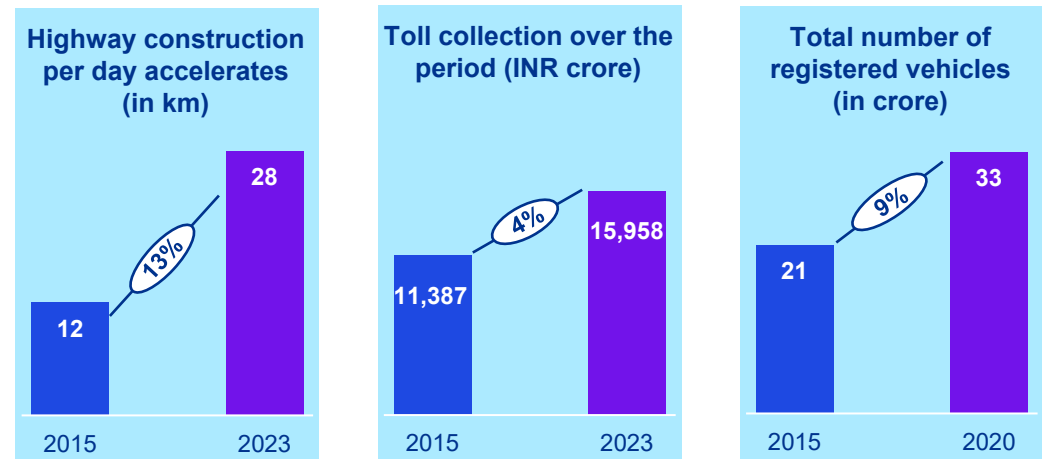
Toll operations efficiency increased due to adoption and growth of FASTag

7.9 Cr

As of 30th November 2023, banks have issued over 7.9 crore FASTags with an average daily ETC transactions of 86.6 lakhs.

147 Cr

The average daily collection via FASTag on NH fee plaza is INR 147.3 crore thereby increasing efficiency in toll operations.



2023 data is as of 05 January 2024
○ - CAGR

Government has implemented multiple initiatives in the last 9 years to augment the capacity of the National Highway infrastructure in the country. The pace of National Highways construction has increased consistently between 2014-15 and 2022-23 due to the systematic push through corridor-based National Highway development approach.

Financing in road infrastructure

Financing infrastructure

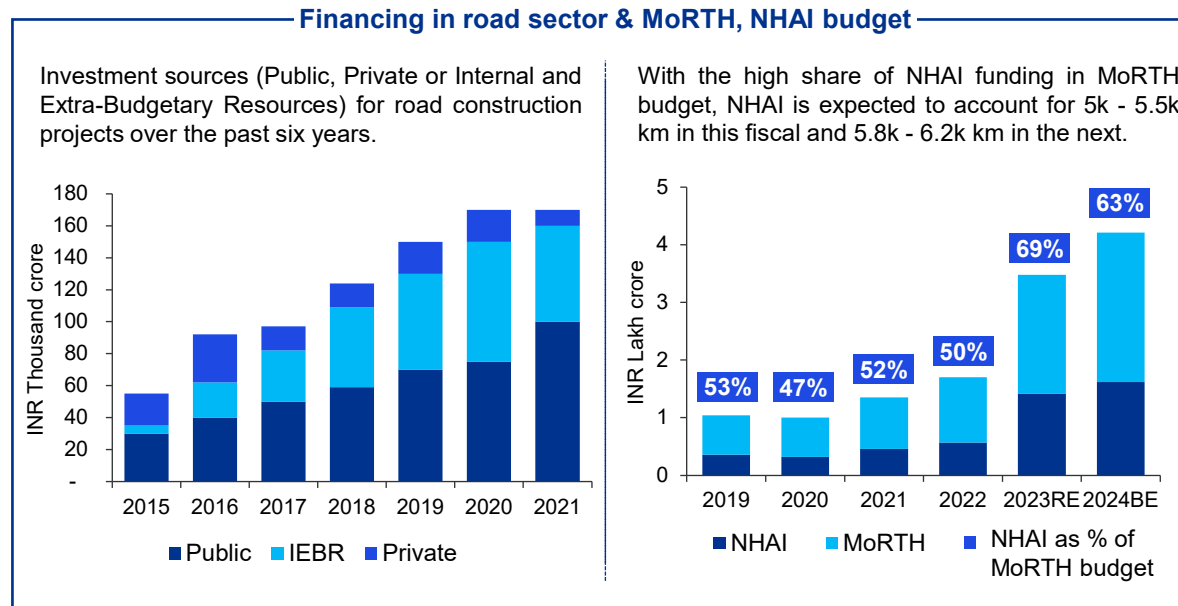
Investment in road infrastructure is long-term and returns are seen several years after construction. Roads and highways are financed through Government and private sources. Funding from Government sources includes budgetary allocations.

Private financing

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

Public financing

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



Types of projects awarded by NHA

a. Engineering Procurement & Construction

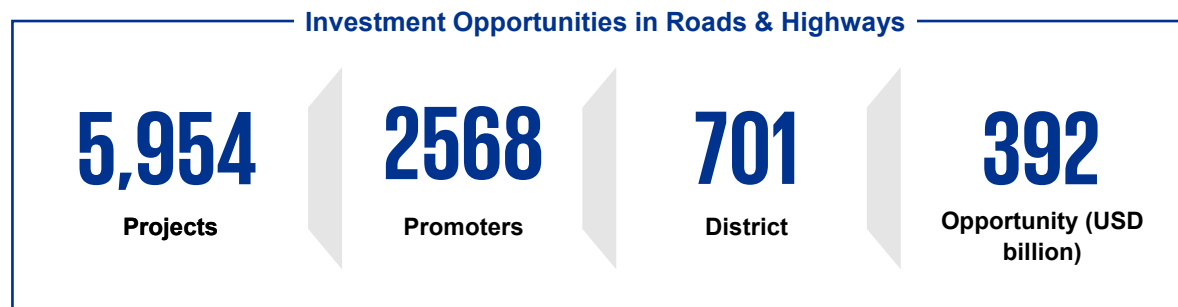
Under the EPC model, Government pays private players to lay roads. The private player has no role in the road's ownership, toll collection or maintenance.

b. Build Operate Transfer ("BOT")

Private players build, operate and maintain the road for a specified period before transferring the asset back to the Government. The private player arranges all the finances for the project, while collecting toll revenue/annuity fee from the Government.

c. Hybrid Annuity Model ("HAM")

HAM is a hybrid model, a mix of the EPC and BOT (build, operate, transfer) models. HAM combines EPC (40 per cent) and BOT-Annuity (60 per cent). On behalf of the government, NHA releases 40 per cent of the total project cost. The balance 60 per cent is arranged by the developer.



Source(s): PRS Legislative research, IBEF, CRISIL, MoRTH, Invest India
RE – Revised estimate, BE – Budgeted estimate

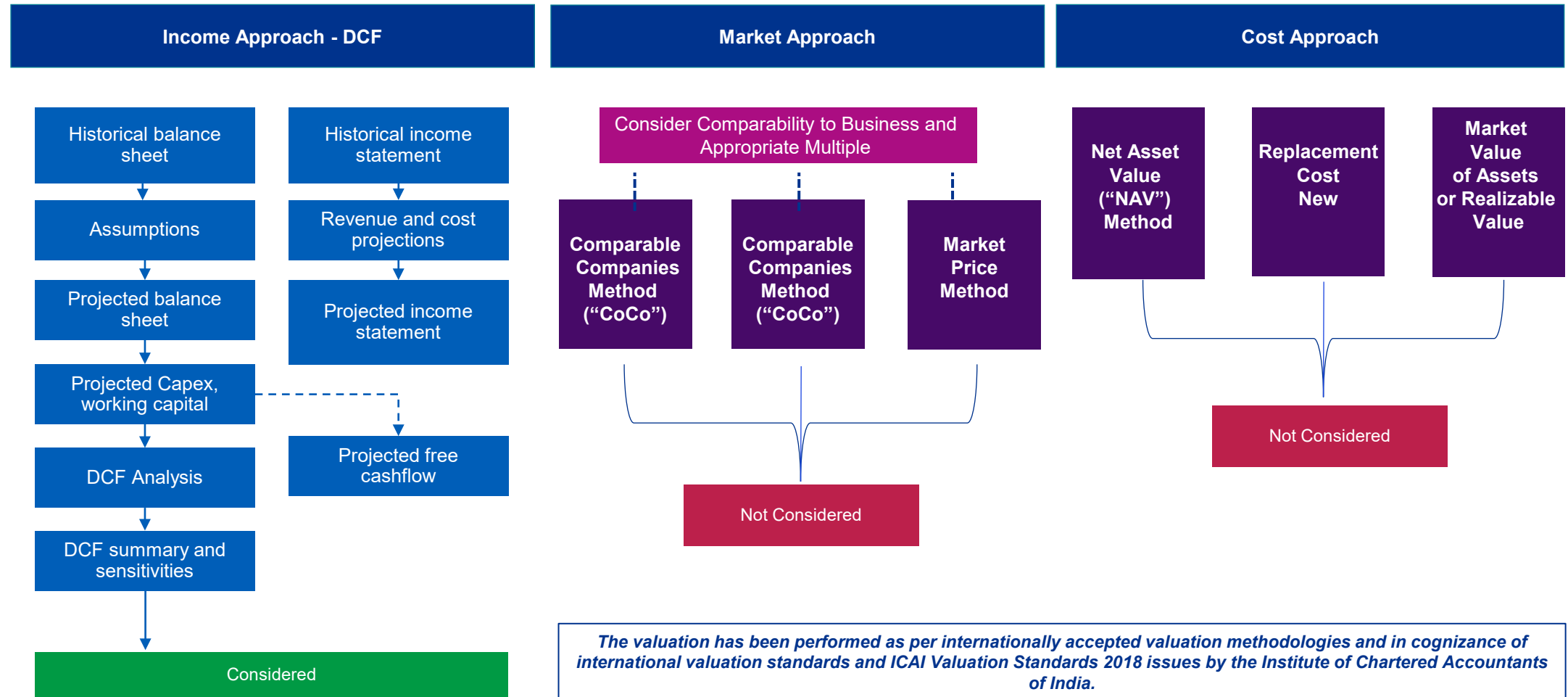
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Valuation Methodology and Approach



Valuation Methodology and Approach

Methodology and Approach



Valuation Methodologies - Income Approach



Discounted Cash Flows (“DCF”)

- Under a DCF approach, forecast cash flows are discounted back to the present date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the valuation date to give an overall value for the business.
- A discounted cash flow methodology typically requires the forecast period to be of such a length to enable the business to achieve a stabilized level of earnings, or to be reflective of an entire operation cycle for more cyclical industries.
- The rate at which the future cash flows are discounted (“the discount rate”) should reflect not only the time value of money, but also the risk associated with the business’ future operations. The discount rate most generally employed is weighted average cost of capital (“WACC”), reflecting an optimal as opposed to actual financing structure.
- In calculating the terminal value, regard must be had to the business’ potential for further growth beyond the explicit forecast period. The “constant growth model”, which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity, is a common method. These results would be cross-checked, however, for reasonability to implied exit multiples.
- Due to the finite life of the concession period of the SPVs, we have not computed a terminal value for the valuation of the SPVs.
- The rate at which future cash flows are discounted should reflect not only the time value of the cash flows but also the risk associated with the business’ future operations. This means that in order for a DCF to produce a sensible valuation figure, the importance of the quality of the underlying cash flow forecasts is fundamental.
- The DCF approach has been applied in the valuation of the SPVs.

Valuation Methodologies - Market Approach



Comparable Companies ("CoCo")

- Under comparable companies method, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject company.
- The appropriate multiple is generally based on the performance of listed companies with similar business models and size.
- The CoCo methodology has been not been applied in the valuation of IRBI Trust and SPVs.
- The list of companies in the road segment have mix of assets which are at different stages of operation / development / revenue mix/ leasing period. Therefore, comparable companies' method is not considered.



Comparable Transactions ("CoTrans")

- Under comparable transactions method, the value of shares / business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Due to different purposes of investments, transaction rationale and synergy benefits, different control premiums and minority discounts are embedded in the transaction values.
- Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.
- The list of transactions in the road segment have mix of assets which are at different stages of operation / development / revenue mix/ leasing period. Therefore, Therefore, comparable transactions method has not been considered for the valuation of IRBI Trust and SPVs.



Market Price Method

- Under this approach, the value of the business is arrived at considering the market price of the company based on the daily moving averages of the last six-month volume traded weighted average of closing price on the stock exchange where the company's shares are most frequently traded.
- The market price methodology has not been considered in the valuation of IRBI Trust and SPVs as it is not publicly listed or traded on any stock exchange.

Valuation Methodologies – Cost Approach



Net Asset Value (“NAV”) Method

- Under the net asset value approach, total value is based on the sum of net asset value as recorded on the balance sheet.
- A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business.
- The net assets methodology has not been considered for the valuation of IRBI Trust and SPVs as the Targets are operational and the financials are made on a going concern basis.



Replacement Cost New

- The replacement cost of a business is the cost of acquiring similar assets employed in the business and/or reaching a similar level of development. A purchaser, faced with a build versus buy scenario, may be prepared to pay significantly over and above this cost to obtain advantages including time saved in developing a similar business, and risk of failure.
- The replacement cost method quantifies the cost and risk to reach the present stage of development.
- This approach is often used for start-up/non-mature technology or biotech businesses.
- Hence, the replacement cost method has not been considered.



Market Value of Assets or Realizable Value

- Under the market value methodology, total value is based on the sum of market value of asset value less market value of liabilities plus, the value of intangible assets not recorded on the balance sheet.
- This methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business.
- Hence, the market value method has not been considered.



WACC Analysis

Discount Rate and Terminal Value

Discount rate

In order to determine the discount rate, we have used the WACC methodology as set out below:

$$\text{WACC} = K_e * (E/(D + E)) + K_d * (1-T) * (D/(D + E))$$

Where:

K_e	=	cost of equity
E	=	market value of equity
K_d	=	cost of debt
D	=	market value of debt
T	=	corporate taxation rate

Terminal Value

- Due to the finite life of the concession period of the SPVs, we have not computed a terminal value for the valuation of the SPVs.

The cost of equity is derived using the Capital Asset Pricing Model (“CAPM”) as follows:

Where:

K_e	=	$R_f + \beta * (R_m - R_f) + \alpha$
R_f	=	the current return on risk-free assets
R_m market	=	the expected average return of the market
$(R_m - R_f)$	=	the average risk premium above the risk - free rate that a “market” portfolio of assets is earning
β	=	the beta factor, being the measure of the systematic risk of a particular asset relative to the risk of a portfolio of all risky assets
α	=	company specific risk factor (alpha)

Summary - WACC

WACC calculation															
Name of SPV	IWTL	SYTL	YATL	KTL	AETL	UTL	CGTL	KGTL	IHMTL	PDTPL	IGEPL	STPL	ILTPL	IGTPL	IKTPL
Risk free rate of return	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
India risk premium	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Beta	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96
Alpha	-	-	-	-	-	-	-	-	-	1%	-	1%	-	-	-
Cost of Equity	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	14.8%	13.8%	14.8%	13.8%	13.8%	13.8%
Cost of Debt	8.60%	8.60%	8.60%	8.60%	8.60%	8.75%	8.75%	8.60%	8.60%	9.00%	8.75%	9.00%	8.75%	8.75%	8.75%
Tax Rate	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%
After Tax Cost of Debt	6.4%	6.4%	6.4%	6.4%	6.4%	6.5%	6.5%	6.4%	6.4%	6.7%	6.5%	6.7%	6.5%	6.5%	6.5%
Debt to Capital %	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Equity to Capital %	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Weighted Average Cost of Capital	9.40%	9.40%	9.40%	9.40%	9.40%	9.46%	9.46%	9.40%	9.40%	9.98%	9.46%	9.98%	9.46%	9.46%	9.46%

Refer annexure 2a, 2b and 2c for detailed WACC workings.

Refer subsequent slides for valuation of each SPV based on the discount rates.

5.

Valuation of Individual SPVs



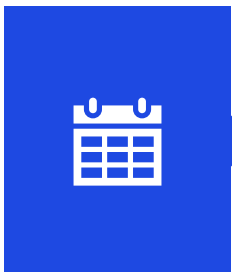
IRB Westcoast Tollway Limited

Overview



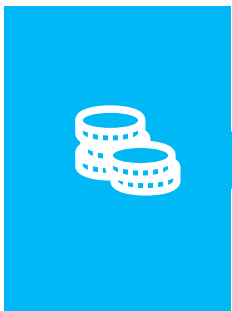
Project details

IWTL was engaged for four laning the existing two lane highway on DBFOT basis. The project stretch is 187.28 kms long involving the Goa/Karnataka border to Kundapur Section of NH-17 from 93.7 kms to 283.3 kms in Karnataka with 3 toll plazas.



Concession period

IWTL is required to construct, operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 28 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 5.6 years.



Premium

There is no premium clause in the concession agreement.

Source(s): Management information

Highlights

Particulars	Details
Project location	Goa/Karnataka border to Kundapur
Concessionaire	IWTL
State	Karnataka
Tollable length (kms)	187.28
No. of toll plazas	3
Concession agreement date	25-Mar-13
Appointed date	3-Mar-14
Four laning completion certificate date	19-Mar-23
Scheduled end date	2-Mar-42
New scheduled end date	6-Feb-48

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHA and IWTL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	44%
1.5% increase for every 1% decrease	67%
Maximum increase in concession period	20%
Increase in concession period (years)	5.6
Revised concession period	33.6
Scheduled end date	02-Mar-42
New scheduled end date	06-Feb-48

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 124 days on account of covid-19. (included above)
- The Management has confirmed to us to consider revised concession period till 6 February 2048. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 6 February 2048.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHA shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 2% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that IWTL has 80IA benefit from FY2024 to FY2033, the same has been considered while calculating forecast tax outflows along with any carried forward business loss and unabsorbed depreciation. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows (1/3)

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		168	188	210	236	262	294	326	365	403
EBITDA	[A]	99	160	180	206	121	222	293	331	367
EBITDA margin		59%	85%	86%	87%	46%	75%	90%	91%	91%
Depreciation		(27)	(30)	(33)	(37)	(41)	(43)	(45)	(50)	(55)
EBIT		72	131	146	168	79	178	248	281	312
EBIT margin		43%	69%	70%	71%	30%	61%	76%	77%	77%
Less: Tax on EBIT	[B]	(13)	(23)	(26)	(29)	(14)	(31)	(43)	(49)	(54)
Change in working capital	[C]	41	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	127	138	154	176	107	190	250	282	312
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	122	120	123	129	71	116	139	144	146

Source(s): Management information, KPMG analysis

Discounted Cash Flows (2/3)

Discounted Cash Flow										
	FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue	449	502	559	620	689	767	855	950	1,056	1,176
EBITDA [A]	402	298	519	580	649	578	760	906	1,010	1,127
EBITDA margin	89%	59%	93%	94%	94%	75%	89%	95%	96%	96%
Depreciation	(62)	(69)	(76)	(85)	(94)	(105)	(117)	(130)	(145)	(161)
EBIT	340	230	442	496	555	473	642	776	865	966
EBIT margin	76%	46%	79%	80%	81%	62%	75%	82%	82%	82%
Less: Tax on EBIT [B]	(59)	(40)	(77)	(87)	(97)	(112)	(158)	(195)	(221)	(250)
Change in working capital [C]	-	-	-	-	-	-	-	-	-	-
Less : Capex [D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm E = [A+B+C+D]	342	258	441	494	552	466	602	711	789	877
Discounting period	9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor [F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.190
Present value of cash flows [E*F]	146	101	157	161	164	127	150	162	164	167

Source(s): Management information, KPMG analysis

Discounted Cash Flows (3/3)

Discounted Cash Flow						
		FY2044	FY2045	FY2046	FY2047	FY2048
INR crores		12 months	12 months	12 months	12 months	10.2 months
Revenue		1,314	1,462	1,626	1,806	1,712
EBITDA	[A]	1,263	1,408	1,570	1,747	1,659
EBITDA margin		96%	96%	97%	97%	97%
Depreciation		(180)	(200)	(223)	(247)	(234)
EBIT		1,083	1,208	1,347	1,499	1,425
EBIT margin		82%	83%	83%	83%	83%
Less: Tax on EBIT	[B]	(314)	(354)	(395)	(440)	(418)
Change in working capital	[C]	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	949	1,054	1,175	1,307	1,242
Discounting period		19.500	20.500	21.500	22.500	23.350
Discount factor	[F]	0.174	0.159	0.145	0.133	0.123
Present value of cash flows	[E*F]	165	167	170	173	153

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	3,435
Present value of release of working capital	0
Enterprise Valuation	3,435
WACC	9.40%

Present value of release in working capital represent working capital of INR 2 Cr released at the end of the concession period.

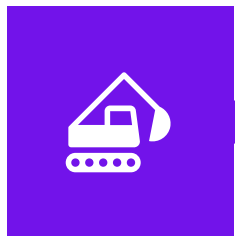
Basis the above and using a WACC of 9.40%, the Enterprise Value of IWTL, as on 31 March 2024 is INR 3,435 crore.

Please refer annexure 2a for WACC breakup.



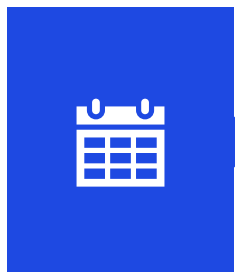
Solapur Yedeshi Tollway Limited

Overview



Project details

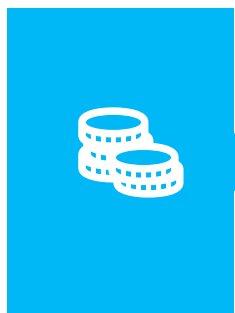
SYTL was engaged for four laning the existing two lane highway on DBFOT basis the project stretch is 98.7 kms long involving the Solapur to Yedeshi section of NH-211 from 0.00 kms to 100 kms in Maharashtra with 2 toll plazas.



Concession period

SYTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 29 years commencing from the appointed date.

Probable extension of concession period is estimated according to article 29 of concession agreement is zero. Refer key assumptions on the next slide.



Premium

There is no premium clause in the concession agreement.

Source(s): Management information

Highlights

Particulars	Details
Project location	Solapur Yedeshi
Concessionaire	SYTL
State	Maharashtra
Tollable length (kms)	98.7
No. of toll plazas	2
Concession agreement date	3-Mar-14
Appointed date	21-Jan-15
Four laning completion certificate date	15-Oct-19
Scheduled end date	21-Jan-44
New scheduled end date	20-Apr-44

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and SYTL, *“In the event actual average traffic shall have exceeded the target traffic, then for every 1% excess as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be reduced by 0.75% thereof; provided such reduction in concession period shall not in any case exceed 10% of the concession period”*.
- Based on the concession agreement and traffic study report of SYTL we note that the actual traffic for SYTL has exceeded the projected traffic. Pursuant to clause 29 of the concession agreement, concession period will need to be reduced by 2.4 year to account for excess traffic. However, Management has represented that concession period of SYTL will not be reduced as reduction in the concession period necessitated due to excess traffic will be offset by the extension in the concession period due to augmentation of capacity to serve excess traffic. We have not been provided with approval from authority for extension of concession period and have relied on the Management representation for the same.
- Management represented that the concession period will only be increased by 115 days on account of covid-19.
- The Management has confirmed to us to consider revised concession period till 20 April 2044. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 20 April 2044.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that SYTL has 80IA benefit from FY2025 to FY2034, the same has been considered while calculating forecast tax outflows along with any carried forward business loss and unabsorbed depreciation. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Source(s): Management information

Discounted Cash Flows (1/2)

Discounted Cash Flow											
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		152	175	193	215	237	266	295	331	367	409
EBITDA	[A]	115	136	152	194	215	242	270	305	279	316
EBITDA margin		76%	78%	79%	90%	90%	91%	92%	92%	76%	77%
Depreciation		(18)	(21)	(24)	(27)	(29)	(33)	(37)	(41)	(46)	(51)
EBIT		97	115	129	167	185	209	234	264	233	265
EBIT margin		64%	66%	67%	78%	78%	79%	79%	80%	63%	65%
Less: Tax on EBIT	[B]	(17)	(20)	(22)	(29)	(32)	(37)	(41)	(46)	(41)	(46)
Change in working capital	[C]	18	19	15	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	117	135	144	164	182	205	230	259	238	270
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500	9.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466	0.426
Present value of cash flows	[E*F]	112	118	115	120	122	125	128	132	111	115

Source(s): Management information KPMG analysis

Discounted Cash Flows (2/2)

Discounted Cash Flow											
	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	0.7 months
Revenue	459	511	566	633	702	788	869	967	1,076	1,202	73
EBITDA [A]	361	479	531	595	661	745	822	874	979	1,098	59
EBITDA margin	79%	94%	94%	94%	94%	94%	95%	90%	91%	91%	81%
Depreciation	(57)	(63)	(70)	(78)	(87)	(98)	(108)	(120)	(133)	(149)	(9)
EBIT	304	416	461	517	574	647	715	755	845	949	50
EBIT margin	66%	81%	81%	82%	82%	82%	82%	78%	79%	79%	68%
Less: Tax on EBIT [B]	(53)	(73)	(81)	(90)	(153)	(174)	(194)	(207)	(233)	(265)	(15)
Change in working capital [C]	-	-	-	-	-	-	-	-	-	-	-
Less : Capex [D]	-	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm E = [A+B+C+D]	308	406	451	505	508	571	629	668	746	833	44
Discounting period	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500	19.500	19.556
Discount factor [F]	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.190	0.174	0.173
Present value of cash flows [E*F]	120	145	147	150	138	142	143	139	142	145	8

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	2,615
Present value of release of working capital	(5)
Enterprise Valuation	2,610
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 32 Cr released at the end of the concession period.

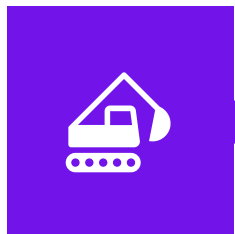
Basis the above and using a WACC of 9.40%, the Enterprise Value of SYTL, as on 31 March 2024 is INR 2,610 crore.

Please refer annexure 2a for WACC breakup.



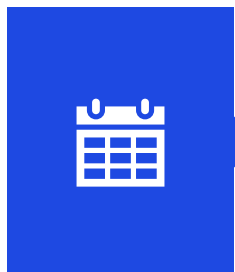
Yedeshi Aurangabad Tollway Limited

Overview



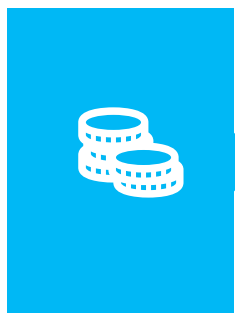
Project details

YATL was engaged for four laning the existing two lane highway on DBFOT basis. The project stretch is 189.1 kms long involving the Yedeshi Aurangabad section of NH-211 from 100.0 kms to 290.2 kms in Maharashtra with 3 toll plazas.



Concession period

YATL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 26 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 1.2 years.



Premium

There is no premium clause in the concession agreement.

Source(s): Management information

Highlights

Particulars	Details
Project location	Yedeshi Aurangabad
Concessionaire	YATL
State	Maharashtra
Tollable length (kms)	189.1
No. of toll plazas	3
Concession agreement date	30-May-14
Appointed date	1-Jul-15
Four laning completion certificate date	24-Sep-20
Scheduled end date	1- July-41
New scheduled end date	20-Jan-43

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and YATL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	3%
1.5% increase for every 1% decrease	5%
Maximum increase in concession period	20%
Increase in concession period (years)	1.2
Revised concession period	27.2
Scheduled end date	01-July-41
New scheduled end date	20-Jan-43

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 151 days on account of covid-19 and Kannad ghat crisis. (included above)
- The Management has confirmed to us to consider revised concession period till 20 January 2043. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 20 January 2043.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that YATL has 80IA benefit from FY2026 to FY2035, the same has been considered while calculating forecast tax outflows along with any carried forward business loss and unabsorbed depreciation. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows [1/2]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		306	346	378	416	452	497	546	599	653
EBITDA	[A]	251	288	317	386	420	464	511	562	505
EBITDA margin		82%	83%	84%	93%	93%	93%	94%	94%	77%
Depreciation		(68)	(72)	(71)	(72)	(78)	(86)	(95)	(104)	(113)
EBIT		183	217	246	315	342	378	416	458	392
EBIT margin		60%	63%	65%	76%	76%	76%	76%	77%	60%
Less: Tax on EBIT	[B]	(32)	(38)	(43)	(55)	(60)	(66)	(73)	(80)	(68)
Change in working capital	[C]	29	31	27	19	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	248	281	302	350	360	398	438	482	437
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	237	246	241	256	241	243	244	246	204

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/2]

Discounted Cash Flow										
	FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	9.7 months
Revenue	716	784	858	936	1,025	1,121	1,231	1,344	1,471	1,303
EBITDA [A]	561	621	814	889	976	1,070	1,117	1,224	1,345	1,241
EBITDA margin	78%	79%	95%	95%	95%	95%	91%	91%	91%	95%
Depreciation	(124)	(136)	(149)	(162)	(178)	(195)	(214)	(233)	(255)	(226)
EBIT	436	485	665	727	798	876	903	991	1,090	1,015
EBIT margin	61%	62%	77%	78%	78%	78%	73%	74%	74%	78%
Less: Tax on EBIT [B]	(76)	(85)	(116)	(127)	(140)	(153)	(200)	(266)	(328)	(312)
Change in working capital [C]	-	-	-	-	-	-	-	-	-	-
Less : Capex [D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm E = [A+B+C+D]	484	536	698	762	837	917	917	958	1,018	929
Discounting period	9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.306
Discount factor [F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.193
Present value of cash flows [E*F]	206	209	249	248	249	249	228	218	211	180

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	4,404
Present value of release of working capital	(8)
Enterprise Valuation	4,396
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 44 Cr released at the end of the concession period.

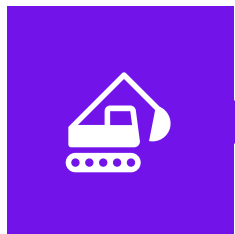
Basis the above and using a WACC of 9.40%, the Enterprise Value of YATL, as on 31 March 2024 is INR 4,396 crore.

Please refer annexure 2a for WACC breakup.



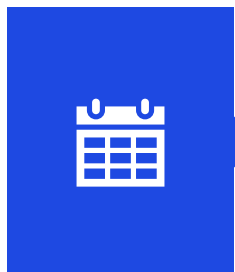
Kaithal Tollway Limited

Overview



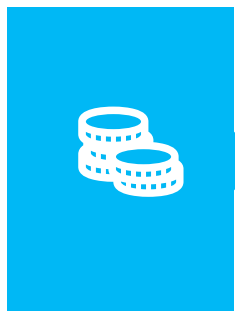
Project details

KTL was engaged to expand the existing two-lane road to a four-lane road in the Kaithal to Rajasthan border section of NH-152/65 from 33.25 Km to 241.58 Km i.e. total design length of 166.3 Km in the state of Haryana under National Highway Development Program Phase IV on a DBFOT basis.



Concession period

KTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 27 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 5.4 years.



Premium

There is no premium clause in the concession agreement.

Source(s): Management information

Highlights

Particulars	Details
Project location	Kaithal – Rajasthan border
Concessionaire	KTL
State	Haryana
Tollable length (kms)	166.3
No. of toll plazas	3
Concession agreement date	23-Jun-14
Appointed date	15-Jul-15
Four laning completion certificate date	29-Mar-19
Scheduled end date	14-Jul-42
New scheduled end date	6-Feb-49

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHA and KTL, “In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	31%
1.5% increase for every 1% decrease	47%
Maximum increase in concession period	20%
Increase in concession period (years)	5.4
Revised concession period	32.4
Scheduled end date	14-July-42
New scheduled end date	06-Feb-49

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 446 days on account of covid-19 and farmer protests (included above).
- The Management has confirmed to us to consider revised concession period till 06 February 2049. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 06 February 2049.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHA shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that KTL has 80IA benefit from FY2025 to FY2034, the same has been considered while calculating forecast tax outflows along with any carried forward business loss and unabsorbed depreciation. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows [1/3]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		158	173	188	205	223	243	264	287	311
EBITDA	[A]	92	103	165	181	197	215	235	129	146
EBITDA margin		58%	60%	88%	88%	88%	89%	89%	45%	47%
Depreciation		(24)	(27)	(29)	(32)	(34)	(37)	(41)	(44)	(48)
EBIT		67	76	136	149	163	178	195	85	98
EBIT margin		43%	44%	72%	73%	73%	73%	74%	30%	32%
Less: Tax on EBIT	[B]	(12)	(13)	(24)	(26)	(28)	(31)	(34)	(15)	(17)
Change in working capital	[C]	45	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	125	90	141	155	168	184	201	114	129
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	120	78	113	113	112	112	112	58	60

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/3]

Discounted Cash Flow											
		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		338	369	401	435	473	514	560	606	658	714
EBITDA	[A]	165	334	365	397	433	472	422	461	506	663
EBITDA margin		49%	91%	91%	91%	92%	92%	75%	76%	77%	93%
Depreciation		(52)	(57)	(62)	(67)	(73)	(79)	(84)	(90)	(98)	(107)
EBIT		113	277	303	330	360	393	338	371	407	556
EBIT margin		33%	75%	76%	76%	76%	76%	60%	61%	62%	78%
Less: Tax on EBIT	[B]	(20)	(48)	(53)	(58)	(63)	(69)	(85)	(95)	(106)	(161)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	145	286	312	339	370	403	336	366	399	503
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor	[F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.190
Present value of cash flows	[E*F]	62	111	111	110	110	110	84	83	83	95

Source(s): Management information, KPMG analysis

Discounted Cash Flows [3/3]

Discounted Cash Flow							
		FY2044	FY2045	FY2046	FY2047	FY2048	FY2049
INR crores		12 months	12 months	12 months	12 months	12 months	10.2 months
Revenue		777	843	914	992	1,035	961
EBITDA	[A]	724	787	855	930	969	902
EBITDA margin		93%	93%	94%	94%	94%	94%
Depreciation		(116)	(126)	(136)	(148)	(155)	(143)
EBIT		608	661	718	782	815	759
EBIT margin		78%	78%	79%	79%	79%	79%
Less: Tax on EBIT	[B]	(182)	(198)	(215)	(234)	(244)	(227)
Change in working capital	[C]	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	542	589	640	696	725	675
Discounting period		19.500	20.500	21.500	22.500	23.500	24.350
Discount factor	[F]	0.174	0.159	0.145	0.133	0.121	0.112
Present value of cash flows	[E*F]	94	93	93	92	88	76

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	2,374
Present value of release of working capital	(1)
Enterprise Valuation	2,373
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 13 Cr released at the end of the concession period.

Basis the above and using a WACC of 9.40%, the Enterprise Value of KTL, as on 31 March 2024 is INR 2,373 crore.

Please refer annexure 2a for WACC breakup.



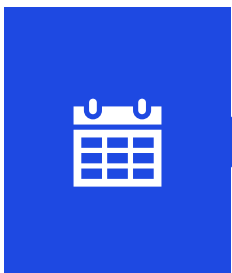
AE Tollway Limited

Overview



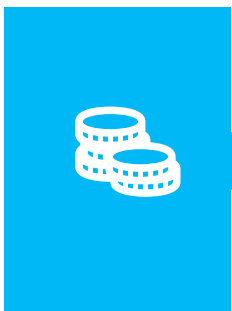
Project details

AETL was engaged to expand the Agra to Etawah bypass section of NH-2 from 199.66 Km to 323.52 Km in the state of Uttar Pradesh from four to six lanes under National Highway Development Program Phase V on a DBFOT basis.



Concession period

AETL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 24 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 4.8 years.



Premium

AETL was engaged on payment of premium of INR 81 Crs to NHAI in the remaining period of the year of appointed date and for each subsequent year the premium shall increase by an additional 5% as compared to the previous year.

Source(s): Management information

Highlights

Particulars	Details
Project location	Agra Etawah
Concessionaire	AETL
State	Uttar Pradesh
Tollable length (kms)	124.52
No. of toll plazas	2
Concession agreement date	01-Sep-15
Appointed date	01-Aug-16
Six laning completion certificate date	24-Nov-20
Scheduled end date	31-Jul-40
New scheduled end date	19-Oct-45

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and AETL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”*.
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	34%
1.5% increase for every 1% decrease	51%
Maximum increase in concession period	20%
Increase in concession period (years)	4.8
Revised concession period	28.8
Scheduled end date	31-Jul-40
New scheduled end date	19-Oct-45

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 163 days on account of covid-19 and demonetization (included above).
- The Management has confirmed to us to consider revised concession period till 19 October 2045. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 19 October 2045.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHAI is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that AETL has 80IA benefit from FY2027 to FY2036, the same has been considered while calculating forecast tax outflows along with any carried forward business loss and unabsorbed depreciation. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows [1/3]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		155	182	212	244	282	324	372	428	489
EBITDA	[A]	77	100	168	198	234	273	196	243	296
EBITDA margin		50%	55%	79%	81%	83%	85%	53%	57%	60%
Depreciation		(38)	(42)	(47)	(52)	(58)	(65)	(73)	(81)	(91)
EBIT		40	58	121	146	176	209	124	161	205
EBIT margin		25%	32%	57%	60%	62%	64%	33%	38%	42%
Less: Tax on EBIT	[B]	(7)	(10)	(21)	(26)	(31)	(36)	(22)	(28)	(36)
Change in working capital	[C]	39	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	109	89	147	173	203	237	175	215	260
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	104	78	117	126	136	145	98	109	121

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/3]

Discounted Cash Flow											
INR crores		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		558	637	718	805	903	1,013	1,141	1,259	1,398	1,551
EBITDA	[A]	497	573	651	734	756	858	978	1,173	1,308	1,456
EBITDA margin		89%	90%	91%	91%	84%	85%	86%	93%	94%	94%
Depreciation		(101)	(113)	(126)	(137)	(128)	(131)	(146)	(160)	(176)	(193)
EBIT		396	460	525	597	627	727	832	1,014	1,133	1,263
EBIT margin		71%	72%	73%	74%	69%	72%	73%	81%	81%	81%
Less: Tax on EBIT	[B]	(69)	(80)	(92)	(104)	(110)	(127)	(173)	(283)	(329)	(367)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	428	493	559	630	646	731	805	890	979	1,090
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor	[F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.190
Present value of cash flows	[E*F]	182	192	199	205	192	199	200	202	203	207

Source(s): Management information, KPMG analysis

Discounted Cash Flows [3/3]

Discounted Cash Flow				
		FY2044	FY2045	FY2046
INR crores		12 months	12 months	6.6 months
Revenue		1,725	1,904	1,157
EBITDA	[A]	1,626	1,800	1,097
EBITDA margin		94%	95%	95%
Depreciation		(213)	(233)	(141)
EBIT		1,413	1,567	956
EBIT margin		82%	82%	83%
Less: Tax on EBIT	[B]	(409)	(453)	(276)
Change in working capital	[C]	-	-	-
Less : Capex	[D]	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	1,217	1,347	821
Discounting period		19.500	20.500	21.053
Discount factor	[F]	0.174	0.159	0.151
Present value of cash flows	[E*F]	211	214	124

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	3,566
Present value of release of working capital	(14)
Enterprise Valuation	3,552
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 99 Cr released at the end of the concession period.

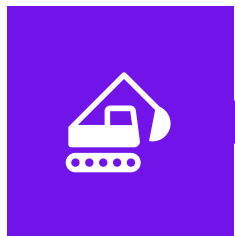
Basis the above and using a WACC of 9.40%, the Enterprise Value of AETL, as on 31 March 2024 is INR 3,552 crore.

Please refer annexure 2a for WACC breakup.



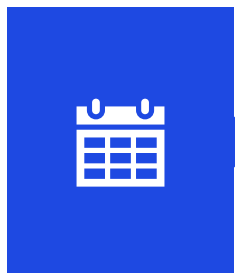
Udaipur Tollway Limited

Overview



Project details

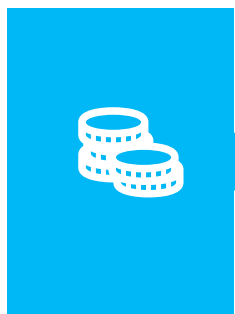
UTL was engaged to expand the Udaipur bypass (287.40 Km) to the Rajasthan/Gujarat border (401.20 Km) section of NH-8 in the states of Rajasthan & Gujarat (approx. length 113.80 Km) from four to six lanes under National Highway Development Program Phase V on a DBFOT basis.



Concession period

UTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 21 years commencing from the appointed date.

Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 4.2 years.



Premium

UTL was engaged on payment of premium of INR 163.8 Crs to NHAI immediately after the 3rd anniversary year of COD and for each subsequent year till the 9th anniversary of COD, the premium shall increase by an additional 3% as compared to the previous year. From the 9th anniversary of COD until the end of the concession period, the premium shall increase by an additional 8% each year as compared to the previous year. UTL has filed Writ petition with Rajasthan High Court with prayer to commence payment of premium to NHAI, six months post actual completion of the project construction work. The High Court prima facie agreed with the contention and have provided interim relief from payment of premium. The matter is currently under arbitration.

Source(s): Management information

Highlights

Particulars	Details
Project location	Udaipur Gujarat border
Concessionaire	UTL
State	Rajasthan/ Gujarat
Tollable length (kms)	113.8
No. of toll plazas	1
Concession agreement date	09-Dec-16
Appointed date	03-Sep-17
Six laning completion certificate date	01-Jun-21
Scheduled end date	02-Sep-38
New scheduled end date	13-Feb-43

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and UTL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof; provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	15%
1.5% increase for every 1% decrease	23%
Maximum increase in concession period	20%
Increase in concession period (years)	4.2
Revised concession period	25.2
Scheduled end date	02-Sep-38
New scheduled end date	13-Feb-43

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 106 days on account of covid-19. (included above)
- The Management has confirmed to us to consider revised concession period till 13 February 2043. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 13 February 2043.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHAI is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 3% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that UTL has 35AD benefit for income tax and the same has been considered while calculating forecast tax outflows along with any carried forward business loss and mat credit. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Source(s): Management information



Discounted Cash Flows [1/2]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		160	189	223	261	291	326	365	407	453
EBITDA	[A]	69	90	195	237	146	174	210	374	425
EBITDA margin		43%	48%	88%	91%	50%	53%	58%	92%	94%
Depreciation		(44)	(48)	(53)	(59)	(65)	(72)	(79)	(88)	(96)
EBIT		24	42	142	178	81	102	131	287	329
EBIT margin		15%	22%	64%	68%	28%	31%	36%	70%	72%
Less: Tax on EBIT	[B]	(4)	(7)	(25)	(31)	(14)	(18)	(23)	(50)	(57)
Change in working capital	[C]	-	-	-	39	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	65	83	170	245	132	156	188	324	367
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	62	72	136	178	88	95	104	165	170

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/2]

Discounted Cash Flow											
		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	10.4 months
Revenue		504	562	623	689	760	845	937	1,025	1,127	1,080
EBITDA	[A]	388	441	473	657	727	811	902	988	1,088	1,045
EBITDA margin		77%	78%	76%	95%	96%	96%	96%	96%	97%	97%
Depreciation		(106)	(117)	(128)	(124)	(104)	(114)	(126)	(137)	(150)	(143)
EBIT		283	324	345	532	623	697	776	851	938	902
EBIT margin		56%	58%	55%	77%	82%	83%	83%	83%	83%	84%
Less: Tax on EBIT	[B]	(49)	(57)	(60)	(93)	(183)	(204)	(227)	(249)	(274)	(263)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	339	384	413	564	544	607	675	739	814	782
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.369
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.206	0.190
Present value of cash flows	[E*F]	144	149	146	182	161	164	166	166	167	149

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	2,663
Present value of release of working capital	(16)
Enterprise Valuation	2,647
WACC	9.46%

Present value of release in working capital represent working capital of negative INR 88 Cr released at the end of the concession period.

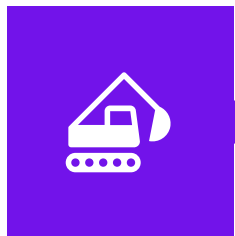
Basis the above and using a WACC of 9.46%, the Enterprise Value of UTL, as on 31 March 2024 is INR 2,647 crore.

Please refer annexure 2b for WACC breakup.



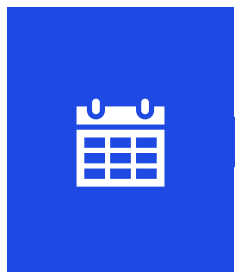
Chittorgarh Gulabpura Tollway Limited

Overview



Project details

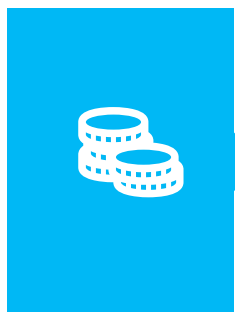
CGTL was engaged for six laning the existing four lane highway on DBFOT basis. The project stretch is 124.87 kms long involving the Kishangarh Udaipur Ahmedabad section from 90 kms (near Gulabpara) to 214.87 kms (end of Chittorgarh Bypass) of NH-79 in Rajasthan with 2 toll plazas.



Concession period

CGTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date.

Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 4 years.



Premium

CGTL was engaged on payment of premium of INR 228.6 Crs to NHAI immediately after the 3rd anniversary year of COD and for each subsequent year till the 9th anniversary of COD, the premium shall increase by an additional 3% as compared to the previous year. From the 9th anniversary of COD until the end of the concession period, the premium shall increase by an additional 8% each year as compared to the previous year. CGTL has filed Writ petition with Rajasthan High Court with prayer to commence payment of premium to NHAI, six months post actual completion of the project construction work. The High Court prima facie agreed with the contention and have provided interim relief from payment of premium. The matter is currently under arbitration.

Source(s): Management information

Highlights

Particulars	Details
Project location	Gulabpura Chittorgarh
Concessionaire	CGTL
State	Rajasthan
Tollable length (kms)	124.87
No. of toll plazas	2
Concession agreement date	9-Dec-16
Appointed date	4-Nov-17
Six laning completion certificate date	14-Aug-21
Scheduled end date	3-Nov-37
New scheduled end date	3-Feb-42

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession Agreement between NHAI and CGTL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	26%
1.5% increase for every 1% decrease	40%
Maximum increase in concession period	20%
Increase in concession period (years)	4
Revised concession period	24
Scheduled end date	03-Nov-37
New scheduled end date	03-Feb-42

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 117 days on account of covid-19. (included above)
- The Management has confirmed to us to consider revised concession period till 3 February 2042. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 3 February 2042.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHAI is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that CGTL has 35AD benefit for income tax and the same has been considered while calculating forecast tax outflows along with any carried forward business loss and mat credit. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows [1/2]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		167	205	248	296	332	378	421	467	517
EBITDA	[A]	104	139	178	254	289	333	287	326	370
EBITDA margin		62%	68%	72%	86%	87%	88%	68%	70%	71%
Depreciation		(45)	(45)	(50)	(55)	(61)	(68)	(74)	(82)	(89)
EBIT		59	94	129	199	228	265	212	244	280
EBIT margin		36%	46%	52%	67%	69%	70%	50%	52%	54%
Less: Tax on EBIT	[B]	(10)	(16)	(22)	(35)	(40)	(46)	(37)	(43)	(49)
Change in working capital	[C]	-	-	-	50	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	94	122	156	269	249	286	249	283	321
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	89	107	124	196	166	174	139	144	149

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/2]

Discounted Cash Flow										
		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	10.1 months
Revenue		576	640	706	779	860	949	1,050	1,153	1,075
EBITDA	[A]	521	573	597	663	738	874	969	1,066	994
EBITDA margin		90%	90%	85%	85%	86%	92%	92%	92%	93%
Depreciation		(98)	(108)	(118)	(129)	(141)	(154)	(169)	(184)	(170)
EBIT		422	465	479	534	597	720	800	882	824
EBIT margin		73%	73%	68%	69%	69%	76%	76%	77%	77%
Less: Tax on EBIT	[B]	(74)	(82)	(150)	(167)	(186)	(220)	(244)	(268)	(250)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	447	491	447	496	552	654	725	798	744
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.342
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.208
Present value of cash flows	[E*F]	189	190	158	160	163	176	179	179	155

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	2,838
Present value of release of working capital	(10)
Enterprise Valuation	2,827
WACC	9.46%

Present value of release in working capital represent working capital of negative INR 52 Cr released at the end of the concession period.

Basis the above and using a WACC of 9.46%, the Enterprise Value of CGTL, as on 31 March 2024 is INR 2,827 crore.

Please refer annexure 2b for WACC breakup.



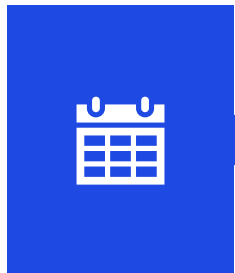
Kishangarh Gulabpura Tollway Limited

Overview



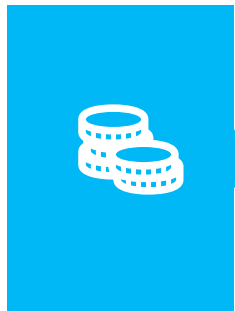
Project details

KGTL was engaged for six laning the existing four lane highway on DBFOT basis. The project stretch is 90 kms long involving the Kishangarh to Gulabpura section of NH-79A and NH-79 in Rajasthan with a single toll plaza.



Concession period

KGTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 4 years.



Premium

KGTL was engaged on payment of premium of INR 186.3 Crs to NHAI immediately after the 3rd anniversary year of COD and for each subsequent year till the 9th anniversary of COD, the premium shall increase by an additional 3% as compared to the previous year. From the 9th anniversary of COD until the end of the concession period, the premium shall increase by an additional 8% each year as compared to the previous year. KGTL has filed Writ petition with Rajasthan High Court with prayer to commence payment of premium to NHAI, six months post actual completion of the project construction work. The High Court prima facie agreed with the contention and have provided interim relief from payment of premium. The matter is currently under arbitration.

Source(s): Management information

Highlights

Particulars	Details
Project location	Kishangarh Gulabpura
Concessionaire	KGTL
State	Rajasthan
Tollable length (kms)	90
No. of toll plazas	1
Concession agreement date	22-Feb-17
Appointed date	21-Feb-18
Six laning completion certificate date	20-Jul-22
Scheduled end date	20-Feb-38
New scheduled end date	20-Jun-42

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and KGTL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	22%
1.5% increase for every 1% decrease	33%
Maximum increase in concession period	20%
Increase in concession period (years)	4
Revised concession period	24
Scheduled end date	20-Feb-38
New scheduled end date	20-Jun-42

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 136 days on account of covid-19 (included above).
- The Management has confirmed to us to consider revised concession period till 20 June 2042. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 20 June 2042.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHAI is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 4% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that KGTL has 35AD benefit for income tax and the same has been considered while calculating forecast tax outflows along with any carried forward business loss and mat credit. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

Discounted Cash Flows [1/2]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		110	136	166	199	235	266	297	334	372
EBITDA	[A]	85	110	38	170	205	234	264	299	230
EBITDA margin		77%	81%	23%	86%	87%	88%	89%	89%	62%
Depreciation		(33)	(37)	(37)	(39)	(43)	(47)	(52)	(57)	(63)
EBIT		52	73	0	132	162	187	212	241	168
EBIT margin		47%	54%	0%	66%	69%	70%	71%	72%	45%
Less: Tax on EBIT	[B]	(9)	(13)	(0)	(23)	(28)	(33)	(37)	(42)	(29)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	76	97	38	147	177	201	227	256	201
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	73	85	30	108	118	123	126	131	94

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/2]

Discounted Cash Flow											
		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	2.7 months
Revenue		415	463	517	571	631	701	779	863	943	230
EBITDA	[A]	274	311	473	523	580	645	720	800	876	205
EBITDA margin		66%	67%	92%	92%	92%	92%	92%	93%	93%	89%
Depreciation		(69)	(76)	(84)	(91)	(100)	(110)	(121)	(133)	(144)	(35)
EBIT		205	235	390	432	480	536	599	668	732	170
EBIT margin		49%	51%	75%	76%	76%	76%	77%	77%	78%	74%
Less: Tax on EBIT	[B]	(36)	(41)	(68)	(132)	(146)	(162)	(181)	(201)	(220)	(52)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	238	270	405	392	434	483	539	599	656	154
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	17.722
Discount factor	[F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.204
Present value of cash flows	[E*F]	101	105	144	127	129	131	134	136	136	31

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	2,063
Present value of release of working capital	(11)
Enterprise Valuation	2,053
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 56 Cr released at the end of the concession period.

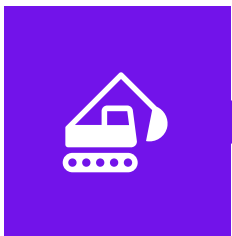
Basis the above and using a WACC of 9.40%, the Enterprise Value of KGTL, as on 31 March 2024 is INR 2,053 crore.

Please refer annexure 2a for WACC breakup.



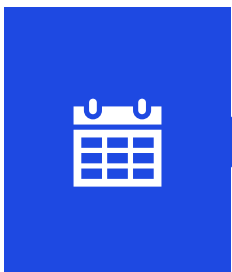
IRB Hapur Moradabad Tollway Limited

Overview



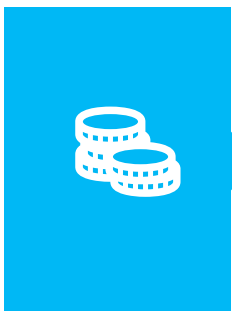
Project details

IHMTL was engaged for six laning the existing four lane highway on DBFOT basis. The project stretch is 99.87 kms long involving the Hapur bypass to Moradabad section from 50 kms to 148.277 kms (Design chainage 149.87 kms) of NH-24 in Uttar Pradesh with 2 toll plazas.



Concession period

IHMTL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 22 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 3 years.



Premium

IHMTL was engaged on payment of premium of INR 31.5 Crs to NHA immediately after the 3rd anniversary year of COD and for each subsequent year till the 9th anniversary of COD, the premium shall increase by an additional 3% as compared to the previous year. From the 9th anniversary of COD until the end of the concession period, the premium shall increase by an additional 8% each year as compared to the previous year.

Source(s): Management information

Highlights

Particulars	Details
Project location	Hapur Moradabad
Concessionaire	IHMTL
State	Uttar Pradesh
Tollable length (kms)	99.87
No. of toll plazas	2
Concession agreement date	29-May-18
Appointed date	28-May-19
Six laning completion certificate date	7-Apr-23
Scheduled end date	31-May-41
New scheduled end date	1-Sept-44

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHA and IHMTL, *“In the event actual average traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the concession period shall, subject to payment of concession fee in accordance with this agreement, be increased by 1.5% thereof, provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	9%
1.5% increase for every 1% decrease	14%
Maximum increase in concession period	20%
Increase in concession period (years)	3
Revised concession period	25
Scheduled end date	31-May-41
New scheduled end date	1-Sept-44

- Besides the extension mentioned in the agreement, Management represented that the concession period will be increased by further 105 days on account of covid-19. (included above)
- The Management has confirmed to us to consider revised concession period till 1 September 2044. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 1 September 2044.

b. Traffic Volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

Source(s): Management information

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHA shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHA is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2030. For the forecast period post FY2030 (i) routine maintenance has been increased by 2% to 5% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that IHMTL has 35AD benefit for income tax and the same has been considered while calculating forecast tax outflows along with any carried forward business loss and mat credit. The SPV will initially pay tax under MAT and gradually shift to the new regime of income tax once its MAT credit is exhausted.

i. Capex

- Management has forecasted capex of INR 19 Cr in FY2025.



Discounted Cash Flows [1/3]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		300	337	375	413	453	501	545	599	656
EBITDA	[A]	291	239	275	318	443	485	459	511	587
EBITDA margin		97%	71%	73%	77%	98%	97%	84%	85%	90%
Depreciation		(56)	(62)	(65)	(71)	(78)	(86)	(93)	(102)	(112)
EBIT		235	176	210	247	365	399	366	409	475
EBIT margin		78%	52%	56%	60%	81%	80%	67%	68%	72%
Less: Tax on EBIT	[B]	(41)	(31)	(37)	(43)	(64)	(70)	(64)	(71)	(83)
Change in working capital	[C]	4	-	-	-	-	-	-	-	-
Less : Capex	[D]	(19)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	236	208	238	275	379	415	395	440	504
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466
Present value of cash flows	[E*F]	225	182	190	200	253	253	220	224	235

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/3]

Discounted Cash Flow										
INR crores	FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue	716	782	847	917	992	1,072	1,167	1,251	1,358	1,467
EBITDA [A]	701	769	620	672	739	1,050	1,148	1,229	1,332	1,438
EBITDA margin	98%	98%	73%	73%	74%	98%	98%	98%	98%	98%
Depreciation	(122)	(133)	(144)	(156)	(169)	(182)	(198)	(213)	(231)	(249)
EBIT	579	636	476	516	570	867	950	1,016	1,101	1,189
EBIT margin	81%	81%	56%	56%	57%	81%	81%	81%	81%	81%
Less: Tax on EBIT [B]	(101)	(111)	(156)	(169)	(186)	(264)	(289)	(309)	(335)	(362)
Change in working capital [C]	-	-	-	-	-	-	-	-	-	-
Less : Capex [D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm E = [A+B+C+D]	600	658	464	503	553	785	859	919	997	1,076
Discounting period	9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor [F]	0.426	0.389	0.356	0.325	0.298	0.272	0.249	0.227	0.208	0.190
Present value of cash flows [E*F]	256	256	165	164	165	214	214	209	207	204

Source(s): Management information, KPMG analysis

Discounted Cash Flows [3/3]

Discounted Cash Flow			
		FY2044	FY2045
INR crores		12 months	5 months
Revenue		1,593	725
EBITDA	[A]	1,561	701
EBITDA margin		98%	97%
Depreciation		(271)	(123)
EBIT		1,291	578
EBIT margin		81%	80%
Less: Tax on EBIT	[B]	(393)	(176)
Change in working capital	[C]	-	-
Less : Capex	[D]	-	-
Free cash flows to the firm	E = [A+B+C+D]	1,168	524
Discounting period		19.500	19.919
Discount factor	[F]	0.174	0.167
Present value of cash flows	[E*F]	203	88

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	4,327
Present value of release of working capital	(8)
Enterprise Valuation	4,318
WACC	9.40%

Present value of release in working capital represent working capital of negative INR 53 Cr released at the end of the concession period.

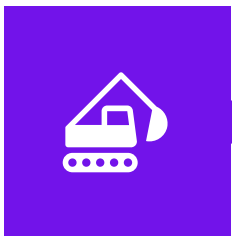
Basis the above and using a WACC of 9.40%, the Enterprise Value of IHMTL, as on 31 March 2024 is INR 4,318 crore.

Please refer annexure 2a for WACC breakup.



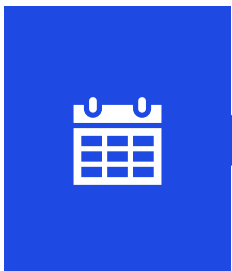
Palsit Dankuni Tollway Private Limited

Overview



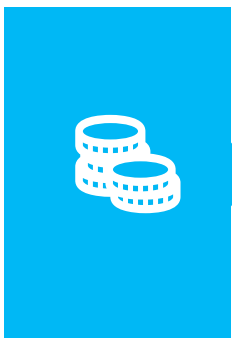
Project details

PDTPL was engaged for six laning the existing four lane highway on DBFOT basis. The project stretch is 74.72 kms long involving the Palsit to Dankuni (up to NH-6 Connector) section from 588.87 kms to 652.7 kms (total design length - 63.83 kms) of NH-19 in West Bengal with 1 toll plaza.



Concession period

PDTPL is required to construct; operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 17 years commencing from the appointed date. Probable shortening of concession period is estimated according to Article 29 of concession agreement for all cases which comes to about 2.2 years.



Premium

PDTPL has to pay premium after the 1st anniversary of project completion date for every year of the remaining concession period, calculated on total realizable fee. For the 2nd year after project completion date premium shall equal to 10.8% of the total realizable fee during that year. For all subsequent years, the premium shall be determined on the total realizable fee by increasing the percentage of premium by an additional 1% as compared to the immediately preceding year.

Source(s): Management information

Highlights

Particulars	Details
Project	Dankuni to Palsit
Concessionaire	PDTPL
State	West Bengal
Tollable length (kms)	63.83
No. of toll plazas	1
Concession agreement date	14-Jun-21
Appointed date	1-Apr-22
Completion certificate date	Under construction
Scheduled end date	1-Apr-39
New scheduled end date	5-Feb-37

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Developers Ltd	0.04%
IRB Infrastructure Trust	99.96%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2.2 of the concession agreement between NHA and PDTPL, “In the event actual average traffic shall have exceeded the target traffic by more than 5%, then for every 1% increase as compared to the target traffic, the remaining concession period shall, be reduced by 1% thereof; provided that such reduction in concession period shall not exceed 20% of the concession period.”
- Thus, the concession period is decreased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	-22%
1% decrease for every 1% increase beyond 5%	-17%
Maximum decrease in concession period	20%
Decrease in concession period (years)	2.2
Revised concession period	14.8
Scheduled end date	1-April-39
New scheduled end date	5-Feb-37

- The Management has confirmed to us to consider revised concession period till 5 February 2037. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 5 February 2037.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHA shared by the Management.
- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto.

Source(s): Management information

- Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.
- Additional PDTPL has forecasted the toll rate to increase from 75% of the toll rates to 100% of the toll rates (close to 32% increase), once it receives its provisional completion certificate in FY2025.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHA is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2032. For the forecast period post FY2032 (i) routine maintenance has been increased by 5% to 5.5% till FY2035, thereafter reduced by 44% in FY2036 due to higher periodic maintenance and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue and capex being incurred in the forecast period.

h. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax. Carried forward business loss and unabsorbed depreciation if any has been considered while calculating tax outflows.

i. Capex

- Capex has been forecasted to be INR 521 Cr in FY2025 based on Management estimates. Management have provided statement of expenses/work in progress pertaining to capex as at 31 March 2024.



Discounted Cash Flows [1/2]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		250	316	328	360	388	424	459	497	536
EBITDA	[A]	207	271	280	310	303	331	366	435	470
EBITDA margin		83%	86%	86%	86%	78%	78%	80%	88%	88%
Depreciation		(80)	(105)	(116)	(129)	(142)	(157)	(172)	(189)	(206)
EBIT		127	166	164	181	161	173	194	246	264
EBIT margin		51%	53%	50%	50%	41%	41%	42%	50%	49%
Less: Tax on EBIT	[B]	(7)	(23)	(25)	(33)	(31)	(38)	(47)	(64)	(73)
Change in working capital	[C]	(85)	-	-	85	-	-	-	-	-
Less : Capex	[D]	(521)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	(406)	248	255	362	272	292	319	371	397
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.954	0.867	0.788	0.717	0.652	0.593	0.539	0.490	0.446
Present value of cash flows	[E*F]	(387)	215	201	259	177	173	172	182	177

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/2]

Discounted Cash Flow					
		FY2034	FY2035	FY2036	FY2037
INR crores		12 months	12 months	12 months	10.2 months
Revenue		580	629	675	618
EBITDA	[A]	510	554	550	520
EBITDA margin		88%	88%	81%	84%
Depreciation		(226)	(248)	(270)	(250)
EBIT		284	306	280	270
EBIT margin		49%	49%	42%	44%
Less: Tax on EBIT	[B]	(83)	(94)	(93)	(93)
Change in working capital	[C]	-	-	-	-
Less : Capex	[D]	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	426	459	457	427
Discounting period		9.500	10.500	11.500	12.347
Discount factor	[F]	0.405	0.368	0.335	0.309
Present value of cash flows	[E*F]	173	169	153	132

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crore	
Present value of cash flows	1,797
Present value of release of working capital	(1)
Enterprise Valuation	1,795
WACC	9.98%

Present value of release in working capital represent negative working capital of INR 5 Cr released at the end of the concession period.

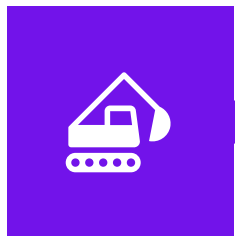
Basis the above and using a WACC of 9.98%, the Enterprise Value of PDTPL, as on 31 March 2024 is **INR 1,795 crore.**

Please refer annexure 2c for WACC breakup.



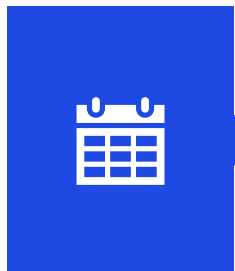
IRB Golconda Expressway Private Limited

Overview



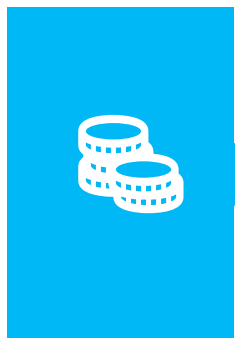
Project details

IGEPL is engaged to carry out the operation and maintenance of Nehru Outer Ring Road project in accordance with the concession agreement on TOT basis. The project stretch is 158 kms, 8 lane ring road encircling Hyderabad. with 22 toll plazas.



Concession period

IGEPL is required to operate and maintain and modify, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 30 years commencing from the appointed date. Article 24 of the concession agreement stipulates increase or decrease in the concession period on the basis of toll collection in April 2033 (Target point 1) and April 2043 (Target point2). As per the traffic report, no shortening or extension of concession period is estimated.



Upfront Concession fee

As per the concession agreement, IGEPL has paid INR 7,380 crores as upfront concession fee to Hyderabad Metropolitan Development Authority.

Source(s): Management information

Highlights

Particulars	Details
Project	Nehru Outer Ring Road, Hyderabad
Concessionaire	IGEPL
State	Telangana
Tollable length (kms)	158
No. of toll plazas	22
Concession agreement date	26-Mar-23
Appointed date	12-Aug-23
Completion certificate date	NA
Scheduled end date	11-Aug-53
New scheduled end date	NA

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Developers Ltd	99.99%
Nominees of IRB Infrastructure Developers Ltd	0.01%

Key Assumptions

a. Modification in concession period

- Article 24 of the concession agreement of IGEPL provides for modification of the concession period.
- As per Article 24.5.1, “In the event actual fee 1 shall have fallen short of or exceeded the target fee 1 by more than 20%, then for every 1% shortfall or increase as compared to the target fee 1, the concession period, subject to fulfillment of terms of this agreement, shall be increased by 1.5% or decreased by 0.75% thereof. In the event of a shortfall or increase by 30% in target fee 1, the concession period shall be increased by 15% or decreased by 7.5% thereof.”
- As per Article 24.5.2, “In the event actual fee 2 shall have fallen short of or exceeded the target fee 2 by more than 30%, then for every 1% shortfall or increase as compared to the target fee 2, the concession period, subject to fulfillment of terms of this agreement, shall be increased by 1.5% or decreased by 0.75% thereof. In the event of a shortfall or increase by 40% in target fee 2, the concession period shall be increased by 15% or decreased by 7.5% thereof.”
- As per the traffic report, revenue variance is estimated to be lower than the caps mentioned above. Thus, there shall be no modification to the concession period in line with the above articles of the concession agreement.
- The Management has confirmed to us to consider concession period to end on 11 August 2053. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 11 August 2053.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

c. Toll rates

- The toll rates have been forecasted in accordance with the concession agreement with Hyderabad Metropolitan Development Authority and Hyderabad Growth Corridor Ltd and in accordance to Telangana Infrastructure Development Enabling Act, 2001 (Act No. 36 of 2001), Nehru Outer Ring Road, Hyderabad (Toll) Rules, 2012 issued vide G.O.Ms. No. 365 dated September 22, 2012 [published by Municipal Administration & Urban Development

- c. (12) Department], the Andhra Pradesh Reorganisation Act, 2014, Amendment to Nehru Outer Ring Road, Hyderabad (Toll) Rules 2012 issued vide GOMs. No 5 dated 12 January 2023 [published by Municipal Administration & urban Development (Plg.II) Department] and any further amendments issued till bid due date (the “Fee Rules”). The toll rates shall be revised annually on April 01, subject to and in accordance with provisions of the Fee rules.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2033. For the forecast period post FY2033 (i) routine maintenance has been increased by 2% to 3% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue and capex being incurred in the forecast period.

h. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax.

i. Capex

- Management have forecasted capex to be INR 3 Cr in FY2025.

Source(s): Management information



Discounted Cash Flows [1/3]

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		771	856	953	1,061	1,161	1,275	1,410	1,566	1,720
EBITDA	[A]	644	671	710	807	736	838	962	1,104	1,408
EBITDA margin		84%	78%	75%	76%	63%	66%	68%	71%	82%
Depreciation		(55)	(61)	(68)	(76)	(84)	(92)	(102)	(113)	(124)
EBIT		589	611	642	731	652	746	860	991	1,284
EBIT margin		76%	71%	67%	69%	56%	59%	61%	63%	75%
Less: Tax on EBIT	[B]	(36)	(101)	(111)	(135)	(117)	(143)	(174)	(209)	(286)
Change in working capital	[C]	-	-	243	-	-	-	-	-	-
Less : Capex	[D]	(3)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	605	571	843	672	619	696	788	895	1,122
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	578	498	672	490	412	423	438	454	520

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/3]

Discounted Cash Flow											
INR crores		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		1,886	2,058	2,261	2,480	2,696	2,941	3,213	3,498	3,810	4,163
EBITDA	[A]	1,563	1,337	1,524	1,732	1,935	2,552	2,809	2,845	3,142	3,479
EBITDA margin		83%	65%	67%	70%	72%	87%	87%	81%	82%	84%
Depreciation		(136)	(148)	(163)	(179)	(194)	(212)	(232)	(252)	(275)	(300)
EBIT		1,427	1,188	1,361	1,553	1,741	2,340	2,577	2,592	2,867	3,178
EBIT margin		76%	58%	60%	63%	65%	80%	80%	74%	75%	76%
Less: Tax on EBIT	[B]	(325)	(268)	(315)	(368)	(419)	(574)	(638)	(648)	(723)	(807)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	1,238	1,068	1,209	1,364	1,516	1,978	2,170	2,197	2,419	2,671
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.206	0.188
Present value of cash flows	[E*F]	524	413	427	441	447	533	534	494	497	502

Source(s): Management information, KPMG analysis

Discounted Cash Flows [3/3]

Discounted Cash Flow												
		FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052	FY2053	FY2054
INR crores		12 months	12 months	12 months	12 months	12 months	12.0 months	12.0 months	12.0 months	12.0 months	12.0 months	4.4 months
Revenue		4,526	4,893	5,321	5,778	6,309	6,792	7,362	7,968	8,662	9,352	3,689
EBITDA	[A]	3,824	4,412	4,823	4,730	5,239	5,706	6,257	7,372	8,042	8,306	3,296
EBITDA margin		84%	90%	91%	82%	83%	84%	85%	93%	93%	89%	89%
Depreciation		(326)	(353)	(384)	(417)	(455)	(490)	(531)	(575)	(625)	(674)	(266)
EBIT		3,498	4,059	4,439	4,314	4,784	5,217	5,726	6,798	7,417	7,632	3,030
EBIT margin		77%	83%	83%	75%	76%	77%	78%	85%	86%	82%	82%
Less: Tax on EBIT	[B]	(894)	(1,042)	(1,146)	(1,122)	(1,250)	(1,368)	(1,506)	(1,787)	(1,956)	(2,022)	(805)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	2,930	3,370	3,677	3,608	3,989	4,338	4,750	5,585	6,086	6,284	2,491
Discounting period		19.500	20.500	21.500	22.500	23.500	24.500	25.500	26.500	27.500	28.500	28.864
Discount factor	[F]	0.172	0.157	0.143	0.131	0.119	0.109	0.100	0.091	0.083	0.076	0.074
Present value of cash flows	[E*F]	503	528	526	472	477	473	474	509	506	478	183

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crores	
Present value of cash flows	14,428
Present value of release of working capital	1
Enterprise Valuation	14,428
WACC	9.46%

Present value of release in working capital represent working capital of INR 7 Cr released at the end of the concession period.

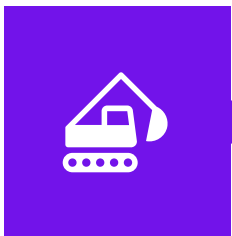
Basis the above and using a WACC of 9.46%, the Enterprise Value of IGEPL, as on 31 March 2024 is INR 14,428 crore.

Please refer annexure 2b for WACC breakup.



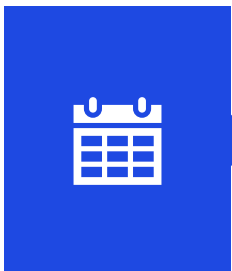
Samakhiyali Tollway Private Limited

Overview



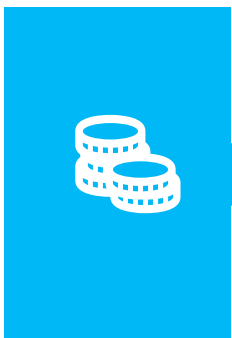
Project details

STPL is engaged in six laning the existing four lane highway on DBFOT basis. The project stretch is 90.90 kms long involving the Samakhiyali to Santalpur section of NH-27 in Gujarat.



Concession period

STPL is required to construct, obtain and maintain the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date. Probable extension of concession period is estimated according to article 29 of concession agreement which comes to about 0.3 years.



Premium

STPL has agreed to pay to NHAI immediately after the 1st anniversary of project completion date, a premium in the form of additional concession fee for every year of the remaining concession period, to be calculated on total realizable fee. The premium to be paid for the 2nd year after project completion date shall equal to 42.84% of the total realizable fee. For all subsequent years, premium shall be determined by increasing percentage of premium by additional 1% as compared to immediately preceding year.

Source(s): Management information

Highlights

Particulars	Details
Project location	Samakhiyali to Santalpur
Concessionaire	STPL
State	Gujarat
Tollable length (kms)	90.90
No. of toll plazas	1
Concession agreement date	12-May-23
Appointed date	28-Dec-23
Six laning completion certificate date	Under construction
Scheduled end date	27-Dec-43
New scheduled end date	18-Apr-44

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Developers Ltd	0.04%
IRB Infrastructure Trust	99.96%

Key Assumptions

a. Modification in concession period

- As per Clause 29.2 of the concession agreement between NHAI and STPL, *“In the event actual average traffic shall have fallen short of the target traffic by more than 5%, then for every 1% shortfall as compared to the target traffic, the remaining concession period shall, subject to payment of concession and additional concession fee in accordance with this agreement, be increased by 1% thereof; provided such increase in concession period shall not in any case exceed 20% of the concession period”.*
- Thus, the concession period is increased as per the above clause as follows:

Particulars	Details
Shortfall in traffic (pessimistic scenario)	7%
1% increase for every 1% decrease beyond 5%	2%
Maximum increase in concession period	20%
Increase in concession period (years)	0.3
Revised concession period	20.3
Scheduled end date	27-Dec-43
New scheduled end date	18-Apr-44

- The Management has confirmed to us to consider revised concession period till 18th April 2044. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 18 April 2044.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by an independent consultant in March 2024.

c. Toll rates

- The current toll rates provided by the Management have been corroborated from toll notifications issued by NHAI shared by the Management.

- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Premium payable

- The premium payable to NHAI is considered and corroborated from the concession agreement as given by the Management.

f. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2033. For the forecast period post FY2033 (i) routine maintenance has been increased by 2% to 3% and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

g. Depreciation & Amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

h. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax. Carried forward business loss and unabsorbed depreciation if any has been considered while calculating tax outflows.

i. Capex

- Capex has been forecasted to be INR 1,680 Cr between FY2025 (INR 1,255 Cr) and FY2026 (INR 425 Cr) based on Management estimates. Management have provided statement of expenses/work in progress pertaining to capex as at 31 March 2024.

Source(s): Management information



Discounted Cash Flows [1/3]

Discounted Cash Flow									
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue	164	204	271	197	211	231	254	280	305
EBITDA	[A]	160	193	247	172	185	205	228	241
EBITDA margin	98%	94%	91%	87%	88%	89%	90%	77%	79%
Depreciation	(16)	(27)	(39)	(44)	(49)	(55)	(61)	(69)	(77)
EBIT	144	166	208	128	136	151	166	147	164
EBIT margin	88%	81%	77%	65%	65%	65%	65%	53%	54%
Less: Tax on EBIT	[B]	(27)	(24)	(35)	(16)	(20)	(25)	(30)	(34)
Change in working capital	[C]	-	(100)	-	100	-	-	-	-
Less : Capex	[D]	(1,255)	(425)	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	(1,122)	(357)	211	256	166	181	198	207
Discounting period	0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.954	0.867	0.788	0.717	0.652	0.593	0.490	0.446
Present value of cash flows	[E*F]	(1,070)	(309)	167	184	108	107	93	92

Source(s): Management information, KPMG analysis

Discounted Cash Flows [2/3]

Discounted Cash Flow											
INR crores		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043
		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		332	361	394	427	464	502	543	586	634	683
EBITDA	[A]	266	332	365	397	433	471	467	509	555	649
EBITDA margin		80%	92%	92%	93%	93%	94%	86%	87%	88%	95%
Depreciation		(85)	(94)	(105)	(116)	(129)	(142)	(157)	(174)	(192)	(212)
EBIT		181	238	260	281	304	328	310	335	363	437
EBIT margin		54%	66%	66%	66%	66%	65%	57%	57%	57%	64%
Less: Tax on EBIT	[B]	(40)	(57)	(65)	(73)	(82)	(91)	(91)	(101)	(113)	(136)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	226	275	300	324	351	379	377	408	442	512
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500
Discount factor	[F]	0.405	0.368	0.335	0.305	0.277	0.252	0.229	0.208	0.189	0.172
Present value of cash flows	[E*F]	91	101	100	99	97	95	86	85	84	88

Source(s): Management information, KPMG analysis

Discounted Cash Flows [3/3]

Discounted Cash Flow			
INR crores		FY2044 12 months	FY2045 1 months
Revenue		740	38
EBITDA	[A]	705	37
EBITDA margin		95%	95%
Depreciation		(235)	(13)
EBIT		470	24
EBIT margin		63%	62%
Less: Tax on EBIT	[B]	(150)	(8)
Change in working capital	[C]	-	-
Less : Capex	[D]	-	-
Free cash flows to the firm	E = [A+B+C+D]	555	29
Discounting period		19.500	19.550
Discount factor	[F]	0.157	0.156
Present value of cash flows	[E*F]	87	4

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crores	
Present value of cash flows	497
Present value of release of working capital	(0)
Enterprise Valuation	497
WACC	9.98%

Present value of release in working capital represents negative working capital of INR 0.1 Cr released at the end of the concession period.

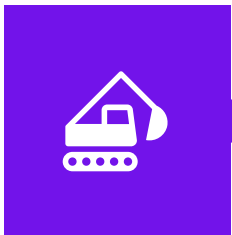
Basis the above and using a WACC of 9.98%, the Enterprise Value of STPL, as on 31 March 2024 is INR 497 crore.

Please refer annexure 2c for WACC breakup.



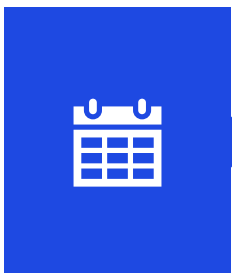
IRB Gwalior Tollway Private Limited

Overview



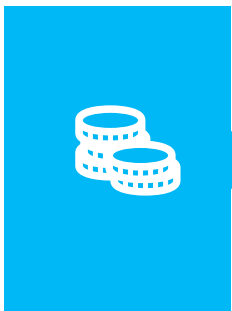
Project details

IGTPL is engaged to carry out the operation and maintenance of the Gwalior – Jhansi section on the NH75 in accordance with the concession agreement on a TOT basis. The project stretch is 82.5 kms, 4 lane road stretching between Gwalior and Jhansi.



Concession period

IGTPL is required to operate, manage and maintain, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date. The concession agreement also stipulates that the concession period shall not be reduced by more than 5 years or increased by more than 10 years whatsoever. As per the traffic report, no shortening or extension of concession period is estimated.



Upfront Concession Fee

As per the concession agreement, IGTPPL is required to pay INR 1,161 crores as upfront concession fee to NHA1 which has been paid in March 2024.

Source(s): Management information

Highlights	
Particulars	Details
Project location	Gwalior-Jhansi stretch on NH75
Concessionaire	IGTPL
State	Madhya Pradesh and Uttar Pradesh
Tollable length (kms)	82.5
Concession agreement date	12-Jan-24
Appointed date	1-Apr-24
Completion certificate date	NA
Concession Period	20 years from Appointed Date

Shareholding as at 31 March 2024	
Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- Article 24 of the concession agreement of IGTPPL provides for modification of the concession period.
- As per Article 24.5.1, “in the event Actual Fee 1 shall have fallen short of or exceeded the Target Fee 1 by more than 20% (twenty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 1, the Concession Period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in concession period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per Article 24.5.2, “in the event Actual Fee 2 shall have fallen short of or exceeded the Target Fee 2 by more than 30% (thirty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 2, the concession period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in Concession Period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per the traffic report, revenue variance is estimated to be lower than the caps mentioned above. Thus, there shall be no modification to the concession period in line with the above articles of the concession agreement.
- The Management have paid the upfront fee and confirmed to us to consider concession appointment date as 01 April 2024. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 31 March 2044.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by independent consultant in March 2024.

c. Toll rates

- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the

increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2034. For the forecast period post FY2034 (i) routine maintenance has been increased by an average of 3.6 per cent each year (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax. Carried forward business loss and unabsorbed depreciation if any has been considered while calculating tax outflows.

h. Capex

- Capex is forecasted to be INR 69 Cr in FY2025. Management represented that the capex pertains to EPC cost and preliminary and pre-operative cost. Management has provided project cost and completion certificate as at 27 March 2024.

Source(s): Management information

Discounted Cash Flows (1/2)

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		112	126	139	154	167	182	199	218	238
EBITDA	[A]	97	110	110	101	109	110	110	180	198
EBITDA margin		86%	87%	79%	66%	65%	61%	55%	82%	83%
Depreciation		(24)	(26)	(29)	(32)	(36)	(39)	(42)	(47)	(51)
EBIT		73	83	81	69	74	72	68	133	147
EBIT margin		65%	66%	58%	45%	44%	39%	34%	61%	62%
Less: Tax on EBIT	[B]	(9)	(12)	(12)	(10)	(12)	(12)	(12)	(30)	(34)
Change in working capital	[C]	-	-	-	41	-	-	-	-	-
Less : Capex	[D]	(69)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	18	98	98	132	97	98	98	150	163
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	18	85	78	97	65	60	55	76	76

Source(s): Management information, KPMG analysis

Discounted Cash Flows (2/2)

Discounted Cash Flow											
	FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043	FY2044
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue	259	280	304	327	354	384	414	448	482	522	564
EBITDA	[A]	209	218	240	247	257	335	365	374	394	422
EBITDA margin	81%	78%	79%	75%	73%	87%	88%	83%	82%	81%	79%
Depreciation	(55)	(60)	(65)	(70)	(75)	(82)	(88)	(95)	(103)	(111)	(120)
EBIT	154	159	175	177	182	254	276	278	292	311	328
EBIT margin	59%	57%	58%	54%	51%	66%	67%	62%	61%	60%	58%
Less: Tax on EBIT	[B]	(37)	(39)	(45)	(46)	(49)	(76)	(78)	(84)	(91)	(97)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	172	179	195	200	208	267	289	295	311	332
Discounting period	9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500	19.500
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.206	0.172
Present value of cash flows	[E*F]	73	69	69	65	61	72	71	66	64	60

Source(s): Management information, KPMG analysis

Valuation conclusion

INR Crores

Present value of cash flows 1,342

Present value of release of working capital (0)

Enterprise Valuation 1,342

WACC 9.46%

Present value of release in working capital represent negative working capital of INR 1 Cr released at the end of the concession period.

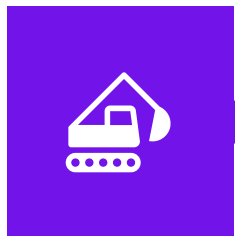
Basis the above and using a WACC of 9.46%, the Enterprise Value of IGTPPL on 31 March 2024 is INR 1,342 crore.

Refer Annexure 2b for detailed WACC analysis



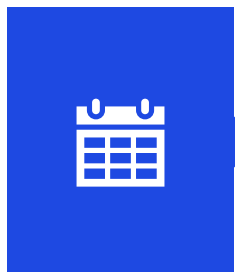
IRB Lalitpur Tollway Private Limited

Overview



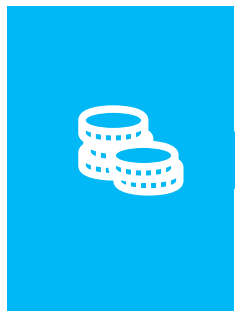
Project details

ILTPL is engaged to carry out the operation and maintenance of the Lalitpur – Sagar – Lakhnadon stretch on NH26 in accordance with the concession agreement on a TOT basis. The project stretch is 316 kms, 4 lane road stretching through Uttar Pradesh and Madhya Pradesh.



Concession period

ILTPL is required to operate, manage and maintain, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date. The concession agreement also stipulates that the concession period shall not be reduced by more than 5 years or increased by more than 10 years whatsoever. As per the traffic report, no shortening or extension of concession period is estimated.



Upfront Concession Fee

As per the concession agreement, ILTPL is required to pay INR 4,428 crores as upfront concession fee to NHAI which the Management has paid in March 2024.

Source(s): Management information

Highlights

Particulars	Details
Project location	Lalitpur-Sagar-Lakhnadon stretch on NH26
Concessionaire	ILTPL
State	Uttar Pradesh and Madhya Pradesh
Tollable length (kms)	316.1
Concession agreement date	24-Nov-23
Appointed date	1-Apr-24
Completion certificate date	NA
Concession Period	20 years from Appointed Date

Shareholding as at 31 March 2024

Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- Article 24 of the concession agreement of ILTPL provides for modification of the concession period.
- As per Article 24.5.1, “in the event Actual Fee 1 shall have fallen short of or exceeded the Target Fee 1 by more than 20% (twenty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 1, the Concession Period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in concession period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per Article 24.5.2, “in the event Actual Fee 2 shall have fallen short of or exceeded the Target Fee 2 by more than 30% (thirty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 2, the concession period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in Concession Period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per the traffic report, revenue variance is estimated to be lower than the caps mentioned above. Thus, there shall be no modification to the concession period in line with the above articles of the concession agreement.
- The Management have paid the upfront fee and confirmed to us to consider concession appointment date as 01 April 2024. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 31 March 2044.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by independent consultant in March 2024.

c. Toll rates

- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the

increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2034. For the forecast period post FY2034 (i) routine maintenance has been increased by 2.4 per cent to 3.4 per cent and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax. Carried forward business loss and unabsorbed depreciation if any has been considered while calculating tax outflows.

h. Capex

- Capex is forecasted to be INR 529 Cr in FY2025. Management represented that the capex pertains to EPC cost and preliminary and pre-operative cost. Management has provided project cost and completion certificate as at 26 March 2024.

Source(s): Management information

Discounted Cash Flows (1/2)

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		406	458	501	550	593	648	709	778	849
EBITDA	[A]	342	391	431	477	451	501	556	619	685
EBITDA margin		84%	85%	86%	87%	76%	77%	78%	80%	81%
Depreciation		(97)	(108)	(118)	(129)	(142)	(155)	(169)	(186)	(203)
EBIT		245	283	313	347	309	346	386	433	482
EBIT margin		60%	62%	63%	63%	52%	53%	54%	56%	57%
Less: Tax on EBIT	[B]	(27)	(35)	(46)	(57)	(51)	(63)	(77)	(93)	(109)
Change in working capital	[C]	-	-	-	156	-	-	-	-	-
Less : Capex	[D]	(529)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	(213)	355	386	576	400	438	479	526	575
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	(204)	310	308	420	267	266	266	267	267

Source(s): Management information, KPMG analysis

Discounted Cash Flows (2/2)

Discounted Cash Flow											
	FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043	FY2044
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue	929	1,005	1,091	1,178	1,275	1,380	1,492	1,604	1,730	1,868	2,020
EBITDA	[A]	839	912	878	959	1,049	1,148	1,252	1,494	1,617	1,716
EBITDA margin	90%	91%	80%	81%	82%	83%	84%	93%	93%	84%	85%
Depreciation	(222)	(240)	(261)	(281)	(305)	(330)	(356)	(383)	(413)	(446)	(483)
EBIT	617	672	617	677	745	818	895	1,111	1,203	1,121	1,233
EBIT margin	66%	67%	57%	57%	58%	59%	60%	69%	70%	60%	61%
Less: Tax on EBIT	[B]	(148)	(167)	(158)	(178)	(201)	(226)	(252)	(313)	(344)	(369)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	691	746	720	780	848	922	1,000	1,181	1,273	1,347
Discounting period	9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500	19.500
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.206	0.188
Present value of cash flows	[E*F]	293	289	255	252	250	248	246	266	262	231

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crores	
Present value of cash flows	4,989
Present value of release of working capital	(1)
Enterprise Valuation	4,988
WACC	9.46%

Present value of release in working capital represent negative working capital of INR 9 Cr released at the end of the concession period.

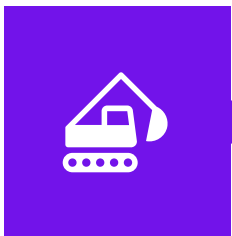
Basis the above and using a WACC of 9.46%, the Enterprise Value of ILTPL on 31 March 2024 is INR 4,988 crore.

Refer Annexure 2b for details WACC calculation



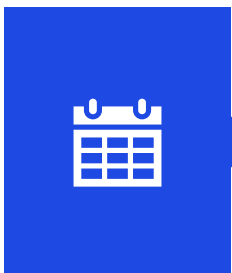
IRB Kota Tollway Private Limited

Overview



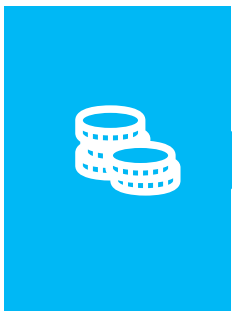
Project details

IKTPL is engaged to carry out the operation and maintenance of the Kota bypass and cable stay bridge on NH76 in accordance with the concession agreement on a TOT basis. The project stretch is 27.8 kms, 4 lane road near Kota, Rajasthan.



Concession period

IKTPL is required to operate, manage and maintain, repair or otherwise make improvements to the project highway in accordance with the concession agreement for a period of 20 years commencing from the appointed date. The concession agreement also stipulates that the concession period shall not be reduced by more than 5 years or increased by more than 10 years whatsoever. As per the traffic report, no shortening or extension of concession period is estimated.



Upfront Concession Fee

As per the concession agreement, IKTPL is required to pay INR 522 crores as upfront concession fee to NHAI which the Management has paid in March 2024.

Source(s): Management information

Highlights	
Particulars	Details
Project location	Kota Bypass and Cable Stay Bridge
Concessionaire	IKTPL
State	Rajasthan
Tollable length (kms)	27.8
Concession agreement date	12-Jan-24
Appointed date	1-Apr-24
Completion certificate date	NA
Concession Period	20 years from Appointed Date

Shareholding as at 31 March 2024	
Particulars	Stake %
IRB Infrastructure Trust	100%

Key Assumptions

a. Modification in concession period

- Article 24 of the concession agreement of IKTPL provides for modification of the concession period.
- As per Article 24.5.1, “in the event Actual Fee 1 shall have fallen short of or exceeded the Target Fee 1 by more than 20% (twenty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 1, the Concession Period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in concession period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per Article 24.5.2, “in the event Actual Fee 2 shall have fallen short of or exceeded the Target Fee 2 by more than 30% (thirty percent), then for every 1% (one percent) shortfall or increase as compared to the Target Fee 2, the concession period, subject to fulfilment of terms of this Agreement, shall be increased by 1.5% (one and a half percent) or decreased by 0.75% (point seven five percent) thereof; provided that such increase or decrease in Concession Period shall not in any case exceed not more than limits specified in Clause 3.1.”
- As per the traffic report, revenue variance is estimated to be lower than the caps mentioned above. Thus, there shall be no modification to the concession period in line with the above articles of the concession agreement.
- The Management have paid the upfront fee and confirmed to us to consider concession appointment date as 01 April 2024. Thus, the explicit period for the current valuation analysis exercise has been considered from 1 April 2024 to 31 March 2044.

b. Traffic volume

- Traffic volume for the forecast period has been considered based on the traffic report prepared by independent consultant in March 2024.

c. Toll rates

- Annual revision of toll rate for the forecast period shall be in accordance with National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto. Additionally, the applicable base rate shall be revised annually on April 1 to reflect the increase in wholesale price index (“WPI”) but such revision shall be restricted to 40% of the

increase in WPI on overall basis during the concession period. As given in the traffic report, WPI has been projected to grow by 5% initially and stepped down for the future years.

d. Revenue

- Toll revenue has been considered basis the pessimistic scenario from the traffic report prepared by an independent consultant.

e. Periodic maintenance & routine maintenance costs

- Periodic and routine maintenance is based on the agreement with IRB Infrastructure Developers Limited till FY2034. For the forecast period post FY2034 (i) routine maintenance has been increased by 2.5 per cent to 3.5 per cent and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management.

f. Depreciation & amortization

- Forecasted depreciation on assets has been provided by the Management. Management has forecasted depreciation to increase in line with the increase in revenue.

g. Tax

- Management represented that the SPV has adopted the new tax regime. Thus, tax outflows for the forecast have been calculated based on the new regime of income tax.

h. Capex

- Capex is forecasted to be INR 59 Cr in FY2025. Management represented that the capex pertains to EPC cost and preliminary and pre-operative cost. Management has provided project cost and completion certificate as at 27 March 2024.

Source(s): Management information



Discounted Cash Flows (1/2)

Discounted Cash Flow										
		FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
INR crores										
Revenue		62	70	77	85	93	101	111	122	134
EBITDA	[A]	40	49	55	62	61	69	85	96	106
EBITDA margin		65%	70%	72%	73%	66%	68%	77%	78%	80%
Depreciation		(11)	(12)	(13)	(15)	(16)	(18)	(20)	(21)	(24)
EBIT		29	37	42	47	45	51	66	74	83
EBIT margin		47%	53%	54%	56%	48%	50%	59%	61%	62%
Less: Tax on EBIT	[B]	(3)	(5)	(7)	(8)	(8)	(10)	(14)	(17)	(19)
Change in working capital	[C]	-	-	-	22	-	-	-	-	-
Less : Capex	[D]	(59)	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	(22)	44	49	76	53	59	71	79	87
Discounting period		0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500
Discount factor	[F]	0.956	0.873	0.798	0.729	0.666	0.608	0.556	0.508	0.464
Present value of cash flows	[E*F]	(21)	38	39	55	35	36	40	40	40

Source(s): Management information, KPMG analysis

Discounted Cash Flows (2/2)

Discounted Cash Flow												
		FY2034	FY2035	FY2036	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043	FY2044
INR crores		12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Revenue		146	158	172	186	203	219	239	258	280	304	330
EBITDA	[A]	99	110	142	155	171	175	193	224	244	267	269
EBITDA margin		68%	70%	82%	83%	84%	80%	81%	87%	87%	88%	82%
Depreciation		(26)	(28)	(30)	(33)	(36)	(39)	(42)	(46)	(49)	(53)	(58)
EBIT		73	82	112	122	135	136	151	178	195	213	211
EBIT margin		50%	52%	65%	66%	67%	62%	63%	69%	70%	70%	64%
Less: Tax on EBIT	[B]	(17)	(20)	(28)	(32)	(36)	(37)	(41)	(49)	(54)	(60)	(60)
Change in working capital	[C]	-	-	-	-	-	-	-	-	-	-	-
Less : Capex	[D]	-	-	-	-	-	-	-	-	-	-	-
Free cash flows to the firm	E = [A+B+C+D]	81	90	114	123	135	138	152	175	190	207	208
Discounting period		9.500	10.500	11.500	12.500	13.500	14.500	15.500	16.500	17.500	18.500	19.500
Discount factor	[F]	0.424	0.387	0.354	0.323	0.295	0.270	0.246	0.225	0.206	0.188	0.172
Present value of cash flows	[E*F]	34	35	40	40	40	37	37	39	39	39	36

Source(s): Management information, KPMG analysis

Valuation conclusion	
INR Crores	
Present value of cash flows	719
Present value of release of working capital	(0)
Enterprise Valuation	719
WACC	
	9.46%

Present value of release in working capital represent negative working capital of INR 1 Cr released at the end of the concession period.

Basis the above and using a WACC of 9.46%, the Enterprise Value of IKTPL on 31 March 2024 is INR 719 crore.

Refer Annexure 2b for detailed WACC analysis

6.

Valuation Conclusion

Valuation Conclusion (1/2)

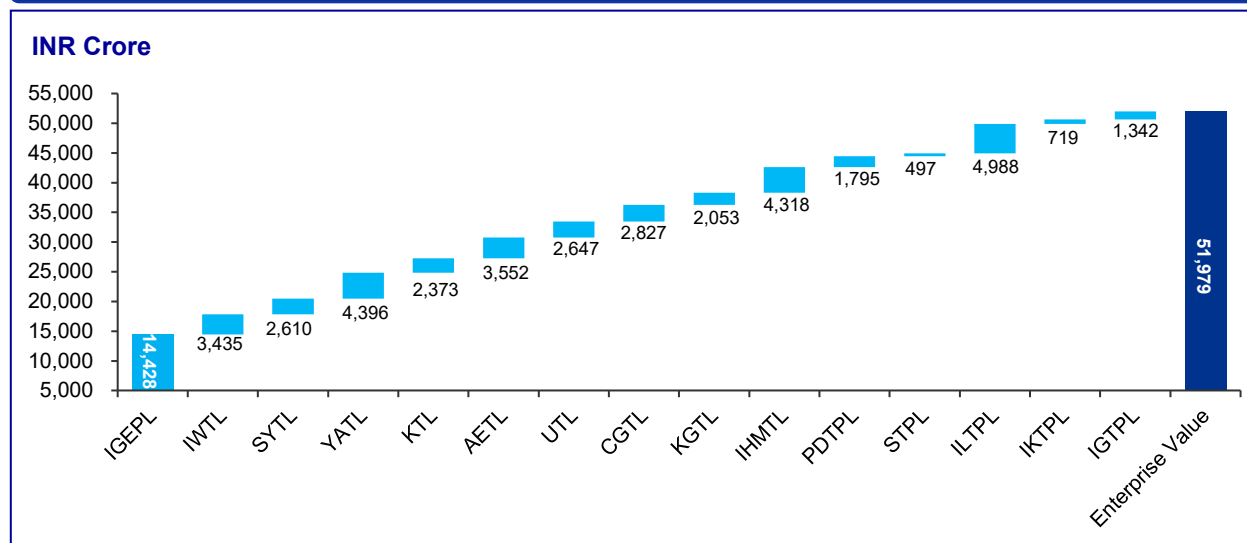
Valuation Conclusion (INR Crs)

Valuation Conclusion 31 March 2024		INR Crore
IRB Golconda Expressway Private Limited		14,428
IRB Westcoast Tollway Limited		3,435
Solapur Yedeshi Tollway Limited		2,610
Yedeshi Aurangabad Tollway Limited		4,396
Kaithal Tollway Limited		2,373
AE Tollway Limited		3,552
Udaipur Tollway Limited		2,647
CG Tollway Limited		2,827
Kishangarh Gulabpura Tollway Limited		2,053
IRB Hapur Moradabad Tollway Limited		4,318
Palsit Dankuni Tollway Private Limited		1,795
Samakhiali Tollway Private Limited		497
Lalitpur Tollway Private Limited		4,988
IRB Kota Tollway Private Limited		719
IRB Gwalior Tollway Private Limited		1,342
Enterprise Value of the SPVs		51,979
Cash and cash Equivalents		161
Surplus		178
Debt		(21,690)
PV of standalone expense pertaining to InvIT		(227)
Capex creditors		(397)
Equity Value of IRBI Trust		30,004

NAV at fair value per unit as on 31 March 2024	
Equity Value of IRBI Trust (INR Cr)	30,004
Units outstanding (No.)	1,113,693,265
NAV at fair value per unit (INR)	269.41

Source(s): Management information, KPMG analysis

Enterprise Value of SPVs



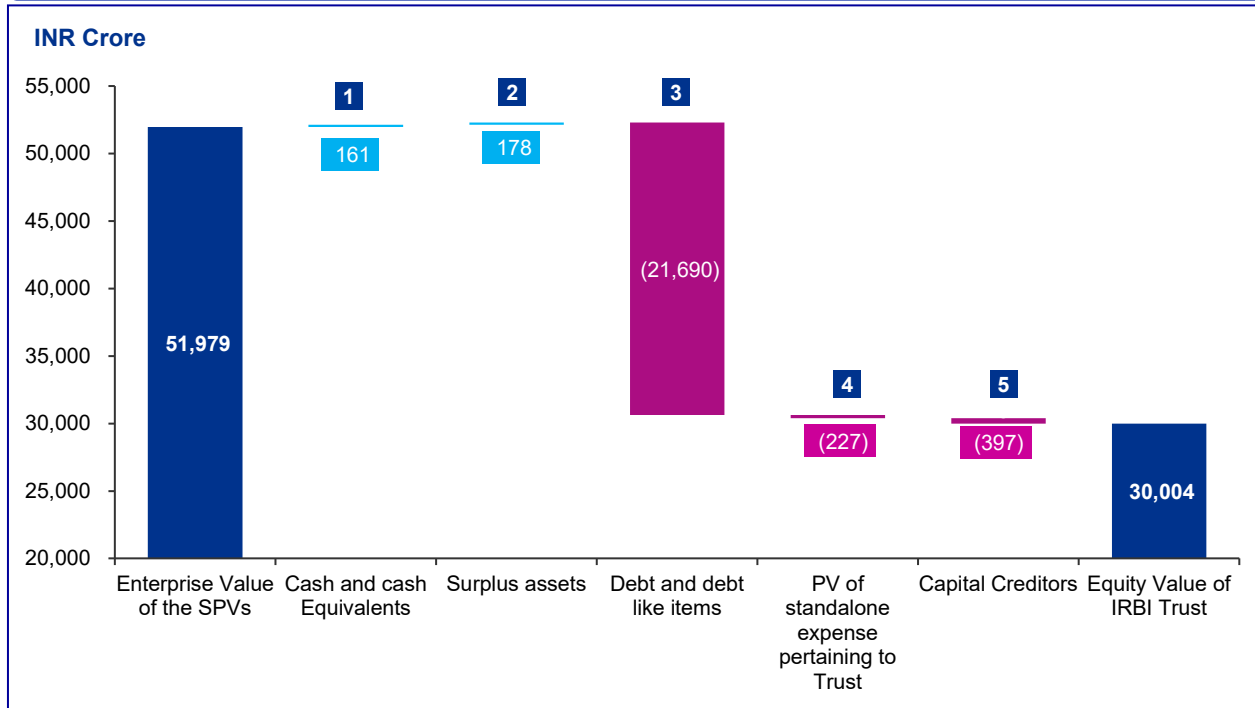
The chart above presents the Enterprise Value of the SPVs. Refer subsequent slide for details about the post Enterprise Value adjustments.

The Enterprise Value of the SPVs is INR 51,979 crores and the 100% Equity Value of the IRBI Trust is INR 30,004 crores as on 31 March 2024.

The NAV at fair value per unit of IRBI Trust as on 31 March 2024 is INR 269.41 per unit.

Valuation Conclusion (2/2)

Calculation of Equity Value of IRBI Trust from Enterprise Value of the SPVs



- 1 Cash and cash equivalents comprise balance and deposits with banks as at 31 March 2024.
- 2 Surplus assets primarily comprise investment in mutual funds of INR 152 Cr and advance tax net of provisions of INR 17 Cr as at 31 March 2024.
- 3 Debt and debt like items primarily represents loan from banks and financial institutions of INR 19,121 Cr and non-convertible debentures of INR 2,804 Cr as at 31 March 2024. The debt and debt like items has been reduced by INR 237 Cr, which represents the present value of the release of DSRA of INR 262 Cr as at 31 March 2024, maintained by the Management in standalone books of the Trust. The release schedule of the DSRA along with applicable interest earned on the DSRA balance has been provided by the Management.
- 4 Present value of standalone expenses of the IRBI Trust represent the present value of the investment manager fee in the books of the IRBI Trust. The expenses have been forecasted to increase by 10% each year till 11 August 2053 (FY2054).
- 5 Capital creditors of INR 397 Cr have been considered debt like in nature and adjusted from the Enterprise Value to arrive at the Equity Value of IRBI Trust. Management represented that they do not consider these liabilities as part of the working capital and thus they have not been considered as part of the forecast working capital

The Enterprise Value of the SPVs is INR 51,979 crores and the 100% Equity Value of the IRBI Trust is INR 30,004 crores as on 31 March 2024.

The NAV at fair value per unit of IRBI Trust as on 31 March 2024 is INR 269.41 per unit.

Source(s): Management information, KPMG analysis

7.

Annexures

Annexure 1: Sources of Information (1/2)

This Report is prepared based on the below sources of information as provided to us by the Management:

The following information provided to KPMG by Management was used in preparation of the Valuation Report:

- Audited financial statements for FY2020, FY2021, FY2022 and FY2023 of all the SPVs except IGEPL, STPL, ILTPL, IGTPL and IKTPL.
- Consolidated audited financial statements for FY2020, FY2021, FY2022 and FY2023 of IRBI Trust.
- Provisional financial statements for the period ended 31 March 2024 for all the SPVs and IRBI Trust (standalone and consolidated).
- Financial projections of SPV's from 1 April 2024 till the end of the concession period of the respective SPV's
- Other data for all the SPVs which is as follows –
 - Concession Agreements
 - Completion Certificates
 - Traffic Reports prepared by GMD consultants
 - Toll Rate Notifications
 - Extract of O&M agreement with IRBIDL
- Since PDTPL and STPL are still under construction, the Management has provided statement of expenses/work in progress pertaining to capex as at 31 March 2024.
- Management has provide project cost completion certificate for ILTPL, IGTPL and IKTPL as at 26 March 2024/27 March 2024.
- List of approvals, permits, licenses and litigations for the SPVs as at 31 March 2024.
- Management has provided Traffic consultant reports prepared by GMD Consultants (appointed independently by Client) dated March 2024 for all the SPVs. Management has confirmed that the traffic studies shared are the most recent studies available. Forecast revenue has been considered from the aforesaid traffic study reports for each of the SPVs. We have compared the revenue considered in the forecast model with the revenue forecasted in the traffic study reports and noted that the Management has considered the pessimistic revenue scenario in their forecast. This is in line with the actual revenue recorded by the SPVs for last financial year compared to traffic study carried out historically.
- Management has informed that O&M for the SPVs projects would be done by IRBIDL based on fixed price contract. O&M payments are fixed for the contract period of 10 years (till FY2032 for PDTPL, FY2033 for IGEPL and STPL, FY2034 for ILTPL, IGTPL and IKTPL and till FY2030 for other SPVs) after which terms of the contract may get renegotiated upon renewal. Management has shared extract of the contract and we have validated forecasted periodic and routine maintenance expense for contract period from the same. For the forecast period post the contract period (i) routine maintenance has been increased by 2% to 5% annually for inflation and (ii) periodic maintenance has been considered based on the technical feasibility study conducted by the Management. While the inflation considered is in line with long term inflation forecast for India, we have gone ahead with Management assumption on periodic maintenance. Given the technical nature of this study, review of the same is not part of our scope of work.

Annexure 1: Sources of Information (2/2)

- We understand that CGTL, UTL and KGTL have filed Writ petition with Hon'ble Rajasthan High Court with prayer to commence payment of premium to NHAI, six months post actual completion of the project construction work. The Hon'ble High Court prima facie agreed with the contention of the SPVs and have provided interim relief from payment of premium. The matter is currently under arbitration. Forecast provided is based on assumption that said relief will be granted to respective SPV's.
- The investment management fees is computed assuming 10% markup on the cost incurred by investment manager. The said expenses are projected to increase by 10 per cent annually which is in line with agreement between Trust and Investment manager.
- Based on the concession agreement and traffic study report of SYTL we note that the actual traffic for SYTL as on target traffic date is expected to exceed the target traffic. Pursuant to clause 29 of the concession agreement, concession period will need to be reduced by 2.4 year to account for excess traffic. However, Management has confirmed that concession period of SYTL will not be reduced as reduction in the concession period necessitated due to excess traffic will be offset by the extension in the concession period due to augmentation of capacity to serve excess traffic pursuant to clause 29.2.3 of the concession agreement. Management has confirmed that considering uncertainty of capex and corresponding extension of concession period they have neither factored in capex required for capacity augmentation nor any extension in concession period as per clause 29.2.3 or reduction in concession period due to excess traffic in their forecast. We have gone ahead with the same assumption.
- Management represented that due to covid 19 the concession period end dates across all SPVs (besides PDTPL, IGEPL, STPL, ILTPL, IKTPL and IGTPPL) increased by 90-139 days pursuant to notification no F.184/2020-PPD dated 13th May 2020 and Notification no. Covid-19/Roadmap/JS(H)/2020 dated 26th August 2021. Concession period of Kaithal Tollways Limited in addition to covid 19 increase, increased by further 356 days due to farmer agitations on its route. Apart from this, concession period is increased for AETL due to demonetization and for SYTL and YATL due to Kannad Ghat crisis. Based on this representation from Management, we have considered extended concession period in our analysis.
- We noted that other financial liabilities of INR 4,077 Cr and sub-debt of INR 1,692 Cr is outstanding in the consolidated financials of IRBI Trust is payable to IRBIDL as at 31 March 2024. These liabilities have not been considered as debt like in nature for the purpose of valuation analysis. We have been given to understand that SPV's have ongoing claims and litigations with NHAI for respective projects. IRBI Trust and its SPV's have entered into a debt novation agreement with IRBIDL pursuant to which any amount received by SPVs or Trust towards these NHAI claims will be paid to IRBIDL. Management has also confirmed that these claims and liabilities have no financial impact on the SPVs or the IRBI Trust and the claim amounts from NHAI are significantly higher than the liabilities recognized by the IRBI Trust. Based on the above, we have not considered any impact of these liabilities in our valuation analysis.
- Given the nature of the liability, capital creditors of INR 397 Cr outstanding in the books of the SPVs have been considered debt like in nature and adjusted from the Enterprise Value to arrive at the Equity Value of IRBI Trust.
- Besides the above, there may be other information provided by the Management which may not have been perused by us in any detail, if not considered relevant for our defined scope.
- In addition to the above, we have also obtained such other information and explanations from the Management, either verbally or in written form, as were considered relevant for the purpose of the valuation. We had discussions with the key members of the Management, including Mr. Tushar Kawedia and Ms. Shilpa Todankar;
- The following external sources were used in the preparation of the report:
 - External databases such as Capital IQ, Mergermarket, etc.
 - Relevant information made available to us by Management at our request.
 - Publicly available information and secondary information.

Annexure 2a: WACC – IWTL, SYTL, YATL, KTL, AETL, KGTL and IHMTL (1/2)

<p>Risk free rate (Rf) 7.1%</p>	<ul style="list-style-type: none"> The nominal risk-free rate is based on our understanding of the analysis of 10 year benchmark government of India securities yield as well analysis of the consensus forecast yield.
<p>Equity risk premium 7%</p>	<ul style="list-style-type: none"> Equity risk premium is estimated based on KPMG’s understanding of prevailing market return in India.
<p>Relevered beta 0.96</p>	<ul style="list-style-type: none"> Beta is a measure of the risk of the shares of a company. β is the co-variance between the return on sample stock and the return on the market. In order to determine the appropriate beta factor for the Company, consideration must be given either to the market beta of the Company or betas of comparable quoted companies. We have considered companies involved in the road operating industry and infrastructure investment trusts. Betas are low in this industry due to the stable nature of the road operating industry and low level of cash flow volatility due to the relatively steady usage of roads. Refer annexure 3.
<p>Cost of equity 13.8%</p>	<ul style="list-style-type: none"> Based on above parameters cost of equity is 13.8%.

Source: KPMG analysis

Annexure 2a: WACC – IWTL, SYTL, YATL, KTL, AETL, KGTL and IHMTL (2/2)

<p>Cost of debt 8.6%</p>	<ul style="list-style-type: none"> As per the Management, the average cost of debt for the SPVs is 8.6%.
<p>Tax rate 25.17%</p>	<ul style="list-style-type: none"> We understand that eventually all the SPVs will transition to the new tax regime once its MAT credit is exhausted, hence we have considered tax rate of 25.17% for the WACC analysis which is the long term tax rate applicable to all SPVs.
<p>Post-tax cost of debt 6.4%</p>	<ul style="list-style-type: none"> The average post tax cost of debt is 6.4% for all SPVs
<p>Debt Equity Ratio 150%</p>	<ul style="list-style-type: none"> We have considered a debt to equity ratio of 150% i.e. debt to capital of 60% and equity to capital of 40%. The median debt to equity ratio for comparable companies is 65.8%. Based on discussion with the Management we understand that all the assets of the IRBI Trust are operational and thus the SPVs and IRBI Trust can infuse higher leverage in their capital structure in the long term. Based on our analysis and discussion with the Management we have considered the debt to equity ratio to be 150%.
<p>WACC 9.40%</p>	<ul style="list-style-type: none"> Based on the optimal capital structure, the weighted average cost of capital is 9.40%.

Source: KPMG analysis

Annexure 2b: WACC – UTL, CGTL, IGEPL, ILTPL, IGTPPL and IKTPL (1/2)

<p>Risk free rate (Rf) 7.1%</p>	<ul style="list-style-type: none"> The nominal risk-free rate is based on our understanding of the analysis of 10 year benchmark government of India securities yield as well analysis of the consensus forecast yield.
<p>Equity risk premium 7%</p>	<ul style="list-style-type: none"> Equity risk premium is estimated based on KPMG's understanding of prevailing market return in India.
<p>Relevered beta 0.96</p>	<ul style="list-style-type: none"> Beta is a measure of the risk of the shares of a company. β is the co-variance between the return on sample stock and the return on the market. In order to determine the appropriate beta factor for the Company, consideration must be given either to the market beta of the Company or betas of comparable quoted companies. We have considered companies involved in the road operating industry and infrastructure investment trusts. Betas are low in this industry due to the stable nature of the road operating industry and low level of cash flow volatility due to the relatively steady usage of roads. Refer annexure 3.
<p>Cost of equity 13.8%</p>	<ul style="list-style-type: none"> Based on above parameters cost of equity is 13.8%.

Source: KPMG analysis

Annexure 2b: WACC – UTL, CGTL, IGEPL, ILTPL, IGTPPL and IKTPL (2/2)

<p>Cost of debt 8.8%</p>	<ul style="list-style-type: none"> As per the Management, the average cost of debt for the SPVs is 8.75%.
<p>Tax rate 25.17%</p>	<ul style="list-style-type: none"> We understand that eventually all the SPVs will transition to the new tax regime once its MAT credit is exhausted, hence we have considered tax rate of 25.17% for the WACC analysis which is the long term tax rate applicable to all SPVs.
<p>Post-tax cost of debt 6.5%</p>	<ul style="list-style-type: none"> The average post tax cost of debt is 6.5% for all SPVs
<p>Debt Equity Ratio 150%</p>	<ul style="list-style-type: none"> We have considered a debt to equity ratio of 150% i.e. debt to capital of 60% and equity to capital of 40%. The median debt to equity ratio for comparable companies is 65.8%. Based on discussion with the Management we understand that all the assets of the IRBI Trust are operational and thus the SPVs and IRBI Trust can infuse higher leverage in their capital structure in the long term. Based on our analysis and discussion with the Management we have considered the debt to equity ratio to be 150%.
<p>WACC 9.46%</p>	<ul style="list-style-type: none"> Based on the optimal capital structure, the weighted average cost of capital is 9.46%.

Source: KPMG analysis

Annexure 2c: WACC – PDTPL and STPL (1/2)

<p>Risk free rate (Rf) 7.1%</p>	<ul style="list-style-type: none"> The nominal risk-free rate is based on our understanding of the analysis of 10 year benchmark government of India securities yield as well analysis of the consensus forecast yield.
<p>Equity risk premium 7%</p>	<ul style="list-style-type: none"> Equity risk premium is estimated based on KPMG's understanding of prevailing market return in India.
<p>Relevered beta 0.96</p>	<ul style="list-style-type: none"> Beta is a measure of the risk of the shares of a company. β is the co-variance between the return on sample stock and the return on the market. In order to determine the appropriate beta factor for the Company, consideration must be given either to the market beta of the Company or betas of comparable quoted companies. We have considered companies involved in the road operating industry and infrastructure investment trusts. Betas are low in this industry due to the stable nature of the road operating industry and low level of cash flow volatility due to the relatively steady usage of roads. Refer annexure 3.
<p>Alpha 1%</p>	<ul style="list-style-type: none"> Alpha is business specific risk premium. The quantification of alpha is based on but not limited to the following factors: Inherent execution risk in the Management business plan, size of operations and uncertainty related to expected growth in revenue. Alpha has been considered at 1% only for PDTPL and STPL SPVs because as at Valuation Date, construction for all other SPVs is complete and although tolling has commenced in PDTPL and STPL, its construction is expected to be completed in FY2025 and FY2026 respectively.
<p>Cost of equity 14.8%</p>	<ul style="list-style-type: none"> Based on above parameters cost of equity is 14.8%.

Source: KPMG analysis

Annexure 2c: WACC – PDTPL and STPL (2/2)

<p>Cost of debt 9%</p>	<ul style="list-style-type: none"> As per the Management, the average cost of debt for PDTPL and STPL is 9%.
<p>Tax rate 25.17%</p>	<ul style="list-style-type: none"> We have considered tax rate of 25.17% for the WACC analysis which is the tax rate applicable to PDTPL and STPL.
<p>Post-tax cost of debt 6.7%</p>	<ul style="list-style-type: none"> The post tax cost of debt is 6.7% for PDTPL and STPL.
<p>Debt Equity Ratio 150%</p>	<ul style="list-style-type: none"> We have considered a debt to equity ratio of 150% i.e. debt to capital of 60% and equity to capital of 40%. The median debt to equity ratio for comparable companies is 65.8%. Based on discussion with the Management we understand that all the assets of the IRBI Trust are operational and thus the SPVs and IRBI Trust can infuse higher leverage in their capital structure in the long term. Based on our analysis and discussion with the Management we have considered the debt to equity ratio to be 150%.
<p>WACC 9.98%</p>	<ul style="list-style-type: none"> Based on the optimal capital structure, the weighted average cost of capital is 9.98%.

Source: KPMG analysis

Annexure 3: Beta Computation

Beta computation 31 March 2024										
	Market Capitalization	Total Debt	Debt / Equity	Debt / Total Capital	Beta	Tax Rate	Unlevered Beta	Target's Debt Equity	Target's Tax Rate	Re Levered Beta
IRB Infrastructure Developers Limited	347,483	180,971	52.1%	34.2%	1.37	25.17%	0.99	150.0%	25.17%	2.10
PNC Infratech Limited	107,423	70,823	65.8%	39.7%	1.05	25.17%	0.70	150.0%	25.17%	1.49
Dilip Buildcon Limited	63,112	67,688	107.2%	51.7%	1.43	25.17%	0.79	150.0%	25.17%	1.68
Bharat Road Network Limited	6,213	13,693	220.4%	68.8%	1.10	25.17%	0.42	150.0%	25.17%	0.88
National Highways Infra Trust	163,352	29,984	18.4%	15.5%	0.37	25.17%	0.33	150.0%	25.17%	0.70
India Infrastructure Trust	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bharat Highways InvIT	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
India Grid Trust	100,349	187,096	186.3%	65.1%	0.45	25.17%	0.19	150.0%	25.17%	0.40
Powergrid Infrastructure Investment Trust	87,890	5,721	6.5%	6.1%	0.48	25.17%	0.45	150.0%	25.17%	0.96
IRB InvIT Fund	39,317	30,562	77.7%	43.7%	0.47	25.17%	0.30	150.0%	25.17%	0.64
G R Infraprojects Limited	119,653	63,238	52.7%	34.5%	1.07	25.17%	0.77	150.0%	25.17%	1.63
Median										0.96

Note:

- (a) Market capitalization of comparable companies has been considered based on 3-month volume weighted average share prices till 31 March 2024.
- (b) Beta has been computed based on 1-year daily average adjusted beta.
- (c) Although, India Infrastructure Trust and Bharat Highways InvIT are a part of our comparable companies set, they have been excluded while calculating the beta due to low trading.

Source(s): KPMG analysis based on data sourced from S&P Capital IQ database.

Annexure 4: Investment Management Expenses

Present value of stand alone expenses pertaining to InvIT												
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Trust expenses	7.5	8.2	9.0	9.9	10.9	12.0	13.2	14.5	16.0	17.6	19.3	21.3
Discounting period	0.500	1.500	2.500	3.500	4.500	5.500	6.500	7.500	8.500	9.500	10.500	11.500
Discount factor	0.956	0.874	0.799	0.730	0.668	0.610	0.558	0.510	0.466	0.426	0.389	0.356
Present value of cash flows	7.1	7.2	7.2	7.2	7.3	7.3	7.4	7.4	7.5	7.5	7.5	7.6

Present value of stand alone expenses pertaining to InvIT													
	FY2037	FY2038	FY 2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049
INR crores	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months	12 months
Trust expenses	23.4	25.7	28.3	31.1	34.3	37.7	41.5	45.6	50.2	55.2	60.7	66.8	73.4
Discounting period	12.500	13.500	14.500	15.500	16.500	17.500	18.500	19.500	20.500	21.500	22.500	23.500	24.500
Discount factor	0.325	0.298	0.272	0.249	0.227	0.208	0.190	0.174	0.159	0.145	0.133	0.121	0.111
Present value of cash flows	7.6	7.7	7.7	7.7	7.8	7.8	7.9	7.9	8.0	8.0	8.0	8.1	8.1

Present value of stand alone expenses pertaining to InvIT					
	FY2050	FY2051	FY2052	FY2053	FY2054
INR crores	12 months	12 months	12 months	12 months	4.4 months
Trust expenses	80.8	88.9	97.8	107.5	43.0
Discounting period	25.500	26.500	27.500	28.500	28.864
Discount factor	0.101	0.093	0.085	0.077	0.075
Present value of cash flows	8.2	8.2	8.3	8.3	3.2

Valuation conclusion	
INR Crore	
Present value of cash flows	227
WACC	9.40%

Source(s): Management Information

The investment management fees have been forecasted to increase by 10% each year. Management represented that the fees is computed as cost incurred by investment manager +10% markup. We have relied on Management representation for the same.

Annexure 5: Other disclosures as required under SEBI InvIT Regulations

The following disclosures are as at 31 March 2024 for the SPVs

1. **Valuation of the project in the previous 3 years:** Refer annexure 5a for the aforementioned information.
2. **List of one-time sanctions/approvals which are obtained or pending/ List of up to date/overdue periodic clearances:** Refer annexure 5b for the aforementioned information.
3. **Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:** Refer annexure 5c for the aforementioned information.
4. **Purchase price of the project by the InvIT:** Refer annexure 5d for the aforementioned information.
5. **On-going and closed material litigations including tax disputes in relation to the assets, if any:** Management represented that there are no on-going and closed material litigations in PDTPL, IHMTL, STPL, IKTPL, IGTPPL and ILTPL. Refer annexure 5e for the aforementioned information for other SPV's.
6. **Statement of assets:** Refer annexure 5f for the aforementioned information.
7. **Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:** Management represented that there are no revenue pendencies including local authority taxes and compounding charges with respect to the 15 SPVs.
8. **Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:** Management represented that there are no such natural or induced hazards which have been not considered in town planning/building control with respect to the 15 SPVs.
9. **Latest pictures of the SPVs:** Refer annexure 5g for the aforementioned information
10. **Date of site inspection:** During the month of February/March 2024.
11. **In term of the SEBI InvIT Regulations, we hereby confirm that:**
 - We are competent to undertake the valuation.
 - We are independent and have prepared this Report on fair and unbiased basis.
 - The Valuation has been performed as per internationally accepted valuation methodologies and in cognizance of international valuation standards and ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India.
 - KPMG is not affiliated to the Client in any manner whatsoever. Further KPMG does not have a prospective interest in the Targets which is the subject of this Valuation and KPMG's fee is not contingent on an action or event resulting from the analysis, opinions or conclusions in the Valuation.

Caveat to disclosures

KPMG has not independently verified the documents related to disclosures mentioned in the annexures and have relied on Management representation for the same.

Source(s): Management information, KPMG analysis

Annexure 5a: Valuation of the projects in the previous 3 years

Valuation summary			
INR Crore			
Name of the SPV	Mar23	Sep23	Dec23/ Jan24
IRB Westcoast Tollway Limited	3,640	3,741	3,392
Solapur Yedeshi Tollway Limited	2,373	2,403	2,625
Yedeshi Aurangabad Tollway Limited	4,177	4,216	4,411
Kaithal Tollway Kimited	2,471	2,506	2,366
AE Tollway Limited	3,183	3,259	3,509
Udaipur Tollway Limited	2,607	2,673	2,663
CG Tollway Limited	2,744	2,803	2,854
Kishangarh Gulabpura Tollway Limited	2,136	2,206	2,068
IRB Hapur Moradabad Tollway Limited	4,112	4,176	4,303
Palsit Dankuni Private Tollway Limited	1,095	1,576	1,662
IRB Golconda Expressway Private Limited	NA	12,682	14,025
Samakhiyali Tollway Private Limited	NA	NA	365
IRB Lalitpur Tollway Private Limited**	NA	NA	222
IRB Kota Tollway Private Limited**	NA	NA	149
IRB Gwalior Tollway Private Limited**	NA	NA	90

Source(s): Company website and Management Information

** Valuation carried out as of 31 January 2024.

Annexure 5b: One-time sanctions and approvals and overdue periodic clearances

Sr. No.	Description	Remarks
IRB Westcoast Tollway Limited		
A	Permission of State government for extraction of boulders from quarry.	Received
B	Permission of Village Panchayat & Pollution control board for installation of crushers	Received
C	License for use of explosives.	Received
D	Permission of state government for drawing water from Rivers & reservoir	Not Applicable
E	License from Inspector of factories or competent authorities for setting up Batching Plant.	Received
F	Clearance from Pollution control board for Setting up Batching Plant	Received
G	Permission of Village Panchayat & Pollution control board for Asphalt Plant	Received
H	Permission of Village Panchayat & State government for Borrow earth	Received
I	Permission of State Government for Cutting of trees	Received
J	Any other permits or clearance required under applicable Laws	Labour License taken

Sr. No.	Description	Remarks
Palsit Dankuni Private Tollway Limited		
A	Permission of the State Government for extraction of boulder from quarry.	Applied
B	Permission of Village Panchayat and Pollution Control Board for installation of crusher;	Applied
C	License for use of explosives	Applied
D	Permission of state government for drawing water from river/reservoir	Not Applicable
E	License from the inspector of factories or other competent authority for setting up Batching plant.	Received
F	Clearance of Pollution Control Board for setting up Batching Plant;	Received
G	Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant	Received
H	Permission of Village Panchayat and State Government for borrow areas	Received
I	Permission of State Government for cutting of trees	Received
J	Any other permits or clearances required under Applicable Laws	Labour License taken.

Source(s): Management information

Annexure 5b: One-time sanctions and approvals and overdue periodic clearances

Sr. No.	Description	Remarks
Samakhiyali Tollway Private Limited		
A	Permission of the State Government for extraction of boulder from quarry.	Received
B	Permission of Village Panchayat and Pollution Control Board for installation of crusher;	Received
C	License for use of explosives	Received
D	Permission of state government for drawing water from river/reservoir	Not Applicable
E	License from the inspector of factories or other competent authority for setting up Batching plant.	Not Received
F	Clearance of Pollution Control Board for setting up Batching Plant;	Application Done
G	Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant	Application Done
H	Permission of Village Panchayat and State Government for borrow areas	Received
I	Permission of State Government for cutting of trees	Received
J	Any other permits or clearances required under Applicable Laws	Labour License taken.

Sr. No.	Description	Remarks
IRB Gwalior Tollway Private Limited		
A	Permission of the State Government for extraction of boulder from quarry.	Not Applicable
B	Permission of Village Panchayat and Pollution Control Board for installation of crusher;	Not Applicable
C	License for use of explosives	Not Required
D	Permission of state government for drawing water from river/reservoir	
E	License from the inspector of factories or other competent authority for setting up Batching plant.	The SPV is in process of identifying land for plant set-up and borrow areas.
F	Clearance of Pollution Control Board for setting up Batching Plant;	Once identified, Applicable permits and Clearances shall be obtained.
G	Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant	
H	Permission of Village Panchayat and State Government for borrow areas	
I	Permission of State Government for cutting of trees	Not Required
J	Any other permits or clearances required under Applicable Laws	Not Applicable

Source(s): Management information

Annexure 5b: One-time sanctions and approvals and overdue periodic clearances

Sr. No.	Description	Remarks
IRB Lalitpur Tollway Private Limited		
A	Permission of the State Government for extraction of boulder from quarry.	Not Applicable
B	Permission of Village Panchayat and Pollution Control Board for installation of crusher;	Not Applicable
C	License for use of explosives	Not Required
D	Permission of state government for drawing water from river/reservoir	The SPV is in process of identifying land for plant set-up and borrow areas. Once identified, Applicable permits and Clearances shall be obtained.
E	License from the inspector of factories or other competent authority for setting up Batching plant.	
F	Clearance of Pollution Control Board for setting up Batching Plant;	
G	Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant	
H	Permission of Village Panchayat and State Government for borrow areas	
I	Permission of State Government for cutting of trees	Not Required
J	Any other permits or clearances required under Applicable Laws	Not Applicable

Sr. No.	Description	Remarks
IRB Kota Tollway Private Limited		
A	Permission of the State Government for extraction of boulder from quarry.	Not Applicable
B	Permission of Village Panchayat and Pollution Control Board for installation of crusher;	Not Applicable
C	License for use of explosives	Not Required
D	Permission of state government for drawing water from river/reservoir	The SPV is in process of identifying land for plant set-up and borrow areas. Once identified, Applicable permits and Clearances shall be obtained.
E	License from the inspector of factories or other competent authority for setting up Batching plant.	
F	Clearance of Pollution Control Board for setting up Batching Plant;	
G	Clearance of Village Panchayats and Pollution Control Board for Asphalt Plant	
H	Permission of Village Panchayat and State Government for borrow areas	
I	Permission of State Government for cutting of trees	Not Required
J	Any other permits or clearances required under Applicable Laws	Not Applicable

The information has been represented by the Management. The above disclosure is not required in case of SYTL, YATL, AETL, UTL, KTL, CGTL, KGTL, IHMTL and IGEPL since the projects have received COD.

Source(s): Management information

Annexure 5c: Estimates of already carried as well as proposed major repairs and improvements (1/4)

Estimates of already carried out as well as proposed major repairs and improvements

INR Crore						
Name of the SPV	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
IRB Westcoast Tollway Limited	42	-	1	-	111	41
Solapur Yedeshi Tollway Limited	18	19	20	-	-	-
Yedeshi Aurangabad Tollway Limited	29	31	32	-	-	-
Kaithal Tollway Kimited	45	48	-	-	-	-
AE Tollway Limited	39	41	-	-	-	-
Udaipur Tollway Limited	69	76	4	-	120	125
CG Tollway Limited	27	28	30	-	-	-
Kishangarh Gulabpura Tollway Limited	-	-	100	-	-	-
IRB Hapur Moradabad Tollway Limited	-	89	90	85	-	5
Palsit Dankuni Private Tollway Limited	-	-	-	-	55	61
IRB Golconda Expressway Private Limited	-	-	-	-	161	161
Samakhiyali Tollway Private Limited	-	-	0	-	-	-
IRB Lalitpur Tollway Private Limited	-	-	-	-	66	69
IRB Kota Tollway Private Limited	2	-	-	-	8	8
IRB Gwalior Tollway Private Limited	0	-	11	22	23	36

Source(s): Management information



Annexure 5c: Estimates of already carried as well as proposed major repairs and improvements (2/4)

Estimates of already carried out as well as proposed major repairs and improvements								
INR Crore								
Name of the SPV	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038
IRB Westcoast Tollway Limited	-	-	2	12	166	2	-	-
Solapur Yedeshi Tollway Limited	-	-	61	64	67	-	-	-
Yedeshi Aurangabad Tollway Limited	-	-	110	115	121	-	-	-
Kaithal Tollway Kimited	-	128	134	140	-	-	-	-
AE Tollway Limited	123	130	135	-	-	-	-	73
Udaipur Tollway Limited	127	5	-	86	91	119	-	-
CG Tollway Limited	86	91	95	-	9	46	48	51
Kishangarh Gulabpura Tollway Limited	-	-	104	102	110	-	-	-
IRB Hapur Moradabad Tollway Limited	74	77	57	2	-	212	229	238
Palsit Dankuni Private Tollway Limited	57	-	-	-	-	80	61	-
IRB Golconda Expressway Private Limited	161	161	-	-	386	387	386	386
Samakhiyali Tollway Private Limited	-	36	37	38	-	-	-	-
IRB Lalitpur Tollway Private Limited	72	75	78	-	-	117	121	124
IRB Kota Tollway Private Limited	-	-	-	19	19	-	-	-
IRB Gwalior Tollway Private Limited	52	-	-	11	21	22	35	50

Source(s): Management information

Annexure 5c: Estimates of already carried as well as proposed major repairs and improvements (3/4)

Estimates of already carried out as well as proposed major repairs and improvements

INR Crore								
Name of the SPV	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046
IRB Westcoast Tollway Limited	148	53	-	-	-	-	-	-
Solapur Yedeshi Tollway Limited	-	-	-	42	44	46	-	-
Yedeshi Aurangabad Tollway Limited	-	60	63	66	-	-	-	-
Kaithal Tollway Kimited	-	94	99	104	-	-	-	-
AE Tollway Limited	77	81	-	-	-	-	-	-
Udaipur Tollway Limited	-	-	-	-	-	-	-	-
CG Tollway Limited	-	-	-	-	-	-	-	-
Kishangarh Gulabpura Tollway Limited	-	-	-	-	-	-	-	-
IRB Hapur Moradabad Tollway Limited	7	-	-	-	-	-	-	-
Palsit Dankuni Private Tollway Limited	-	-	-	-	-	-	-	-
IRB Golconda Expressway Private Limited	-	-	235	235	235	236	-	-
Samakhiyali Tollway Private Limited	-	43	44	45	-	-	-	-
IRB Lalitpur Tollway Private Limited	128	132	-	-	185	185	-	-
IRB Kota Tollway Private Limited	11	12	-	-	-	23	-	-
IRB Gwalior Tollway Private Limited	-	-	26	38	49	61	-	-

Source(s): Management information



Annexure 5c: Estimates of already carried as well as proposed major repairs and improvements (4/4)

Estimates of already carried out as well as proposed major repairs and improvements

INR Crore								
Name of the SPV	FY 2047	FY 2048	FY 2049	FY 2050	FY 2051	FY 2052	FY 2053	FY 2054
IRB Westcoast Tollway Limited	-	-	-	-	-	-	-	-
Solapur Yedeshi Tollway Limited	-	-	-	-	-	-	-	-
Yedeshi Aurangabad Tollway Limited	-	-	-	-	-	-	-	-
Kaithal Tollway Kimited	-	-	-	-	-	-	-	-
AE Tollway Limited	-	-	-	-	-	-	-	-
Udaipur Tollway Limited	-	-	-	-	-	-	-	-
CG Tollway Limited	-	-	-	-	-	-	-	-
Kishangarh Gulabpura Tollway Limited	-	-	-	-	-	-	-	-
IRB Hapur Moradabad Tollway Limited	-	-	-	-	-	-	-	-
Palsit Dankuni Private Tollway Limited	-	-	-	-	-	-	-	-
IRB Golconda Expressway Private Limited	531	532	531	531	-	-	404	150
Samakhiyali Tollway Private Limited	-	-	-	-	-	-	-	-
IRB Lalitpur Tollway Private Limited	-	-	-	-	-	-	-	-
IRB Kota Tollway Private Limited	-	-	-	-	-	-	-	-
IRB Gwalior Tollway Private Limited	-	-	-	-	-	-	-	-

Source(s): Management information



Annexure 5d: Purchase price of the SPVs by the InvIT

Purchase price of the SPVs			
Name of the SPV	No. of equity shares transferred to the Trust	No. of units of trust issued to the Sponsor	% Stake in SPV
IRB Westcoast Tollway Limited	174,194,303	17,419,000	100.00%
Solapur Yedeshi Tollway Limited	98,250,000	9,825,000	100.00%
Yedeshi Aurangabad Tollway Limited	215,757,001	21,576,000	100.00%
Kaithal Tollway Kimited	328,000,000	32,800,000	100.00%
AE Tollway Limited	436,500,000	43,650,000	100.00%
Udaipur Tollway Limited	116,800,000	11,680,000	100.00%
CG Tollway Limited	203,500,000	20,350,000	100.00%
Kishangarh Gulabpura Tollway Limited	155,500,000	15,550,000	100.00%
IRB Hapur Moradabad Tollway Limited	189,500,000	18,950,000	100.00%

The table above presents the number of equity shares transferred to the Trust and the number of units issued by the Trust to the Sponsor to acquire 100% of the equity stake in the aforementioned SPVs. The transfer is as per the share purchase agreement between the Trust and Sponsor dated 19 February 2020.

PDTPL

IRBI Trust acquired 99.96% stake in PDTPL by acquiring 121,200,000 equity shares in PDTPL through an equity infusion of INR 121.2 Cr in April 2022.

IGEPL

IRBI Trust issued and allotted 142,400,000 units to the eligible unitholders of the Trust for cash at an Issue price of INR 200.98 per unit, aggregating to approximately INR 2,861.95 Cr. The Sponsor of the Trust, has been allotted 72,800,000 units of the Trust while GIC Affiliates have been allotted 69,600,000 units. Proceeds from the issue were used for Acquisition of IGEPL through subscription to the equity shares of IGEPL pursuant to the IGEPL share subscription agreement for a consideration of INR 715.45 Cr.

STPL

IRBI Trust acquired 99.96% stake in STPL by acquiring 116,200,000 equity shares in STPL through an equity infusion of INR 116.2 Cr on 04 January 2024.

IGTPL, IKTPL and ILTPL

IRBI Trust acquired 100% stake in IGTP, IKTPL and ILTPL by acquiring 103,285,000; 39,347,500 and 50,000 equity shares in the 3 entities through an equity infusion of INR 103.2, INR 39.3 and INR 420.5 Cr in March 2024.

Source(s): Management information

Annexure 5e: Pending litigations - IWTL

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Mr. Sachhidananda Shetty.	The Chief General Manager, Modern Road Makers Pvt. Ltd.	Judicial Magistrate First Class Court, Kundapura.	The plaintiff has filed this suit praying that the stay should be given for the stoppage suit. The matter is disposed by work of NH-66 to set right certain anomalies in the tree cutting tender closed. awarded to him by the NHAI in Kundapur forest division in respect of cutting of reserved categories of trees like teak, Bethonne, Matti, Sandalwood & season.	The plaintiff has withdrawn the matter. This matter is now closed.	Land acquisition and related cost, cutting the necessary trees for road widening work, and related cost, etc are the sole responsibilities of NHAI. Further the concessionaire is not a party in the tender awarded to the plaintiff for cutting of the trees. Hence, there are no financial implications in this matter.
2	Laxman Neelakanth Desai, Goangeri, Majali, Karwar	IRB West Coast Tollway Pvt Ltd,	Civil Judge & JMFC II Court, Karwar	The plaintiff has filed the suit to restrain the defendants from undertaking the blasting of the rocks/hill in unscientific manner as it has caused loss to the plaintiff.	There are no Adverse orders against the company. The matter is pending	The company and plaintiff had mediated the dispute partly and the company has paid a sum of Rs. 175000/- to the plaintiff in the interest of the project. The matter is pending for final determination. As the company has complied with all the necessary provisions and undertaken the work with all safety precautions, the company feels that there are no financial implications in this matter.
3	Venkatramana S	Chief General Manager (IRB), Kumta	JMFC at Bhatkal (O.S. No. 103/2018)	The plaintiff has filed this suit challenging the land acquisition and has prayed that the respondents should be restrained from doing the work against the provisions of the land acquisition act.	The matter is dosposed by the court.	The responsibility of the entire process of land acquisition and payment of compensation is of NHAI. Hence, that there are no financial implications in this matter.
4	Mr. Vithobha Ganesh Naik	IRB West Coast Tollway Pvt Ltd,	Principal Judge, Karwar	The complainant is alleging that IRB WTL is encroaching upon the Petitioner's land to construct the highway	There are no Adverse orders against the company. The matter is pending	

Source(s): Management information



Annexure 5e: Pending litigations - SYTL

Sl. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Raosaheb Chadre	Modern Road Makers Pvt. Ltd.	Civil Judge, Senior Division, Osmanabad (Special suit number 73/2018)	The plaintiffs have prayed that due to mining work by the defendant, the levelling of the ground has been disturbed and there have been huge holes in the ground which should be filled by the defendants and that the plaintiffs should pay Rs. 82,41,800/- towards the extraction cost.	The matter is pending	The company had undertaken the work with the consent of the plaintiff after obtaining necessary permissions. The claim of the plaintiff is false. The company has denied all the allegations. Considering the merits of the matter, there are no financial implications in this matter.
2	Bhagwan Rambhau Jadhwar	Solapur Yedeshi Tollway Pvt. Ltd. and others	Civil Judge, Junior Division, Kallam (regular civil suit number 1139/2018)	The plaintiff has filed suit claiming that due to the negligence of the defendants, in construction of drainage adjoining the road, the water from the drainage had entered in field of the plaintiff and has caused loss to the tune of Rs. 2,00,000/-, which should be made good by the respondents.	The matter is pending	The company has taken all the necessary safety measures while construction of the road and denied any negligence on its part. Considering the merits of the matter, there are no financial implications in this matter.
3	Solapur Yedeshi Tollway Ltd.	NHAI	Arbitration	SYTL (Claimant) had submitted claims to NHAI for compensation as per Clause 35.2 and Clause 35.3 of the Concession Agreement on account of delays attributable to NHAI. The claim for cost stands at Rs. 571.36 Crore in terms of Clause 35.2 and extension of Concession Period for 539.20 days in terms of Clause 35.3 of the Concession Agreement. Since there was no response received from NHAI, SYTL crystallised the matter as contractual dispute on 09.03.2022 and requested for amicable settlement through Conciliation as per Clause 44.2 of the Concession Agreement.	The matter is pending	Rs. 790.54 Cr + interest & extension of extension of 647.43 days

Source(s): Management information

Annexure 5e: Pending litigations - YATL (1/2)

Sl. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Shaikh Rafiq and others	IRB Infrastructure Developers Limited and others	Bombay High Court Aurangabad Bench Writ Petition 5410/2015	This matter is pertaining to Yedeshi Aurangabad Project. The petitioner is aggrieved by the award wherein his land is acquired by NHAI, for construction of highway. Hence, the petitioners have prayed not to change the existing alignment of the proposed road widening of NH 211 passing through petitioners village and to restrain respondents from proceeding further with any change in the existing alignment	The matter is pending.	The responsibility of the entire process of land acquisition and payment of compensation is of NHAI. Hence, there are no financial implications on the company.
2	Panditrao Chausalkar and others	IRB Infrastructure Developers Limited And Others	Bombay High Court Aurangabad Bench Writ Petition 92/2017	This matter is pertaining to Yedeshi Aurangabad Project. The petitioner is aggrieved by the award wherein his land is acquired by NHAI, for construction of highway. Hence, the petitioners have prayed that the land acquisition should be set aside, the respondents should be restrained from acquiring the land belonging to the petitioners, etc..	The matter is pending.	The responsibility of the entire process of land acquisition and payment of compensation is of NHAI. Hence, there are no financial implications on the company.

Source(s): Management information



Annexure 5e: Pending litigations - YATL (2/2)

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
3	Pruthviraj shahane	IRB Infrastructure Developers Limited and others	Civil Judge senior division, Beed. Civil suit number 10/2016	This matter is pertaining to Yedeshi Aurangabad Project. The Plaintiff claims that the electricity poles & DP coming within road alignment / area have been replaced but erected & installed within his private land which has not been acquired.	The matter is pending.	The responsibility of the entire process of land acquisition and payment of compensation is of NHAI. Utility shifting is being done on the land provided by NHAI Hence, there are no financial implications on the company.
4	Yedeshi Aurangabad Tollway Ltd	NHAI	Arbitration	YATL (Claimant) had submitted claims to Arbitral Tribunal pronounced NHAI for compensation as per Clause 35.2 and Clause 35.3 of the Concession Agreement on account of delays attributable to NHAI. The claim for cost along with applicable interest stands at Rs. 1,501.84 Crore in terms of Clause 35.2 and extension of Concession Period for 831.08 days in terms of Clause 35.3 of the Concession Agreement. YATL had proposed to NHAI for amicable settlement through CCIE. Since no written settlement reached between the Parties, YATL invoked arbitration on 09.03.2022 in terms of Clause 44.3 of the Concession Agreement.	Arbitral Tribunal pronounced Award in favour of YATL granting comepnasation of Rs 1719.48 Cr (as on 27.01.2024) days.	Rs 1719.48 Cr (as on 27.01.2024) along with applicable interest till realisation of payment and extension to Concession Period by 689 days.

Source(s): Management information



Annexure 5e: Pending litigations - KTL (1/2)

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	SirsaEagle CHS Ltd. and another	National Highways Authority of India and Others (Kaithal Tollway Pvt. Ltd. is Respondent Number 5)	Punjab and Haryana High Court, Writ Petition Number 27756/2017	The Petitioner has challenged the levy and collection of toll on the project, and has prayed that the notification by which the toll is collected should be quashed now closed. and issue the directions for frame policy for the local transporters which may not act against the financial interest of the poor local villagers who travel in busses.	The petition is dismissed by the court for non-joinder of necessary party. The matter is now closed.	Financial implications cannot be ascertained as not mentioned in the petition. Similar writ petition challenging the toll collection on the project was filed in Punjab and Haryana High Court by Azad Singh (reported under closed litigations writ petition number 22648/2017), has been dismissed by the High Court. The concessionaire has been collecting the toll on the project as per the concession agreement and the toll notification. The provisional completion certificate has been issued to the concessionaire as per the terms of the concession agreement. Considering the merits of the case, there are no financial implications in this matter.

Source(s): Management information

Annexure 5e: Pending litigations - KTL (2/2)

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
2	Kaithal Tollway Ltd	NHAI	Arbitration	<p>Claimant had submitted claims to NHAI for compensation as per Clause 35.2 and Clause 35.3 of the Concession Agreement on account of delays attributable to NHAI. The claim for cost stands at Rs. 190.68 Crore in terms of Clause 35.2 and extension of Concession Period for 136.77 days in terms of Clause 35.3 of the Concession Agreement. The Claimant crystallised dispute on 09.03.2022 (and subsequently invoked arbitration on 19.04.2022)</p> <p>Against the claim of Rs 100.1 Cr on account of Farmer's strike, Rs 58.48 Cr was released by NHAI on 10.10.2022 NHAI recommended extension of Concession Period of 365 days. The Balance claim amount of Rs 41.62 Crore was disputed. and arbitration was invoked</p> <p>This matter is clubbed with the above referred arbitration.</p>	The matter is pending	Rs. 288.07 Cr + 582.77 days of extension of Concesison Period

Source(s): Management information



Annexure 5e: Pending litigations - AETL

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	AE Tollway Limited	NHAI	Arbitration	Arbitration is invoked. AETL filed Statement of Claim account of delay in completion of construction and other Force Majeure claims such as Covid 19 etc. along with claim for loss of revenue during the delayed period..	The matter is pending	Rs. 1317.98 Cr + interest & Extension to Concession Period by 351.41 days
2	Hakim Singh Yadav and others	AE Tollway Private Limited	High Court of Allahabad	The petitioner filed a writ petition before the High Court of Allahabad against the Sponsor and others (the "Respondents") in relation to the drainage system for the road asset operated by AETL. AETL had crystallised dispute and requested NHAI to take up the matter of payment of premium with proportionate reduction of revenue losses (the figures under dispute are excess payment of Premium of Rs. 12.84 Cr and outstanding payment of Premium including interest of Rs.55.34 Cr as on June 07, 2021) on account of Covid and delay in completion of construction as a dispute and for amicable settlement through Conciliation. Since no written settlement reached between the Parties, the AETL on 14.03.2022 invoked arbitration as per Clause 44.3 of the Concession Agreement. The matter is pending.	the matter is pending.	

Source(s): Management information



Annexure 5e: Pending litigations - UTL

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Hiteshkumar Ramanlal Gandhi	Bhairulal Salvi (Bus Driver)	FIR number 0299 dated 18/11/2017, Kherwada Police Station	Bus driver Mr. Bhairulal Salvi has damaged the toll booths by pelting the stone & created violence in smooth tolling operations at Khandiobri Toll.	The matter is being investigated by the police.	The FIR is filed against the Bus driver, by the employee of the company. The FIR is filed by the employee of the company against the bus driver. There are no proceedings against the company.
2	(Shift Incharge Khandiobri Toll)	Dist - Bhilwada.	Tah – Kherwara, Dist – Udaipur State – Rajasthan			
3	Udaipur Tollway Ltd	NHAI	Arbitration	Claimants filed Statement of Claim including the claim on account of compensation of Force Majeure Cost and extension in Concession Period on account of COVID 19) , Claim for compensation under Clause 35.2 & 35.3 along with a prayer that Premium is applicable after 6 months of Actual completion	The matter is pending	Commencement of Premium after 6 months of actual completion Claim Rs. 906.08 Cr + interest & extension of 214.99 days

Source(s): Management information



Annexure 5e: Pending litigations - CGTL

Sl. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Shri Azad Sharma & Other	NHAI and others (The Manager, IRB is respondent number 7)	Lok Adalat, Bhilwara	The plaintiff has filed case challenging the collection of toll without completion of six lane. Plaintiff /Petitioners have prayed that collection of toll shall be stopped until works of six lanes are completed and toll collected in the name of six laning shall be returned with interest.	The matter is disposed by the court. Hence, this matter is closed.	The company is collecting the toll as per the toll notification and concession agreement with NHAI. Since, the project consists from 4 laining to 6 laining, hence, during the construction period, the company collects only 75% of the prescribed toll amount as per the toll fee notification. These toll rates are fixed for construction period. The company has good case on merits. The company has not violated any of the concession agreement provisions and hence, there are no financial implications in the matter.
2	CGTollway Ltd	NHAI	Arbitration	Claimants filed Statement of Claim including the claim on account of compensation of Force Majeure Cost and extension in Concession Period on account of COVID 19) , Claim for compensation under Clause 35.2 & 35.3 along with a prayer that Premium is applicable after 6 months of Actual completion	The matter is pending	Commencement of Premium after 6 months of actual completion Claim: Rs. 502.12 + + interest & extension of 241.37 days

Source(s): Management information



Annexure 5e: Pending litigations - KGTL

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Kishangarh Gulabpura Tollway Ltd	NHAI	Arbitration	Claimants filed Statement of Claim including the claim on account of compensation of Force Majeure Cost and extension in Concession Period on account of COVID 19) , Claim for compensation under Clause 35.2 & 35.3 along with a prayer that Premium is applicable after 6 months of Actual completion	The matter is pending	Commencement of Premium after 6 months of actual completion Claim :Rs. 868.96 + + interest & extension of 387.18 days

Source(s): Management information



Annexure 5e: Pending litigations - IGEPL (1/2)

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
1	Gadeela Raghuveer Reddy	1.State of Telangana, 2. Hyderabad Metropolitan Development Authority (HMDA), 3. Hyderabad Growth Corridor Ltd (HGCL), 4. IRB Golconda Expressway Pvt Ltd (IRB GEPL) and 5. IRB Infrastructure Developers Ltd. (IRB)	High Court of State of Telangana	The Petitioner had filed a Writ Petition (PIL) against the Respondents. The Petitioner is seeking (i) to direct the State of Telangana (Municipal Administration and Urban Development) & HMDA to disclose the Initial Estimated Concession Value (IECV) for the Nehru Outer Ring Road (NORR) for the period of concession of the concession agreement and to direct the Comptroller and Auditor General of India (CAG) to check the veracity of the IECV arrived at by the these Respondents; and (ii) in the event that the concession amount realized is undervalued, to declare the action of the HMDA in signing a concession agreement with the IRB GEPL for Tolling, Operations and Maintenance of the Nehru Outer Ring Road is illegal and to annul the Concession Agreement.	The matter is disposed	Nil

Source(s): Management information



Annexure 5e: Pending litigations - IGEPL (2/2)

SI. No.	Complainant/ Applicant/ Plaintiff	Respondents	Name & Address of the Court and case number	Brief Description of Case	Status as on 31 March 2024	Financial implications
2	Kanugula Mahesh Kumar (Petitioner)	1.State of Telangana, 2. Hyderabad Metropolitan Development Authority (HMDA), 3. Hyderabad Growth Corridor Ltd (HGCL), 4. IRB Golconda Expressway Pvt Ltd (IRB GEPL) and 5. IRB Infrastructure Developers Ltd. (IRB)	High Court of State of Telangana	<p>The Petitioner filed a public interest litigation before the High Court of Telangana against Respondents, praying, inter alia, to set aside the award of the Toll, Operate and Transfer (“TOT”) tender for the Nehru Outer Ring Road project to the IRB and IRB GEPL by entering into a concession agreement for a period of 30 years by not disclosing the initial estimated concession value for the project and seeking to illegally and unlawfully divert the funds from. The Petitioner has also sought quashing or setting aside of the concession agreement and all other agreements entered into by State of Telangana, HMDA and HGCL with IRB and IRB GEPL in relation to the Project.</p> <p>The Petitioner has also prayed, inter alia, to pass an order directing the IRB and IRB GEPL to not transfer the bid concession fee of ₹7,380 Crores to the HMDA or alternatively, not to transfer any funds from the bid concession fee of ₹7,380</p>	The matter is pending	Nil

Source(s): Management information



Annexure 5f: Statement of assets as at 31 March 2024

Statement of assets					
INR Crore					
Name of the SPV	Net tangible assets	Intangible assets	Other non current assets	Non current assets	Current assets
IRB Westcoast Tollway Limited	-	3,021	0	3,021	69
Solapur Yedeshi Tollway Limited	-	1,300	-	1,300	64
Yedeshi Aurangabad Tollway Limited	-	3,411	0	3,411	132
Kaithal Tollway Kimited	0	1,942	-	1,942	87
AE Tollway Limited	0	2,989	0	2,989	75
Udaipur Tollway Limited	-	2,557	-	2,557	76
CG Tollway Limited	0	2,063	2	2,065	86
Kishangarh Gulabpura Tollway Limited	0	1,618	-	1,619	36
IRB Hapur Moradabad Tollway Limited	0	3,116	1	3,117	55
Palsit Dankuni Private Tollway Limited	-	1,760	-	1,760	70
IRB Golconda Expressway Private Limited	-	7,958	0	7,959	362
Samakhiyali Tollway Private Limited	-	400	1	401	3
IRB Lalitpur Tollway Private Limited	-	4,462	-	4,462	242
IRB Kota Tollway Private Limited	-	526	-	526	31
IRB Gwalior Tollway Private Limited	-	1,172	-	1,172	51

Source(s): Management information



Annexure 5g: Site pictures - IWTL



भारतीय राष्ट्रीय राजमार्ग प्राधिकरण
रास्ते का उपयोग करने वालों के लिए पथकर सूची

वाहन का प्रकार	एक मासिक यात्रा हेतु (₹.)	24 घण्टे में एक बार (₹.)	मासिक पास के दर (₹.)	जिले के अंदर वंजीकृत सामयिक वाहन की एक मासिक यात्रा हेतु (₹.)
दो-चक्रिया वाहन	110	165	3690	55
तीन-चक्रिया वाहन	175	260	5795	85
चार-चक्रिया वाहन	360	535	11930	180
बस	390	590	13055	195
ट्रक	550	825	18375	275
ट्रैक्टर	695	1045	23180	350



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - SYTL

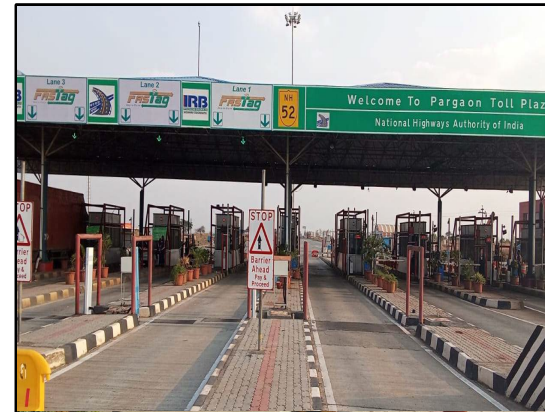
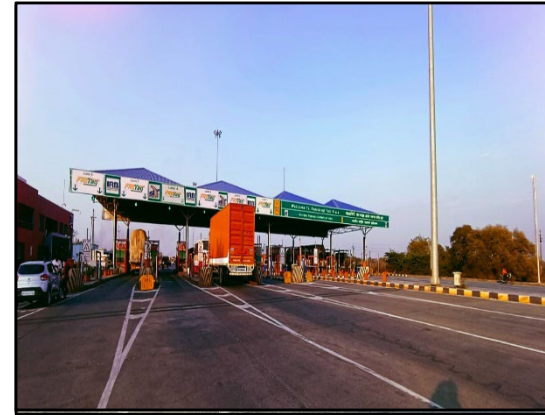


भारतीय राष्ट्रीय राजमार्ग प्राधिकरण वाहन शुल्क (₹)				जिला अंतर्गत नौदणी कृत वाणिज्य वाहनाच्या प्रत्येक फेऱ्यासाठी
वाहन प्रकार	एक तर्फी यात्रे करीता	२४ तासांमध्ये एका वेळा	मासिक पास	
	75	110	2420	35
	115	175	3905	60
	245	370	8185	125
	270	400	8925	135
	385	575	12835	190
	470	705	15620	235



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - YATL



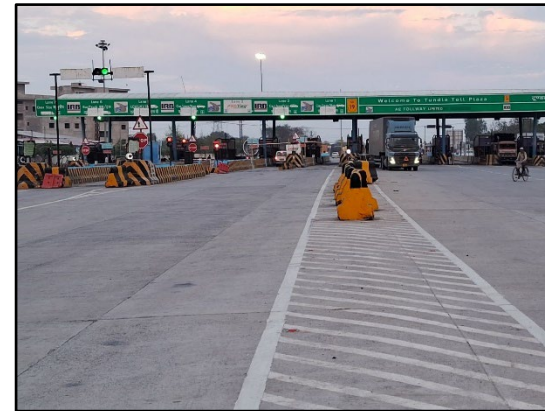
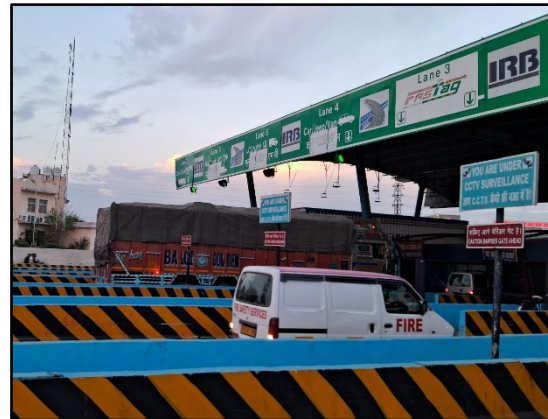
Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - KTL



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - AETL



M/s AE Tollways Ltd. IIRB		M/s AE Tollways Ltd. IIRB	
TUNDLA Toll at CH 224.950 of NH-19 (NH-2) Toll Fee For Stretch From 199.620-252.250 Km of NH-2 User Fee Effective From -01-04-2023		TUNDLA Toll at CH 224.950 of NH-19 (NH-2) Toll Fee For Stretch From 199.620-252.250 Km of NH-2 User Fee Effective From -01-04-2023	
वाहनों के प्रकार	टोल फीस	वाहनों के प्रकार	टोल फीस
कार, जीप, वैन या ट्रक के अतिरिक्त वाहन	210	कार, जीप, वैन या ट्रक के अतिरिक्त वाहन	105
एकल यात्री वाहन (ऑटो रिक्शा, टैक्सी, रिक्शा, रिक्शा, रिक्शा)	340	एकल यात्री वाहन (ऑटो रिक्शा, टैक्सी, रिक्शा, रिक्शा, रिक्शा)	170
बस और ट्रक (दो घुंटी)	710	बस और ट्रक (दो घुंटी)	355
पर्यटनवाहक वाहन (तीन घुंटी)	770	पर्यटनवाहक वाहन (तीन घुंटी)	385
बसों के अतिरिक्त वाहन (चार घुंटी)	1110	बसों के अतिरिक्त वाहन (चार घुंटी)	555
बसों के अतिरिक्त वाहन (पांच घुंटी)	1350	बसों के अतिरिक्त वाहन (पांच घुंटी)	675

Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - UTL



IRB National Highways Authority of India
USER FEE
 (Udaipur - Shamlaj) Section from km. 333-585 to 447-385 on NH-6

Type of Vehicle	Single Journey Rate (Rs.)*	Return Journey Rate Valid for 24 Hrs. (Rs.)*	Monthly Pass 50 & more Single journey (Rs.)*
Car, Jeep, Van or LMV	175	260	5750
LCV, LGV or Mini Bus	280	420	9290
Bus / Truck (2 Axles)	585	875	19470
Commercial Vehicles (3 Axles)	635	955	21240
HCM, EME or Multi Axles Vehicles (4 to 6 Axle)	915	1375	30530
Oversized Vehicles (7 or More Axles)	1115	1675	37170

* All Rates are Applicable only Payment through FASTAG

IRB National Highways Authority of India
EXEMPTED VEHICLES

B) USED FOR OFFICIAL PURPOSES BY:-

- The Ministry of Defence Including Those Which are Eligible For Exemption In Accordance With The Provision of The Indian Toll (Army and Air Force) Act 1901 and Rules Made There Under, As Extended to Navy also
- The Central and State Armed Forces in Uniform Including Para Milita Forces and Police
- An Executive Magistrate
- The Fire Fighting Department or Organization
- The National Highways Authority of India or any Other Government Organization Using Such Vehicle For Inspection, Survey Construction or Operation of National Highways and Maintenance There of

C) Used As Ambulance,
D) Used As Funeral Van
E) Mechanical vehicles Specially Designed and Constructed for use of a Person Suffering From Physical Disability

IRB National Highways Authority of India
EXEMPTED DIGITARIES

- TRANSPORTING AND ACCOMPANYING
- The President of India
- The Vice - President of India
- The Prime Minister of India
- The Governor of a State
- The Chief Justice of India
- The Speaker of India
- The Cabinet Minister of the House of People
- The Chief Minister of the Union
- The Minister of the Supreme Court
- The Minister of the State of the Union
- The Lieutenant Governor of a Union Territory
- The Chairman of a Staff Holding The Rank of Field General or Equivalent Rank
- The Speaker of The Legislative Council of a State
- The Chief Justice of High Court
- The Member of High Court
- The Member of Parliament
- The Army Commander or Vice - Chief of Army Staff And Equivalent in other Services
- The Chief Secretary to a State Government Within Concerned State
- The Secretary to The Government of India
- The Secretary, Council of States
- The Secretary, House of People
- The Foreign Dignitary on State Visit
- The Member of Legislative Assembly of a State and The Member of Legislative Council of a State Within Their Respective State If Her or She Produces His or Her Identity Card Issued by The Concerned Legislature of The State
- The Awardee of Param Vir Chakra, Ashok Chakra, Maha Vir Chakra, Kirti Chakra, Vir Chakra and Shaurya Chakra If Such Awardee Produces His or Her Photo Identity Card Duly Authenticated by The Appropriate or Competent Authority for Such Award

Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - CGTL



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - KGTL



Kishangarh Gulappura Tollway Limited

USER FEE
(Kishangarh Gulappura Section from km. 0.000 to 90.000 on NH - 79A & 79)

Category of Vehicle / Applicable Fee	Fee for Single Journey (In Rupees)*	Fee for Multiple (max. no. of two one way) journey within a day (In Rupees)*	Fee for Monthly pass for 50 single journeys in a month (In Rupees)*	Fee for Commercial Vehicles registered within the District (In Rupees)*
Car / Jeep / Van / LMV	140	210	4670	70
LCV / LGV / Mini Bus	225	340	7540	115
Bus/ Truck (2 Axles)	475	710	15800	235
Commercial Vehicles (3 Axles)	515	775	17235	260
HCM / EME / MAV (4 to 6 Axles)	745	1115	24775	370
Oversized Vehicles (7 or more Axles)	905	1355	30160	450

* All Rates are applicable only on Payment through FASTag

Kishangarh Gulappura Tollway Limited

CONCESSION

- The rate of monthly pass for person who owns a mechanical vehicle registered for non-commercial purposes and resides within a distance of twenty kilometers from the toll plaza is 70% of the monthly fee payable for the year 2023-24, which is subject to revision every year as per the provision of the National Highways Fee (Determination of Rates and Collection) Rules, 2008.
- For multiple journeys on the highway section, passes shall be issued at the following rates, namely:

Amount Payable	Maximum number of one way journeys allowed	Period of validity
One and half times of the fee for one way journey	Two	Twenty Four hours from the time of payment
Two-third of amount of the fee payable for fifty or more single journeys	Fifty or more	One month from date of payment
- Fee for commercial vehicle (including vehicles plying under national permit) registered in the district where the fee plaza falls shall be 50% of the prescribed rate for that category of vehicle provided no service road or alternative road is available for use of such commercial vehicles.
- All rates are applicable only on payment through FASTag



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - IHMTL



TYPE OF VEHICLE	REG. STATE	REG. STATE (IN %)	REG. STATE (IN %)	REG. STATE (IN %)
Two-wheeler (100 cc and below)	105	160	3540	55
Two-wheeler (100 cc and above)	170	260	5720	85
Light Motor Vehicle (1000 cc and below)	360	540	11990	180
Light Motor Vehicle (1000 cc and above)	390	590	13080	195
Heavy Commercial Vehicle (HCV) (10000 cc and below)	565	845	18800	280
Heavy Commercial Vehicle (HCV) (10000 cc and above)	685	1030	22890	345

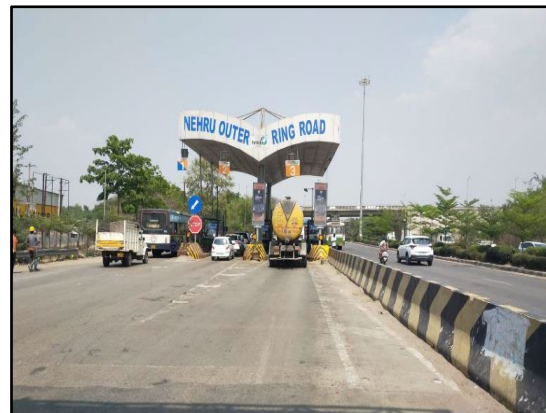
Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - PDTPL



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - IGEPL



Sl. No.	Interchange Name	Distance in KM	Distance 100	200	300	400	500	600	700	800	900	1000
17	Rajendra Nagar	6.25	20	30	50	70	100	120				
18	TSPA	11.65	30	40	70	100	140	170				
18A	Narsingi	15.90	40	60	100	130	190	230				
19	Nanakramguda	22.06	60	80	140	180	260	320				
1	Kokapet	19.91	40	70	130	160	230	280				
1A	Neo Polis	21.21	50	80	140	180	250	310				
2	Edulaganapally	31.41	70	110	200	260	350	450				
3	Patencheru	40.01	90	150	280	330	450	580				
4	Sultanpur	48.51	110	180	310	400	550	710				
4A	Mallampet	54.91	120	200	350	450	650	790				
5	Baregudem	60.21	140	220	390	500	720	880				
6	Medchal	69.71	160	250	450	580	840	1020				
7	Shamirpet	75.00	170	270	480	630	900	1090				
8	Kesasa	83.10	190	300	530	700	980	1200				
9	Chhatrapati	84.85	120	200	350	450	650	800				
10	Taramatipet	48.35	100	170	300	390	550	680				
11	Pedda Amberpet	39.45	90	140	260	330	470	580				
12	Bongalur	27.20	60	100	180	230	330	400				
13	Reviryal	20.10	50	70	130	170	240	290				
14	Tukkuguda	14.60	30	50	90	120	180	210				
15	Pedda Golconda	6.35	10	20	40	50	80	90				

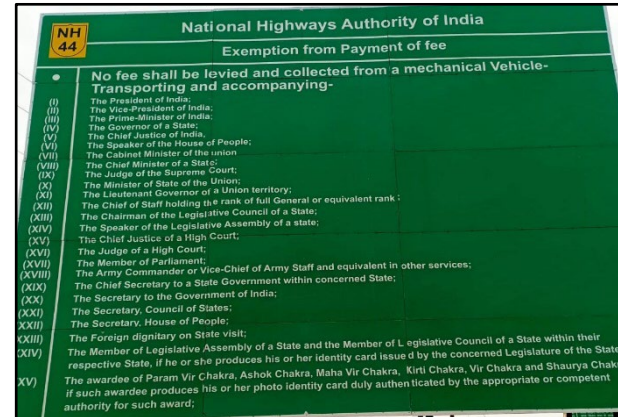
Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - STPL



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - IGTPL

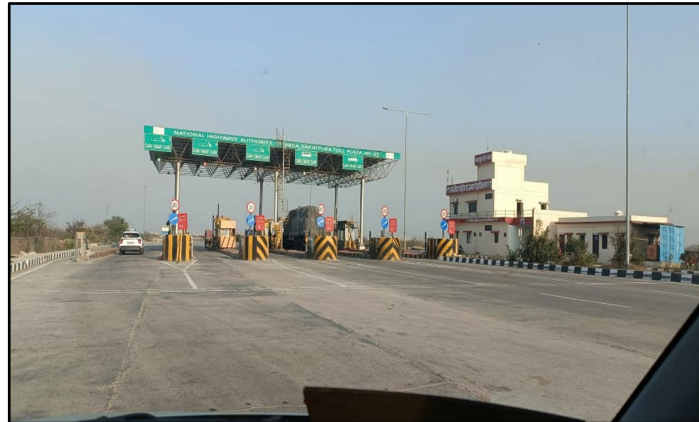


वाहन का प्रकार	एक मागीय यात्रा के लिए शुल्क	वामसी यात्रा शुल्क निर्धारित समय में
कार/ऑप/वेन या हल्के वाहन (कुल वजन 7500 किलो तक)	140	210
हल्के वाणिज्यिक वाहन या मिनी बस (कुल वजन 7500 किलो से अधिक व 12000 किलो तक)	225	340
बस/ट्रक (बी एक्सएल) (कुल वजन 12000 किलो से अधिक व 16200 किलो तक)	475	710
वाणिज्यिक वाहन (सीए एक्सएल) (कुल वजन 16200 किलो से अधिक व 25000 किलो तक)	515	775
हेवी कॉन्स्ट्रक्शन मशीनरी/अर्थ मूविंग मशीनरी/बहुदुर्गम वाहन (वार से डी: एक्सएल) (कुल वजन 25000 किलो से अधिक व 54200 किलो तक)	745	1115
सामान्य से अधिक बड़े वाहन (वार से अधिक एक्सएल) (कुल वजन 54200 किलो से अधिक)	905	1355



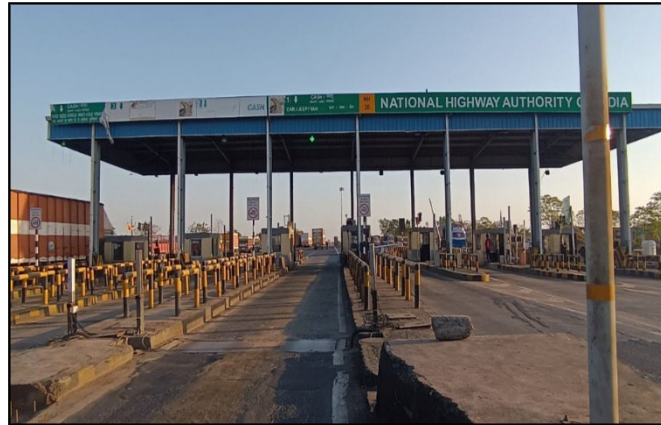
Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - IKTPL



Source(s): Site visits conducted in February/March 2024.

Annexure 5g: Site pictures - ILTPL



National Highways Authority of India
Toll Plaza-Chitora

Toll Free For Stretch- From Km 99.005 To Km 415.089 of NH-44

Category of Vehicle	Single Journey	Return Journey Within 24 Hrs (Fastag Only)	Monthly Pass 50 Trip	Local Commercial Vehicle Registered Within District Plaza
Car/ Jeep/Van of LMV	150	225	5055	75
LCV/LGV/or Mini Bus	245	365	8150	120
Bus/Truck (Tow Axle)	510	777	17080	255
3Axle Commercial Vehicles	560	840	18635	280
HCM/EME/MAV (4-6 Axles)	805	1205	26785	400
Oversized Vehicles (7 Or More Axles)	980	1465	32610	490

Note: The Rate for Monthly Pass (For FY 2023-24) will be Rs. 330/- per month for the Local Non-Commercial Vehicle Registered within a distance of 20 Km. from the Toll Plaza



Source(s): Site visits conducted in February/March 2024.

8.

Scope & Limitations

Scope & Limitations (1/3)

Terms of Engagement

- KPMG Valuation Services LLP (“KPMG” or “we”) has been appointed by IRB Infrastructure Trust (“IRBI Trust”, “Trust” or “Client” or “you”) in relation to carrying out Enterprise Valuation of 15 Special Purpose Vehicles (“SPVs” or “IRBI Trust Assets”) of IRBI Trust and Equity Valuation of IRBI Trust (jointly referred as “Targets”) as on the agreed date of the valuation in accordance with Regulation 21 of the Securities Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 where valuation is required to be conducted by a registered valuer (as defined under section 247 of the Companies Act, 2013) and such valuation report (“Report”) is required to be in compliance with the SEBI InvIT Regulations (“Engagement” or “Valuation”).
- The terms of the Engagement are set out in our letter of engagement dated 16 October 2023 (“LoE”). This letter of engagement is preceded by signed undertaking dated 11 July 2023 (“Undertaking letter”) provided by us. As agreed, Undertaking letter shall be read in conjunction and shall form part of the aforesaid letter of engagement.
- The date of Valuation is 31 March 2024 (“Valuation Date”).
- This Report sets out KPMG’s conclusions on the Valuation and has been prepared in accordance with LoE. Our Report is confidential to the Client and will be used by the Client only for purposes mentioned in the LoE. The Report will be issued by us on the express understanding that it shall not be copied, disclosed or circulated or referred to in correspondence or discussion with any third party. This Report is confidential to the Client and it is given on the express understanding that it is not communicated, in whole or in part, to any third party without KPMG’s prior written consent. Neither the Report nor its content may be used for any other purpose without prior written consent of KPMG. This Report has a limited scope as specified in it. KPMG will not accept any responsibilities to any other party to whom the Report may be shown or who may acquire a copy of the Report.
- We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Targets/ their holding companies/ subsidiaries/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to the Valuer. It is hereby notified that usage, reproduction, distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this report, without our prior written consent, is not permitted, unless there is a statutory or a regulatory requirement to do so.
- We are aware that the Report may have to be shared with certain regulatory authorities in India and stock exchanges in India and therefore Report may enter the public domain and hereby provide our consent to such sharing subject to the following:
 - You shall indemnify and hold us harmless against any loss that may be incurred by us arising out of or relating to sharing of the Report with regulatory authorities in India or stock exchanges in India, or the Report entering the public domain as mentioned herein, as also against all costs, charges and expenses (including legal expenses) suffered or incurred by us on account of the aforesaid. In this clause “us” shall include all Firm Persons and “you” shall include Other Beneficiaries (as these terms have been defined in the LoE).
 - Such Report shall be disclosed in full and strictly in such forms as KPMG has provided to the Client without any deviation.
 - KPMG shall not be liable to any person or party for any reason and under any circumstances.
 - The readers of the Report shall not bring any claim against KPMG for matters arising out of or consequent upon disclosure of the Report.
 - The Report shall be issued with all the disclaimers as provided by KPMG at the time of issuance of the Report.

Scope & Limitations (2/3)

Disclosure of Interest/Conflict

- KPMG is not affiliated to the Client in any manner whatsoever. Further, KPMG does not have a prospective interest in the business which is the subject of this engagement.
- KPMG's fee is not contingent on an action or event resulting from the analyses, opinions or conclusions in this Report.

Basis of Value

- The report has been prepared on the basis of "Fair Value" as at Valuation Date. The generally accepted definition of "Fair Value" is the value as applied between a hypothetical willing vendor and a hypothetical willing prudent buyer in an open market and with access to all relevant information.

Premise of Value

- The report has adopted "Going Concern Value" as the premise of value in the given circumstances. The generally accepted definition of Going concern value is the value of a business enterprise that is expected to continue to operate in the future.
- The valuation has been performed as per internationally accepted valuation methodologies and in cognizance of international valuation standards and ICAI Valuation Standards 2018 issued by the Institute of Chartered Accountants of India.

Scope and Limitations

- This Report is based on the information provided by the Client and has been confirmed by the Client. KPMG have not independently verified or checked the accuracy or timeliness of the same. KPMG have indicated within this Report the sources of the information presented and have satisfied ourselves, so far as possible, that the information presented is consistent with other information which is made available to us in the course of our work in accordance with the terms of this engagement letter. KPMG have not, however, sought to establish the reliability of the sources by reference to other evidence, except as may be specifically agreed in writing between us.
- KPMG has read, analyzed and discussed the financial information and underlying management assumptions pertaining to the Targets as provided by the Management of the Client ("Management"). This information has been solely relied upon by KPMG for the Valuation.
- We have based our analysis on the audited financial statements of the Targets (other than IGEPL, STPL, ILTPL, IGTPL, IKTPL), for the years ended 31 March 2021 to 31 March 2023 and provisional financial statements of the Targets for the period from 01 April 2023 to 31 March 2024. Additionally, our analysis is based on the business plan of the SPVs for the period from 1 April 2024 to the end of the concession periods of respective SPVs as provided by the Management ("Management Business Plan") and key underlying assumptions. Any changes in the assumptions or methodology used to consolidate the financial statements may significantly impact our analysis and therefore the Valuation.
- KPMG has read and analyzed but have not commented on the appropriateness of or independently verified the Management Business Plan and underlying data and assumptions and accordingly provided no opinion on the same. If there were any omissions, inaccuracies or misrepresentations of the information provided by the Management, this may have a material effect on our findings and therefore the Valuation.
- The realization of the projections in the Management Business Plan will be dependent on the continuing validity of assumptions on which it is based. Our analysis therefore will not and cannot be directed to providing any assurance about the achievability of the future plans. Since the projections relate to the 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.

Scope & Limitations (3/3)

- This Report makes reference to 'KPMG analysis'. This indicates only that we have (where specified) undertaken certain analytical activities on the underlying data to arrive at the information presented.
- Our work did not constitute an audit of the financial statements and accordingly, we do not express any opinion on the truth and fairness of the financial position as indicated in this Report. Our work did not constitute a validation of the financial statements of the Targets, and accordingly, we do not express any opinion on the same.
- We have carried out the Valuation based on Management Business Plan received. Our scope of work does not include any commercial / legal / technical due diligence or carrying out any environmental / technical feasibility analysis or comparison of Management Business Plan with approved budgets / annual operating plans of the Targets. We have relied on Management's representation on such considerations and any changes in the same may significantly impact our analysis and therefore the Valuation.
- Wherever applicable, we have relied upon the legal opinion document / affidavit copies provided by Management in relation to the current status of the projects. We have not carried out / sought any independent legal opinion, nor have we verified the accuracy of the legal opinion shared. Any discrepancy in the same may significantly impact our analysis and therefore the Valuation.
- Our opinion is based on prevailing market, economic, and other conditions at the Valuation Date. It should be appreciated that these conditions can change over relatively short periods of time, not only as a result of internal factors, but because of external factors, which could impact the value, either positively or negatively.
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Client. We have not independently verified the accuracy or timeliness of the same.
- Neither KPMG nor any of its affiliates worldwide are responsible for updating this Report because of events or transactions occurring subsequent to the date of this Report. Any updates or second opinions in this Report cannot be sought by the Management from external agencies including global offices of KPMG without the prior written permission of KPMG.
- KPMG has not considered any finding made by other external agencies in carrying out the Valuation analysis other than the one mentioned herein.
- For the purpose of the Valuation, our scope does not include valuation or legal due diligence of current assets and liabilities and as represented by the Management, the same has been considered at their respective book value.
- For the purpose of this engagement and Report, we have made no investigation of, and assume no responsibility for the title to, or liabilities against the Targets. Our conclusion of value assumes that the title to the assets and liabilities of the Targets reflected in the financial statements as on Valuation Date is intact as at the date of this Report.
- Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.
- The Report should be read in the light of these limitations, and we caution that had these matters been within the scope of our review, our conclusions may have changed, and that change could be material.
- The information presented in this Report does not reflect the outcome of any due diligence procedures. The reader is cautioned that the outcome of due diligence process could change the information herein and our Valuation, and that change could be material.
- This Report forms an integral whole and cannot be split in parts. The outcome of the Valuation can only lead to proper conclusions if the Report as a whole is taken into account.

Management representation

- This Report is prepared on the basis of the sources of information listed in Annexure 1. KPMG has relied upon written representation by the Management that the information contained in the Report is materially accurate and complete, fair in its manner of portrayal and therefore forms a reliable basis for the Valuation.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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