DRAFT OFFER DOCUMENT
Dated December 15, 2016, and updated as of April 28, 2017
Book Built Issue

Reliance Infrastructure InvIT Fund

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

Registered Office: 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai - 400055.
SEBI Registration Number: IN/InvIT/16-17/0004; **Tel:** +91 22 3303 7000; **Fax:** +91 22 3303 7664;
E-mail: info@relianceiif.com; **Website:** www.relianceiif.com
Contact Person: Mr. Deepak Mukhija, Compliance Officer

SPONSOR	INVESTMENT MANAGER
RELIANCE INFRASTRUCTURE LIMITED	RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED

INITIAL PUBLIC OFFER OF UP TO [●] UNITS (THE "UNITS") REPRESENTING AN UNDIVIDED BENEFICIAL INTEREST IN THE RELIANCE INFRASTRUCTURE INVIT FUND (THE "TRUST") BY THE TRUST (THE "ISSUE"), AGGREGATING UP TO RS. 25,000 MILLION. RELIANCE NIPPON LIFE ASSET MANAGEMENT LIMITED (THE "INVESTMENT MANAGER"), IN CONSULTATION WITH THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS (THE "GCBRLMs") AND THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs"), RESERVES THE OPTION TO RETAIN OVERSUBSCRIPTION OF UP TO 25% OF THE ISSUE SIZE IN ACCORDANCE WITH THE INVIT REGULATIONS (AS DEFINED HEREIN). THE ISSUE WILL CONSTITUTE AT LEAST 25% OF THE TOTAL OUTSTANDING UNITS ON A POST-ISSUE BASIS IN TERMS OF REGULATION 14(1A) OF THE INVIT REGULATIONS.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE INVESTMENT MANAGER IN CONSULTATION WITH THE GCBRLMS AND BRLMS, AND WILL BE ANNOUNCED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE, ON THE WEBSITE OF THE TRUST, THE SPONSOR AND THE INVESTMENT MANAGER, AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least one Working Day, subject to the total Bid/Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period. Any revision to the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges during the Bid/Issue Period and by indicating the change on the websites of the Trust, the Sponsor, the Investment Manager and Stock Exchanges.

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

THIS UPDATED DRAFT OFFER DOCUMENT IS BEING MADE AVAILABLE ON THE WEBSITES OF THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"), THE STOCK EXCHANGES, THE GCBRLMS AND BRLMS, AFTER INCORPORATING ADDITIONAL INFORMATION AND UPDATES TO THE DRAFT OFFER DOCUMENT DATED DECEMBER 15, 2016, AND SHOULD NOT BE DEEMED TO CONSTITUTE THE FILING OF A 'DRAFT OFFER DOCUMENT' UNDER THE INVIT REGULATIONS. READERS SHOULD RELY ONLY UPON THE INFORMATION IN THIS UPDATED DRAFT OFFER DOCUMENT AND NOT ON ANY INFORMATION CONTAINED IN THE DRAFT OFFER DOCUMENT DATED DECEMBER 15, 2016.

RISKS IN RELATION TO THE FIRST ISSUE

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

GENERAL RISKS

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

INVESTMENT MANAGER'S AND SPONSOR'S ABSOLUTE RESPONSIBILITY

The Investment Manager and the Sponsor, severally and not jointly, having made all reasonable inquiries, accept responsibility for and confirm that this Draft Offer Document contains all information with regard to the Trust Group (as defined herein) and the Issue, which is material in the context of the Issue, that the information contained in this Draft Offer Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Units offered through the Offer Document are proposed to be listed on the Stock Exchanges. The 'in-principle' approvals of the BSE and the NSE for the listing of the Units have been received pursuant to their letters each dated January 13, 2017. For the purposes of the Issue, the Designated Stock Exchange shall be [●].

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

AXIS CAPITAL	BofA Merrill Lynch	UBS
Axis Capital Limited 1st Floor, Axis House, C 2 Wadia International Centre, Pandurang Budhkar Marg Worli, Mumbai 400 025, India. **Tel:** +91 (22) 4325 2183 **Fax:** +91 (22) 4325 3000 **Email:** rinfrainvit.ipo@axiscap.in **Investor grievance id:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person:** Ankit Bhatia **SEBI Registration Number:** INM000012029	**DSP Merrill Lynch Limited** Ground Floor, "A" Wing, One BKC, "G" Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051, India **Tel:** +91 (22) 6632 8000 **Fax:** +91 (22) 2204 8518 **E-mail:** dg.relianceinfrastructureinvitfund_ipo@baml.com **Investor Grievance e-mail:** dg.india_merchantbanking@baml.com **Website:** www.dspml.com **Contact Person:** Chirag Jain **SEBI Registration Number:** INM000011625	**UBS Securities India Private Limited** 2/F, 2 North Avenue, Maker Maxity Bandra-Kurla Complex Bandra (East), Mumbai 400 051, India **Tel:** +91 (22) 6155 6000 **Fax:** +91 (22) 6155 6292 **E-mail:** ol-rinfrainvit@ubs.com **Investor Grievance e-mail:** customercare@ubs.com **Website:** www.ubs.com/indianoffers **Contact Person:** Jasmine Kaur **SEBI Registration Number:** INM000010809

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
SBI Capital Markets Limited	YES SECURITIES	KARVY Computershare
SBI Capital Markets Limited 202, Maker Tower 'E', Cuffe Parade, Mumbai 400 005, India. **Tel:** + 91 (22) 2217 8300 **Fax:** +91 (22) 2218 8332 **E-mail:** RIInvIT.ipo@sbicaps.com **Investor Grievance e-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Nikhil Bhiwapurkar / Gitesh Vargantwar **SEBI Registration Number:** INM000003531	**YES Securities (India) Limited** IFC, Tower 1 & 2, Unit No. 602 A, 6th Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai – 400013, Maharashtra, India **Tel:** +91 (22) 3347 9688 **Fax:** +91 (22) 2421 4508 **E-mail:** rinfra.invit@yessecuritiesltd.in **Investor Grievance e-mail:** igc@yessecuritiesltd.in **Website:** www.yesinvest.in **Contact Person:** Mukesh Garg **SEBI Registration Number:** MB/INM000012227	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, India **Tel:** +91 40 6716 2222 **Toll Free No.:** 1-800-3454001 **Fax:** +91 40 2343 1551 **E-mail:** reliance.invit@karvy.com **Investor Grievance Email:** support@karvy.com **Website:** https://karisma.karvy.com **Contact Person:** M Murali Krishna **SEBI Registration Number:** INR000000221

BID/ ISSUE PROGRAMME

BID/ISSUE OPENS ON* : [●]	BID/ISSUE CLOSES ON** : [●]

* *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors in the Issue. The Anchor Investor and Strategic Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations.*

** *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Issue Period for Institutional Bidders one Working Day prior to the Bid/Issue Closing Date in accordance with the InvIT Regulations.*

TABLE OF CONTENTS

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Notice to Prospective Investors in the European Economic Area

This Draft Offer Document has been prepared on the basis that all offers of the Units will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Units. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive) and includes any relevant implementing measure in each Relevant Member State (as defined below). Accordingly, any person making or intending to make an offer within the EEA of Units which are the subject of the placement contemplated in this Draft Offer Document should only do so in circumstances in which no obligation arises for the Trust or any of the GCBRLMs or the BRLMs to produce a prospectus for such offer. None of the Trust and the GCBRLMs or the BRLMs have authorized, nor do they authorize, the making of any offer of the Units through any financial intermediary, other than the offers made by the GCBRLMs or the BRLMs which constitute the final placement of the Units contemplated in this Draft Offer Document.

THE TRUST WILL CONSTITUTE AN ALTERNATIVE INVESTMENT FUND FOR THE PURPOSE OF THE EUROPEAN UNION DIRECTIVE ON ALTERNATIVE INVESTMENT FUND MANAGERS (DIRECTIVE 2011/61/EU) ("**AIFMD"**). THE ALTERNATIVE INVESTMENT FUND MANAGER (THE "**AIFM**") OF THE TRUST WILL BE THE INVESTMENT MANAGER.

UNITS MAY ONLY BE MARKETED TO PROSPECTIVE INVESTORS WHICH ARE RESIDENT, DOMICILED OR HAVE A REGISTERED OFFICE IN A EUROPEAN ECONOMIC AREA ("**EEA**") MEMBER STATE ("**EEA MEMBER STATE**") IN WHICH THE MARKETING OF UNITS HAS BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER THE RELEVANT NATIONAL IMPLEMENTATION OF ARTICLE 42 OF AIFMD, AND IN SUCH CASES, ONLY TO EEA PERSONS WHICH ARE "PROFESSIONAL INVESTORS" OR ANY OTHER CATEGORY OF PERSON TO WHICH SUCH MARKETING IS PERMITTED UNDER THE NATIONAL LAWS OF SUCH EUROPEAN ECONOMIC AREA MEMBER STATE (EACH AN "**EEA PERSON**"). THIS OFFER DOCUMENT IS NOT INTENDED FOR, SHOULD NOT BE RELIED ON BY AND SHOULD NOT BE CONSTRUED AS AN OFFER (OR ANY OTHER FORM OF MARKETING) TO ANY OTHER EEA PERSON.

A "**PROFESSIONAL INVESTOR**" FOR THE PURPOSES OF AIFMD IS AN INVESTOR WHO IS CONSIDERED TO BE A PROFESSIONAL CLIENT OR WHICH MAY, ON REQUEST, BE TREATED AS A PROFESSIONAL CLIENT WITHIN THE RELEVANT NATIONAL IMPLEMENTATION OF ANNEX II OF DIRECTIVE 2004/39/EC (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE).

A LIST OF JURISDICTIONS IN WHICH THE INVESTMENT MANAGER AND/OR THE TRUST HAVE BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER ARTICLE 42 OF AIFMD IS AVAILABLE FROM THE INVESTMENT MANAGER ON REQUEST. IF THE INVESTMENT MANAGER HAS NOT BEEN REGISTERED OR APPROVED IN A PARTICULAR EEA MEMBER STATE TO MARKET UNITS, THEN THE TRUST IS NOT BEING MARKETED TO ANY EEA PERSON AT SUCH DATE IN THAT EEA MEMBER STATE. TO THE EXTENT THAT AN AFFILIATE OF THE INVESTMENT MANAGER PROMOTES THE TRUST IN AN EEA MEMBER STATE, THEN SUCH PROMOTION IS BEING UNDERTAKEN FOR AND ON BEHALF OF THE INVESTMENT MANAGER IN SUCH CAPACITY.

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

General Terms

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

Trust Related Terms

Term	Description
Auditors / Trust's Auditors	The auditors of the Trust, namely Chaturvedi & Shah, Chartered Accountants
Condensed Combined Financial Statements	The condensed combined financial statements of the Project SPVs, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS, and the related notes, schedules and annexures thereto, as of and for the financial years ended March 31, 2015, 2016 and 2017
DA	DA Toll Road Private Limited
Formation Transactions	The transactions pursuant to which the Trust will acquire the shareholding of the Sponsor in the Project SPVs in consideration for Units to be issued to the Sponsor after the Bid/Issue Closing Date and prior to Allotment in the Issue
Indenture of Trust	The indenture of trust dated September 12, 2016, as executed by the Sponsor and the Trustee to settle the Reliance Infrastructure InvIT Fund, and as amended *vide* the deed of amendment dated April 12, 2017
Infrastructure Assets	The infrastructure assets proposed to be held by the Trustee in the name of the Trust for the benefit of the Unitholders, whether directly or through a Project SPV in accordance with the InvIT Regulations, and includes all rights, interests and benefits arising from and incidental to ownership of such assets
Investment Manager	The investment manager, namely Reliance Nippon Life Asset Management Limited
Investment Management Agreement	The investment management agreement dated October 3, 2016, executed between the Trustee (acting on behalf of the Trust) and the Investment Manager for managing and administering the Trust, in accordance with the InvIT Regulations
Initial Road Assets	The toll road assets owned, operated and maintained by the Project SPVs
HK	HK Toll Road Private Limited
KM	KM Toll Road Private Limited
Parties to the Trust	The Sponsor, the Investment Manager, the Project Manager and the Trustee
Project Implementation Agreement(s)	The project implementation agreements, each dated October 3, 2016, entered into by the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager, with each of the Project SPVs, which set out the obligations of the Project Manager with respect to execution of the project undertaken by such Project SPV, in accordance with the InvIT Regulations
Project Entities	The entities through which the Sponsor operates its various road infrastructure projects
Project Manager	The project manager, namely Reliance Infrastructure Limited

Term	Description
Project SPVs	The Project Entities, which are proposed to form part of the initial portfolio of the Trust, namely the following: i) DS Toll Road Limited; ii) GF Toll Road Private Limited; iii) JR Toll Road Private Limited; iv) NK Toll Road Limited; v) SU Toll Road Private Limited; vi) TD Toll Road Private Limited; and vii) TK Roll Road Private Limited.
PS	PS Toll Road Private Limited
Revenue, Profit and Cash Flow Projections	The projections of the revenue, operating cash flows and profits of the Trust Group for the financial years ended March 31, 2018, 2019 and 2020, prepared in accordance with the requirements of the InvIT Regulations
Right of First Offer and Future Assets Agreement / ROFO and Future Assets Agreement	The right of first offer and future assets agreement dated [●], among the Sponsor, the Investment Manager and the Trustee (acting on behalf of the Trust).
Securities Purchase Agreement(s)	The securities purchase agreements to be entered into by the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsor, with each of the Project SPVs, in relation to the transfer of the equity shares and the subordinate debt certificates held by the Sponsor in such Project SPVs, in consideration for Units, after the Bid/Issue Closing Date but before the Allotment of the Units.
Sponsor	The sponsor of the Trust, namely Reliance Infrastructure Limited
Technical Consultants	Traffic Consultants
Traffic Consultants	GMD Consultants and Systra MVA Consulting (India) Private Limited
Traffic Reports / Technical Reports	The technical reports prepared by the Traffic Consultants with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs, dated April 2017.
Trustee	The trustee, namely IDBI Trusteeship Services Limited
Trust Assets	The assets owned by the Trust, whether directly or indirectly through a Project SPV or any other company, which are held by the Trustee in the name of the Trust for the benefit of the Unitholders, and includes all rights, interests and benefits arising from and incidental to the ownership of such assets
Trust Fund	The aggregate of capital contributions received from the Unitholders and any additions, accretions or reduction, and shall include securities, investments and Trust Assets of any kind whatsoever to which the same may be converted or varied from time to time, unutilized portion of any reserves created out of accretions, but does not include the initial settlement by the Sponsor and accretions thereto.
Trust Documents	The Indenture of Trust, the Investment Management Agreement, the Project Implementation Agreements, the Right of First Offer and the Future Assets Agreement, the Securities Purchase Agreements, any other agreement entered into by the Trustee and/or the Investment Manager with respect to the Trust and/or the Units, the Sponsor, this Draft Offer Document, the Offer Document and the Final Offer Document
Unitholder(s)	Investor(s) who holds Unit(s) of the Trust
Unit(s)	Unit(s) issued by the Trust representing an undivided beneficial interest and rights in the Trust
Valuers	The valuers of the Trust Assets and the Trust, namely Walker Chandiok & Co LLP, Chartered Accountants

Project SPVs

Term	Description
DS	DS Toll Road Limited
GF	GF Toll Road Private Limited
JR	JR Toll Road Private Limited
NK	NK Toll Road Limited

Term	Description
SU	SU Toll Road Private Limited
TD	TD Toll Road Private Limited
TK	TK Roll Road Private Limited

Issue Related Terms

Term	Description
AXIS	Axis Capital Limited
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, issue and transfer of the Units pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Units are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder, who has been or is to be Allotted Units after the Basis of Allotment has been finalized by the Investment Manager, the GCBRLMs and the BRLMs, in consultation with the Designated Stock Exchange
Anchor Investor(s)	An Institutional Bidder, applying under the Anchor Investor Portion, with a minimum Bid of Rs. 100 million, in accordance with the requirements specified in the InvIT Regulations and the Offer Document
Anchor Investor and Strategic Investor Allocation Price	Price at which Units will be allocated to Anchor Investors and Strategic Investors in terms of the Offer Document and the Final Offer Document, which will be decided by the Investment Manager in consultation with the GCBRLMs and the BRLMs
Anchor Investor Application Form	Form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Offer Document and the Final Offer Document
Anchor Investor and Strategic Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors and Strategic Investors shall be submitted and allocation to Anchor Investors and Strategic Investors shall be completed
Anchor Investor Portion	Up to 60% of the Institutional Bidder Category, which may be allocated by the Investment Manager, in consultation with the GCBRLMs and the BRLMs, to Anchor Investors and Strategic Investors on a discretionary basis
Anchor Investor and Strategic Investor Issue Price	Final price at which the Units will be Allotted to Anchor Investors and Strategic Investors in terms of the Offer Document and the Final Offer Document, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor and Strategic Investor Issue Price will be decided by the Investment Manager in consultation with the GCBRLMs and the BRLMs.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Any Bidder in this Issue who submits a Bid through the ASBA process, excluding Anchor Investors and Strategic Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Offer Document and the Final Offer Document
Banker(s) to the Issue / Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, being [●]
Basis of Allotment	Basis on which the Units will be Allotted to successful Bidders under the Issue and which is described in the section "*Issue Procedure*" on page 465

Term	Description
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor or a Strategic Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor and Strategic Investor Bid/Issue Period by Anchor Investors or Strategic Investors, pursuant to the submission of Anchor Investor Application Form and Strategic Investor Application Form, to subscribe to the Units at a price within the Price Band, including all revisions and modifications thereto as permitted under the InvIT Regulations in terms of the Offer Document and the Bid cum Application Form. The term "Bidding" shall be construed accordingly.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of a Bid in the Issue
Bid cum Application Form	Anchor Investor Application Form or Strategic Investor Application Form or the ASBA Form, as the context requires
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors and Strategic Investors, the date after which the Designated Intermediaries will not accept any Bids
Bid/Issue Opening Date	Except in relation to Anchor Investors and Strategic Investors, the date on which the Designated Intermediaries will start accepting Bids
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days
Bid Lot	[●] Units
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Offer Document and the Bid cum Application Form
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, in terms of which this Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the respective Stock Exchanges i.e. www.bseindia.com and www.nseindia.com
BRLMs / Book Running Lead Managers	The book running lead managers to the Issue, namely SBI Capital Markets Limited and YES Securities (India) Limited
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Units sent to Anchor Investors and Strategic Investors, who have been allocated Units, after the Anchor Investor and Strategic Investor Bid/Issue Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Issue Price will not be finalised and above which no Bids will be accepted
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Designated Date	Date on which funds are transferred from the Escrow Account(s) and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs, from the ASBA Accounts, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Offer Document and the Final Offer Document. The aforesaid instructions and transfers shall be issued/executed only after finalization of Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries	Members of the Syndicate, sub-syndicate members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
Draft Offer Document / DoD	This Draft Offer Document dated December 15, 2016, and updated as of April 28, 2017, issued in accordance with the InvIT Regulations, which does not contain complete particulars, including the number of Units, the price at which the Units will be Allotted and the size of the Issue
DSPML	DSP Merrill Lynch Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Offer Document will constitute an invitation to subscribe to the Units
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors and the Strategic Investors will transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among Trustee (acting on behalf of the Trust), the Investment Manager, the GCBRLMs, the BRLMs, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Public Issue Account Bank(s) and the Refund Bank(s) for, *inter alia*, the collection of the Bid Amounts from the Anchor Investors and Strategic Investors and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names
Final Offer Document	The Final Offer Document containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Issue Price and the Anchor Investor and Strategic Investor Issue Price will be finalised and below which no Bids will be accepted
GCBRLMs / Global Co-ordinators and Book Running Lead Managers	The global co-ordinators and book running lead managers to the Issue, namely Axis Capital Limited, DSP Merrill Lynch Limited and UBS Securities India Private Limited
Institutional Bidder Category	Portion of the Issue (including the Anchor Investor Portion) being not more than 75% of the Issue, consisting of [●] Units which shall be available for allocation to Institutional Bidders (including Anchor Investors and Strategic Investors), subject to valid Bids being received at or above the Issue Price

Term	Description
Institutional Investor	Institutional investor, as defined under Regulation 106X of the ICDR Regulations, means (i) Qualified Institutional Buyers (as defined under the ICDR Regulations); (ii) family trusts with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements; (iii) systemically important NBFCs registered with the RBI, with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements; and (iv) intermediaries registered with the SEBI, with a net-worth of more than Rs. 5,000 million, as per their last audited financial statements
Institutional Bidder	An Institutional Investor who makes a Bid pursuant to the terms of the Offer Document and the Bid cum Application Form
Issue	Initial public offer of up to [●] Units, aggregating up to Rs. 25,000 million, with an option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations
Issue Agreement	The agreement dated December 15, 2016, as amended and restated on April 28, 2017, among the Trustee (acting on behalf of the Trust), the Investment Manager, the Trustee, the Sponsor, the GCBRLMs and the BRLMs
Issue Price	The final price at which Units will be Allotted to the successful Bidders (except Anchor Investors and Strategic Investors) in terms of the Offer Document. The Issue Price will be decided by the Investment Manager in consultation with the GCBRLMs and the BRLMs on the Pricing Date.
Issue Proceeds	The gross proceeds of the Issue
Listing Agreement	The listing agreement to be entered into by the Trustee (acting on behalf of the Trust) and the Investment Manager with each of the Stock Exchanges
Net Proceeds	Issue Proceeds less the Issue expenses
Other Bidders	All Bidders that are not Institutional Bidders (excluding Strategic Investors that are not Institutional Bidders but are participating in the Anchor Investor Portion)
Other Bidder Category	Portion of the Issue being not less than 25% of the Issue consisting of [●] Units, which shall be available for allocation on a proportionate basis to Other Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident	A person resident outside India as defined under FEMA and includes NRIs, FIIs and FPIs
Offer Document	The offer document to be issued in accordance with the InvIT Regulations, which will not have complete particulars of the price at which the Units will be offered, including any addenda or corrigenda thereto
Price Band	Price Band of a minimum price of [●] per Unit (Floor Price) and the maximum price of [●] per Unit (Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot will be decided by the Investment Manager, in consultation with the GCBRLMs and the BRLMs, and will be announced at least five Working Days prior to the Bid/Issue Opening Date, on the website of the Trust, the Sponsor and the Investment Manager, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which the Investment Manager, in consultation with the GCBRLMs and the BRLMs, will finalise the Issue Price
Public Issue Account	Account opened with the Public Issue Account Bank(s) to receive monies from the Escrow Account(s) and the ASBA Accounts on the Designated Date
Public Issue Account Bank(s)	Bank(s) with whom the Public Issue Account for collection of Bid Amounts from the Escrow Accounts and ASBA Accounts will be opened, being [●]

Term	Description
QIB(s) / Qualified Institutional Buyer(s)	Qualified institutional buyer(s), as defined under Regulation 2(1)(zd) of the ICDR Regulations, which currently means: i) a mutual fund, VCF, AIF and FVCI registered with SEBI; ii) an FPI other than Category III FPI registered with SEBI; iii) a public financial institution as defined in section 4A of the Companies Act, 1956; iv) a scheduled commercial bank; v) a multilateral and bilateral development financial institution; vi) a state industrial development corporation; vii) an insurance company registered with the IRDAI; viii) a provident fund with minimum corpus of Rs. 250 million; ix) a pension fund with minimum corpus of Rs. 250 million; x) national investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the gazette of India; xi) insurance funds set up and managed by army, navy or air force of the Union of India; and xii) insurance funds set up and managed by the Department of Posts, India.
Refund Account(s)	Account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Escrow Collection Bank(s) with whom Refund Account(s) will be opened and from which a refund of the whole or part of the Bid Amount, if any, shall be made, being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate and sub-Syndicate members, and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar / Registrar to the Issue	The registrar to the Issue, being Karvy Computershare Private Limited
Registrar Agreement	The agreement dated December 5, 2016, entered into among the Trustee (acting on behalf of the Trust), the Investment Manager and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrars and Share Transfer Agents or RTAs	Registrars and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations
Revision Form	Form used by the Bidders to modify the quantity of the Units or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s). Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.
SBICAP	SBI Capital Markets Limited
SCSBs / Self Certified Syndicate Banks	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in and updated from time to time
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from ASBA Bidders
Stock Exchanges	BSE and NSE
Strategic Investor(s)	Strategic investor(s), as defined under Regulation 2(1)(zza) of the InvIT Regulations, which currently means (i) an infrastructure finance company registered with the RBI as a NBFC, (ii) a scheduled commercial bank, (iii) an international multilateral financial institution, (iv) a systemically important NBFC registered with RBI, and (v) FPIs, who together invest not less than five per cent of the total Issue size or such other amount as may be specified by the SEBI from time to time.
Strategic Investor Application Form	Form used by a Strategic Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Offer Document and the Final Offer Document

Term	Description
Syndicate Agreement	The agreement to be entered into among the GCBRLMs, the BRLMs, the Syndicate Members, the Trustee (acting on behalf of the Trust) and the Investment Manager in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, being [●]
Syndicate or Members of the Syndicate	Collectively, the GCBRLMs, the BRLMs and the Syndicate Members
UBS	UBS Securities India Private Limited
Underwriters	[●]
Underwriting Agreement	The agreement among the Trustee (acting on behalf of the Trust), the Investment Manager, the Trustee and the Underwriters to be entered into on or after the Pricing Date
Working Day(s)	"Working Day", shall mean all days, other than (i) the second and fourth Saturdays of the month, Sundays, or a public holiday, (ii) on which commercial banks in Mumbai are closed for business, provided that with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, shall mean all days, (excluding Saturdays, Sundays and public holidays), on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Units on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and excluding days on which commercial banks in Mumbai are closed for business.
YESSEC	YES Securities (India) Limited

Technical/Industry Related Terms/Abbreviations

Term	Description
BOT	Build-Operate-Transfer
CCEA	Cabinet Committee on Economic Affairs
COD	Commercial Operation Date
DBFOT	Design-Build-Finance-Operate-Transfer
EPC	Engineering Procurement and Construction
ETC	Electronic Toll Collection
HPWD	Haryana Public Works Department
ICRA	ICRA Limited
IRC	Indian Roads Congress
IRR	Internal Rate of Return
LCV	Light Commercial Vehicle
MAV	Multi-Axle Vehicle
MIDC	Maharashtra Industrial Developmental Corporation
MoRTH	Ministry of Road Transport and Highways
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
O&M	Operation and Maintenance
PCU	Passenger Car Unit
PPP	Public Private Partnership
PWD(s)	Public Works Department(s)
SPV	Special Purpose Vehicle
WPI	Wholesale Price Index

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative investment fund(s) as defined in and registered under the AIF Regulations
AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting standards issued by the ICAI
Associate	An associate, as defined under the InvIT Regulations
BSE	BSE Limited
Category III FPIs	FPIs who are registered as “Category III foreign portfolio investors” under the FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Client ID	Client identification number of the Bidder’s beneficiary account
Companies Act	Companies Act, 2013 and Companies Act, 1956, as applicable
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made thereunder
Competition Act	Competition Act, 2002
Contract Labour Act	Contract Labour (Regulation and Abolition) Act, 1970
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository participant identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Debenture Trustees Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
Demographic Details	Details of the Bidders including the Bidders’ address, name of the Bidders’ father / husband, investor status, occupation and bank account details
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
EPU	Earnings per Unit
FCNR Account	Foreign currency non-resident account
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII(s)	Foreign institutional investors, as defined in and registered under the FPI Regulations
Financial Year / Fiscal / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors, as defined in and registered under the FPI Regulations
FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FVCI(s)	Foreign venture capital investors, as defined in and registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GoI / Government	Government of India
HUF	Hindu Undivided Family

Term	Description
ICAI	The Institute of Chartered Accountants of India
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
Intermediaries Regulations	The Securities and Exchange Board of India (Intermediaries) Regulations, 2008
IRDAI	Insurance Regulatory and Development Authority of India
Income Tax Act/ I.T. Act	The Income Tax Act, 1961
Ind-AS	Indian Accounting Standards
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, and the guidelines issued thereunder, including circulars no. CIR/IMD/DF/55/2016 dated May 11, 2016, CIR/IMD/DF/114/2016 dated October 20, 2016, and CIR/IMD/DF/127/2016 dated November 29, 2016, issued by SEBI and such other amendments or circulars issued by SEBI from time to time
IPO	Initial Public Offering
IST	Indian Standard Time
Km	Kilometres
LLP Act	The Limited Liability Partnership Act, 2008
MAT	Minimum Alternate Tax
Mutual Fund(s)	Mutual fund(s) as defined in and registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NAV	Net asset value
NBFC	Non Banking Financial Company
NDCF(s)	Net Distributable Cash Flow(s)
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955, and shall have the meaning ascribed to such term in the FEMA Regulations
NRO	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit after tax
Pension Fund	Pension fund, as defined in and registered under the Pension Fund Regulatory and Development Authority Act, 2013
PF	A provident fund under the EPF Act, and shall have the meaning ascribed to such term in the FEMA Regulations
PFRDA	Pension Fund Regulatory and Development Authority
RBI	Reserve Bank of India
Rs. / Rupees / INR	Indian Rupees
Registration Act	Registration Act, 1908
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
State Government	The government of a state in India
STT	Securities transaction tax

Term	Description
Trusts Act	Indian Trusts Act, 1882
UK	United Kingdom
U.S. / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. QIBs	"qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act
U.S. Securities Act	U.S. Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder
USD / US$	United States Dollars
VCF	Venture capital funds, as defined in and registered under the VCF Regulations
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

Notwithstanding the foregoing, terms in the sections "Statement of Tax Considerations / Benefits", "Summary of the Concession Agreements" and "Financial Statements" on pages 109, 204 and 313, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page numbers of this Draft Offer Document, unless otherwise specified.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

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

Financial Data

Unless stated otherwise, the financial data included in this Draft Offer Document is derived from the Condensed Combined Financial Statements, which are prepared in accordance with the requirements of the InvIT Regulations and Ind-AS. The Condensed Combined Financial Statements are included in the section "*Financial Statements*", on page 313.

Historically, the Sponsor has prepared its financial statements in accordance with Indian GAAP and the Companies Act. However, from April 1, 2016, the Sponsor has adopted Ind-AS, and accordingly, the summary financial statements of the Sponsor, which are included in this Draft Offer Document, (i) as of and for the financial years ended March 31, 2015 and 2016, have been prepared in accordance with Indian GAAP and the Companies Act; and (ii) as of and for the financial years ended March 31, 2017, have been prepared in accordance with Ind-AS and the Companies Act, with a transition date of April 1, 2015 (along with Ind-AS restated comparative figures for the financial year ended March 31, 2016). Further, the summary financial statements of the Sponsor are included in the section "*Summary Financial Information*", on page 60. The summary consolidated financial statements of the Investment Manager, which are included in this Draft Offer Document, have been prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2015, 2016 and 2017. Further, the summary financial statements of the Investment Manager are included in the section "*Summary Financial Information*", on page 60.

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

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

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

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

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Offer Document, including in the sections "*Risk Factors*", "*The Trust's Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 161 and 372, respectively, have been calculated on the basis of the Condensed Combined Financial Statements, prepared in accordance with the InvIT Regulations and Ind-AS, and the summary financial statements of the Sponsor and the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act.

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

2013. Further, the audited standalone financial statements of the Project SPVs for the financial year ended March 31, 2017, have been prepared in accordance with Ind-AS and the Companies Act with a transition date of April 1, 2015, and have been audited by the respective auditors of such Project SPVs. However, for the purposes of the Condensed Combined Financial Statements, the transition date for such audited standalone financial statements of the Project SPVs for the financial year ended March 31, 2017, has been considered as April 1, 2013.

Currency and Units of Presentation

All references to:

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

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

Exchange Rates

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

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

Period	Period End	Average	High	Low
Fiscal				
2017	64.84	67.09	68.72	64.84
2016	66.33	65.46	68.78	62.16
2015	62.59	61.15	63.75	58.43
2014	60.10	60.50	68.36	53.74
2013	54.39	54.45	57.22	50.56
Month Ended				
March 31, 2017	64.84	65.88	66.85	64.84
February 28, 2017	66.74	67.08	67.65	66.72
January 31, 2017	67.81	68.08	68.23	67.79
December 31, 2016	67.95	67.90	68.37	67.43
November 30, 2016	68.53	67.63	68.72	66.43
October 31, 2016	66.86	66.75	66.89	66.53

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Offer Document has been obtained or derived from the technical reports prepared by GMD Consultants and Systra MVA Consulting (India) Private Limited (the "**Traffic Consultants**") with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs (the "**Traffic Reports**"), and the "*Indian Road Sector*" report of April 2017 prepared by ICRA Limited (the "**ICRA Report**"), which are commissioned reports, and publicly available information as well as other Government and industry publications and sources. The Investment Manager has commissioned the Traffic Reports, included in this Draft Offer Document as **Annex C**, to provide an independent estimation of the projected traffic volumes with respect to the underlying road projects operated by the Project SPVs, which is based on historical data and certain assumptions. Further, the ICRA Report has been prepared by ICRA Limited at the request of the Investment Manager.

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

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

FORWARD-LOOKING STATEMENTS AND FINANCIAL PROJECTIONS

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

In accordance with the InvIT Regulations, the projections of the revenue, operating cash flows and profits of the Trust Group for the financial years ended March 31, 2018, 2019 and 2020, prepared in accordance with the requirements of the InvIT Regulations (the "**Revenue, Profit and Cash Flow Projections**"), have been included as **Annex B** herewith. The Revenue, Profit and Cash Flow Projections are forward looking statements and should be read together with the underlying assumptions and notes thereto. Further, the Valuation Report, included as **Annex A** herewith, is based on certain projections and accordingly, should be read together with the assumptions and notes thereto. The Traffic Reports, included as **Annex C** herewith, include projections/estimates in relation to O&M expenses and traffic growth, and accordingly, should be read in conjunction with the notes and assumptions thereto.

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

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

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

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

(d) decline in traffic levels;

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

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

(g) future earnings, cash flow and liquidity;

(h) potential growth opportunities;

(i) financing plans;

(j) the competitive position and the effects of competition on the Trust's investments (including competition from competing roads);

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

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

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

For further discussion on factors that could cause actual results to differ from expectations, see the sections "*Risk Factors*", "*Industry Overview*", "*The Trust's Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 17, 142, 161 and 372, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

SECTION II – RISK FACTORS

An investment in the Units involves risks. Prospective investors should carefully consider all the information in this Draft Offer Document, including the risks and uncertainties described below, before making an investment in the Units. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections headed "The Trust's Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 161, 313 and 372, respectively, as well as all other information contained in this Draft Offer Document. The risks and uncertainties described in this section may not be the only risks and uncertainties the Trust currently faces. Additional risks and uncertainties not presently known to the Trustee or the Investment Manager, or that the Trustee or the Investment Manager currently deem immaterial, may arise or may adversely affect our business, financial condition, cash flows and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business prospects, results of operations, cash flows and financial condition could suffer, the price of the Units could decline and prospective investors may lose all or part of their investments. Unless otherwise stated in the relevant risk factors set forth below, the Trustee and the Investment Manager are not in a position to specify or quantify the financial or other risks mentioned herein.

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

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

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

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Trust Group. Furthermore, unless the context otherwise requires, the financial information used in this section is derived from the Trust's Combined Financial Statements prepared under Ind-AS.

Risks Related to our Organization and the Structure of the Trust

1. ***We have not executed definitive documentation with respect to the Formation Transactions, the debt financing arrangements, the ROFO and Future Assets Agreement. Our completion of the Formation Transactions, pursuant to which we will acquire the Project SPVs, and the transactions contemplated by the debt financing documentation are subject to certain closing and other conditions that may prevent us from acquiring the Project SPVs or providing debt financing to them***

Pursuant to the Formation Transactions, prior to the Allotment of the Units in the Issue, we will acquire the entire equity shareholding of the Sponsor in the Project SPVs (except for GF, in which we will acquire 74% of the equity shareholding) and a portion of the subordinated debt certificates held by the Sponsor in the Project SPVs from the Sponsor in exchange for Units. The Securities Purchase Agreements, the ROFO and Future Assets Agreement and the debt financing documentation have not been executed and will be executed only after the Bid/Issue Closing Date. Details of such agreements included in this Draft Offer Document are indicative only and are subject to change.

Our ability to complete the Formation Transactions is subject to certain closing conditions. These conditions include, but are not limited to, obtaining any required consents and the release of pledges with respect to the Sponsor's equity shareholding in the Project SPVs.

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

Furthermore, the concession agreements require the submission to the Concessioning Authority, for its review and comments, all project agreements (including financing arrangements) to which the Project SPVs are a party prior to entry, amendment or replacement of such agreements, even if such agreements do not affect the financial liability or obligation of the Concessioning Authority. The Project SPVs have submitted drafts of certain Debt Documentation to their respective Concessioning Authority. The Trust may also enter into inter-creditor arrangements or arrangements for sharing the charge on the assets with the existing senior lenders of the Project SPVs. As of the date of this Draft Offer Document, the terms of such arrangements have not been finalized and accordingly, drafts of such agreements have not been submitted to the Concessioning Authorities. There can be no assurance that the Concessioning Authorities will approve the drafts in time or at all.

The terms and conditions of the subordinated debt certificates held by the Sponsor in the Project SPVs are proposed to be amended prior to the assignment of such subordinated debt certificates to the Trust pursuant to the Formation Transactions. Such amendment will require the consent of the senior lenders of the Project SPVs and their respective Concessioning Authorities. The Sponsor and the Project SPVs have applied for such consent as on date. There can be no assurance that such consents will be obtained in time, or at all.

In addition, we have also applied for but not yet received certain lender consents with respect to the proposed transfer of the shares of the Project SPVs to the Trust and other matters relating to the Issue. There can be no assurance that these lenders will consent to the proposed transfer of the shares or such other matters on the Issue in time or at all. For more details, please see the section headed "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" in this Draft Offer Document.

Our inability to complete any of the Formation Transactions in the manner described in this Draft Offer Document may materially and adversely impact our ability to complete the Issue within the anticipated time frame or at all. Under the InvIT Regulations, the Trust is prohibited from making an initial public offer of units, unless the value of the assets held by the Trust prior to the Allotment of Units in the Issue equals or exceeds Rs. 5,000 million. If the Trust is unable to complete the acquisition of assets worth at least Rs. 5,000 million, we will not be able to Allot Units to investors pursuant to the Issue. Further, if the Trust is able to complete the purchase of certain Project SPVs such that we hold assets worth at least Rs. 5,000 million, prior to the Allotment of the Units in the Issue, but is nonetheless unable to complete the purchase of all the Project SPVs, the Investment Manager will, in consultation with the GCBRLMs and the BRLMs, and subject to any conditions imposed by the SEBI in this respect, take a decision on whether to proceed with the Issue or to withdraw or reduce the size of the Issue. Further, the utilization of the Net Proceeds by the Trust is not subject to monitoring by any independent agency.

The Combined Financial Statements, the Revenue, Profit and Cash Flow Projections and the disclosure presented in this Draft Offer Document have been prepared and presented on the basis that the Trust will hold 100% of six SPVs and 74% of GF on or prior to the date of the Allotment of the Units pursuant to the Issue. In the event that the Trust is unable to complete the purchase of the remaining Project SPVs and the Investment Manager decides to proceed with the Issue and complete the Allotment of Units to the investors, you will be unable to rely on the Combined Financial Statements or the Revenue, Profit and Cash Flow Projections presented in this Draft Offer Document. Further, such event may materially and adversely affect the ability of the Trust to make, or prevent the Trust from making, distributions to the Unitholders in the manner described in this Draft Offer Document or at all.

Further, any inability of the Trust to complete the debt financing transactions or the Formation Transactions in the manner described in this Draft Offer Document or the replacement of debt in the manner described in "*Use of Proceeds*" section may adversely impact the ability of the Trust to make distributions to Unitholders in the manner described in this Draft Offer Document or at all. In the event the Trust is unable to complete the debt financing transactions or the Formation Transactions in the manner described in this Draft Offer Document, you will be unable to rely on the Revenue, Profit and Cash Flow Projections or evaluate the manner in which we propose to invest the Net Proceeds on the economic merits of such investments. Such event may materially and adversely affect the ability of the Trust to make distributions to the Unitholders.

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

The debt financing proposed to be provided by the Trust to each of the Project SPVs comprises certain unsecured, interest-free and interest-bearing loans (the "**Unsecured Trust Financing**"), as well as loans that, subject to certain approvals, may be secured by a charge on (i) the cash flows deposited in the escrow account and (ii) the escrow account of such Project SPV, which shall rank pari-passu to the charge created to secure the debt owed to the senior lenders of the respective Project SPVs (the "**Secured Trust Financing**"). The payment obligations of the respective Project SPVs in relation to the Unsecured Trust Financing and, in the event the Project SPVs are unable to obtain such approvals, the Secured Trust Financing, will be subordinated to all existing and future obligations of the Project SPVs towards any secured senior lenders.

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

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

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

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

Walker, Chandiok & Co has been appointed as the independent valuers (the "**Valuers**") to undertake independent appraisals of the Project SPVs. The Valuers have issued a report (the "**Valuation Report**"), included in Annex A to this Draft Offer Document, which sets out their opinion as to the fair enterprise value of the Project SPVs as on March 31, 2017. In order to issue their Valuation Report, the Valuers based their assumptions regarding the concession periods, traffic volumes, toll rates, operation and maintenance costs, amortization, debt repayments and non-cash net working capital projections on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager, and which reflects current expectations and views regarding future events and, therefore, necessarily involves known and unknown risks and uncertainties.

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

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

The escrow arrangements mandated under the concession agreements require all monies that are received by each Project SPV, including funds constituting the financing package, the fees collected from the operation of the Initial Road Assets and any termination payments received from the Concessioning Authority, to be deposited in an escrow account and utilized only in accordance with the order prescribed under the escrow agreement. The escrow arrangements typically priorities the payment of all taxes due, followed by payment of expenses in connection with the construction of the project, operation and maintenance expenses including expenses for repair works, payment of concession fees, debt service payments, negative grant payable to the Concessioning Authority, reimbursement of expenditure incurred by the Concessioning Authority, any payments and damages due and payable and any reserve requirements set forth in any financing agreements. For details of the escrow arrangements, please see the section headed "*Summary of the Concession Agreements*" on page 204 in this Draft Offer Document.

With respect to withdrawals on termination (on account of default by the concessionaire), the escrow arrangements typically prioritize the payment of all taxes due, followed by the payment of 90% of debt due to senior lenders (excluding subordinated debt), the payment of any outstanding concession fee (including any negative grant), the payment of damages and other payments such as premium in relation to the concession, retentions and payments arising out of liability for any defects, the remainder of debt due, subordinated debt, operation and maintenance expenses and any other payments under the concession agreement, after which the balance may be withdrawn by the Project SPVs for their own purposes. The Unsecured Trust Financing will be classified as subordinated debt or Equity under the concession agreements. Accordingly, the ability of the Trust to access such termination payments in relation to the Unsecured Trust Financing will be subordinated to the discharge of all obligations towards the senior lenders and the payment of, among other things, any outstanding concession fees, premium or additional concession fees and damages. If the Project SPV is unable to obtain the approval of the Concessioning Authority for the classification of the Trust as a senior lender and the classification of the Secured Trust Financing as debt due to a senior lender, the Secured Trust Debt will also be classified as subordinated debt and the ability of the Trust to access such termination payments in relation to the Secured Trust Financing will be subordinated to the discharge of all obligations towards the senior lenders and the payment of, among other things, any outstanding concession fees and damages. Any shortfall in the termination payments received from the Concessioning Authority may prevent us from recovering our investments or returns in the relevant Project SPVs adequately or at all.

The Trust is currently not a party to, or a third party beneficiary under, the escrow agreements entered into by the Project SPVs and does not currently have any enforceable rights under such escrow agreements, including any right to instruct the escrow agent to make any payments, which may adversely affect the ability of the Trust to recover amounts to it. For details of the escrow arrangements, please see the section headed "*Summary of the Concession Agreements*" on page 204 in this Draft Offer Document.

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

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in completed and revenue-generating infrastructure projects, such as the Project SPVs. In addition, we must not invest more than 10% of the value of our assets in under-construction infrastructure projects. As per the InvIT Regulations, if any project is completed in stages, the portion of the project that is under construction is required to be counted towards "under-construction" infrastructure projects.

If these conditions are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year with Unitholder approval). Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties and could prevent us from acquiring further assets including pursuant to the ROFO and Future Asset Agreement, including DA, HK, KM and PS, which could have a material adverse effect on our business, financial condition and results of operations.

6. ***Pursuant to the securities purchase agreements, the Project SPVs will be required to transfer any proceeds of certain claims made and proposed to be made against the NHAI after the Acquisition Date to the Sponsor***

Pursuant to the securities purchase agreements, the Project SPVs will be required, subject to the receipt of requisite approvals pursuant to the Project Agreements, to transfer any proceeds of certain claims made and proposed to be made against the NHAI after the Acquisition Date to the Sponsor. Such claims relate to causes of action that have arisen prior to the date of the transfer, with respect to the projects that have received provisional completion certificates (and with respect to which no additional construction in pending) and causes of action that have arisen prior to and that may arise subsequent to the date of the transfer, with respect to projects where additional construction is pending. There can be no assurance that the payment of such amounts will not impact the ability of the Project SPVs to make payments to the Trust, and any failure or reduction in the amounts paid by the Project SPVs to the Trust may impact the ability of the Trust to make distributions in the manner described in this Draft Offer Document, or at all. Please see the section "*Background and Structure of the Trust*" for further details with respect to the securities purchase agreement.

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

We have appointed Systra MVA Consulting (India) Private Limited and GMD Consultants, both of which are firms of independent technical consultants, as the traffic consultants (the "**Traffic Consultants**") to forecast the traffic volumes for the Project SPVs' projects and to prepare traffic reports, which are technical reports specific to the relevant sub-sector, on the Initial Road Assets, which are set out in Annex C to this Draft Offer Document (the "**Traffic Reports**"). The Traffic Reports are subject to various limitations and are based upon certain bases, estimates, methodologies and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager. The Traffic Reports reflect current expectations and views regarding future events, and therefore, necessarily involve known and unknown risks and uncertainties. The Traffic Reports contain forecasts, projections and other "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties, including population growth, gross domestic product growth, vehicle ownership rates, per capita income, agricultural output and fuel consumption. As a result variation in traffic and revenue forecasts may have a higher range than expected. Additionally, these are long term projections and do not take into account short term or microeconomic factors which may impact or affect traffic volumes in the near term. Therefore these projections may not take into account, reflect or portray any short term effect of unforeseen situations which may arise during the term of the projects.

The future events referred to in the Traffic Reports involve risks, uncertainties and other factors which may cause the actual traffic volumes to be materially different from any future traffic volumes expressed or implied by the Traffic Reports. There can be no assurance that the bases, estimates, methodologies and assumptions adopted by the Traffic Consultants for the purposes of preparing the Traffic Reports will prove to be accurate. If any of these bases or assumptions is incorrect, future traffic volumes for the Initial Road Assets could be materially different from those that are set forth in the Traffic Reports and this Draft Offer Document.

8. ***We have applied for but have not yet received consents from certain lenders in relation to the Formation Transactions and other matters in connection with the Issue. Further, the consents obtained from the lenders in relation to the Formation Transactions and other matters in connection with the Issue, impose certain obligations on the Trust, including the creation of a pledge over a portion of the equity shares that will be held by the Trust in each Project SPV, and the provision of certain guarantees and undertakings by the Trust. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the Trust's ability to continue to own a majority of each of the Project SPVs, its cash flows and its ability to make distributions to Unitholders***

We have applied for but, as of the date of this Draft Offer Document, not yet received consents from certain lenders in relation to the Formation Transactions and other matters in connection with the Issue. Further, the consents obtained from the lenders impose certain obligations on the Trust, including the creation of a pledge over a portion of the equity shares that will be held by the Trust in each Project SPV, and the provision of certain guarantees and undertakings by the Trust on behalf of the Project SPVs post the Formation Transaction. Please see the section headed "*Financial Indebtedness - Consents from the Lenders of the Project SPVs*" for further details of such conditions. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the Trust's ability to continue to own a majority of each of the Project SPVs, its cash flows and its ability to make distributions to Unitholders.

9. ***There are risks associated with the potential acquisition of the ROFO/ROFR Assets by the Trust pursuant to the ROFO and Future Assets Agreement; there are also risks associated with the acquisition of the remaining 26% of equity share capital of GF***

In addition to the toll-road assets that are being transferred by the Sponsor to the Trust pursuant to the Formation Transactions, the Sponsor (through its subsidiaries HK, KM, PS and DA) operates another four additional toll roads (collectively the "**ROFO/ROFR Assets**"):

- ***The Hosur Krishnagiri Project***: an approximately 59.87 km section of NH 7 between Hosur and Krishnagiri in Tamil Nadu, which is held by HK. HK was engaged to expand a portion of the NH 7 in Tamil Nadu from km 33.13 to km 93.00, widening the existing four lanes to six, on a DBFOT basis.

- ***The Kandla Mundra Project***: an approximately 71.40 km section of NH-8A (Extension) between Gandhidham (Kandla) and Mundra Port in Gujarat, which is held by KM and of which 55.80 km is operational. KM was engaged to expand the existing road from km 0.00 to km 71.40 on the Gandhidham (Kandla) – Mundra Port section of the NH 8A (Extension) in the state of Gujarat by widening the road to four lanes and subsequently to six lanes, on a DBFOT basis.

- ***The Pune Satara Project***: an approximately 140.35 km section of NH 4 between Pune and Satara in Maharashtra, which is held by PS and of which 110.0 km is operational. PS was engaged to expand the km 725.00 to km 865.35, Pune – Satara section of the NH 4 in the state of Maharashtra, on a DBFOT basis.

- ***The Delhi Agra Project***: a 179.50 km section of NH 2 between Delhi and Agra, which is held by DA. DA was engaged to expand a portion of the NH 2 in the state of Haryana/Uttar Pradesh from km 20.500 to km 200.00, widening the existing four lanes to six, on a DBFOT basis.

The Trust will enter into the Right of First Offer and Future Assets Agreement with the Sponsor, which will enable the Trust to acquire the four additional projects upon the completion of certain milestones which include two years of operations post completion of these projects, pursuant to the terms of their concession agreements. For details, see the sections headed, "*The ROFO/ROFR Assets" and "Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken – Right of First Offer and Future Assets Agreement*".

The concession agreements entered into by the ROFO/ROFR Assets prescribe for the Sponsor to maintain a specified percentage of equity shareholding, both during and after the construction period, and also necessitate the prior approval of NHAI before undertaking any 'change in ownership' (as defined under the relevant concession agreement). As certain of these projects are currently under different phases of construction, such projects are subject to various construction related risks, including time and costs overruns and delays in obtaining regulatory approvals, which may delay or prevent the Sponsor from selling its shareholding in the ROFO/ROFR Assets to the Trust pursuant to the ROFO and Future Assets Agreement. Moreover, any future acquisition pursuant to the ROFO and Future Assets Agreements will have to be undertaken by the Trust in compliance with, and subject to any restrictions prescribed under, the then prevailing policy framework for divestment of equity by concessionaires/developers, as set out by the relevant concessioning authority, in this case being NHAI. For details of NHAI's current exit policy framework, see the section headed "*About the Trust - Regulations and Policies*" on page 251.

The Sponsor currently proposes to transfer 74% of the equity share capital of GF to the Trust pursuant to the Formation Transactions. The ROFO and Future Assets Agreement requires the Sponsor to transfer the remaining 26% of GF to the Trust on mutually agreed terms once such shareholding is eligible to be transferred under the relevant concession agreement and in accordance with applicable law. As of the date of this Draft Offer Document, the Sponsor has applied to the HPWD for transfer of the remaining 26% of GF to the Trust. Such consent has not yet been received. In case the Sponsor is unable to obtain permission from the HPWD to transfer such shareholding to the Trust in a timely manner or at all, or in the event onerous conditions are imposed by the HPWD in relation to such transfer, the Trust may be unable to acquire the remainder of GF's equity share capital. Further, the HPWD may require the Sponsor to hold 26% for the duration of the concession period of GF since HPWD has not issued an exit policy similar to the NHAI. Accordingly, there can be no assurance that 26% of GF will be acquired by the Trust after listing of the Units or at all.

Further, the ROFO/ROFR Assets are also involved in various disputes and litigation and arbitration proceedings, including with the NHAI. For further details, please see the section "*Material Litigation and Regulatory Action*" on page 421. Pursuant to the ROFO and Future Assets Agreement, the Trust will undertake a diligence and valuation exercise prior to making an offer to buy such asset. For additional details, please see the section "*Related Party Transactions*" on page 268. Accordingly, there can be no assurance that the ROFO/ROFR Assets will be free from defects or not subject to approval requirements and other restrictions when they are offered to the Trust under ROFO and Future Assets Agreement and there can be no assurance that the Trust will decide to acquire all or any of these assets in the future.

10. ***Shares of the Project SPVs are pledged in favor of their lenders and the lenders of the Sponsor, who may exercise their rights under the respective share pledge agreements in the event of default under relevant financing agreements.***

Shares of the Project SPVs are pledged in favor of the lenders to such Project SPVs to secure loan facilities obtained by the Project SPVs. 51% each of the equity share capital of NK and DS, and 49% of the share capital of SU, have been pledged in favor of their respective lenders. Pursuant to the draft of the Securities Purchase Agreement, such pledges shall be released immediately prior to the transfer of the equity shares from the Selling Unitholders to the Trust and will be required to be pledged by the Trust in favor of the lenders, immediately after such transfer. However, the temporary release of pledge on the aforesaid equity shares is subject to the receipt of the necessary consents from the respective lenders of such Project SPVs, in a timely manner. For details of the status of the consents from the lenders of the Project SPVs, see the section headed "*Financial Indebtedness - Consents from the Lenders of the Project SPVs*" on page 397.

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

Further, the Sponsor has also pledged and has entered into non-disposal undertakings in relation to the equity shares of certain Project SPVs as security in connection with its financing agreements. These are as set forth below:

- A pledge of 30% of the equity shares of DS, GF, SU, TD and TK, and a pledge of 23% of the equity shares of JR; and

- A non-disposal undertaking in relation to 19% of the equity shares of DS, GF, SU, TD and TK.

In the event of any default by the Sponsor in its repayment obligations under such financing agreements, the lenders of the Sponsor may exercise the pledge, which may prevent us from acquiring the Project SPVs. Further, in case the Sponsor is unable to obtain a release of the non-disposal undertakings, we may be unable to acquire the Project SPVs. While the Sponsor has applied to its lenders for the release of such pledge and non-disposal undertakings, the consents from such lenders are pending as on date.

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

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

Because the regulatory framework governing infrastructure investment trusts in India comprises a relatively new set of regulations and is therefore untested, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts, including, but not limited to, follow-on offers of Units and the dissolution and delisting of infrastructure investment trusts have not yet been issued or adopted or are the subject matter of consultation papers. For example, trust units may not be classified as "securities" under the Securities Contract Regulation Act, 1956, as amended, and infrastructure investment trusts are not "companies" or "bodies corporate" within the meaning of various SEBI regulations. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeover, insider trading and fraudulent and unfair trade practices) to the Trust is unclear. Further, it is unclear whether certain categories of investors that are currently permitted to invest in equity shares offered by Indian companies, may also invest in the Units in the Issue. Further, the FPI Regulations specify that an offshore derivate instrument may be issued overseas by an FPI against "securities" held by it that are listed or proposed to be listed on any recognized stock exchange in India, or unlisted debt securities or securitized debt instruments, as its underlying. Accordingly, the issuance of offshore derivative instruments overseas by FPIs against Units may not be permitted as Units may not be classified as "securities".

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

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

Risks Related to Our Business and Industry

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

The Project SPVs currently operate the Initial Road Assets. Toll revenues depend on toll receipts, which in turn depend on toll fees and traffic volumes on the toll roads. For the financial years 2015, 2016 and 2017, Passenger Car Unit volumes, or passenger car equivalent volumes, for the Project SPVs was 179,949, 190,127 and 195,556, respectively, representing a CAGR of 4% from financial year 2015 to financial year 2017 (which reflect the impact of partial COD of TK and the commencement of toll operations at these projects). Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside of our control, including:

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

While certain of the Project SPVs' concession agreements provide for an extension in the concession period if the actual traffic volumes are significantly lower than the target traffic volumes set forth in the respective concession agreements, there can be no assurances that the concession period will be actually extended by the Concessioning Authority. By way of example, based on the current estimates provided in the JR Traffic Report, the Traffic Consultant expects that the JR concession period will be increased by approximately three years and three months. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date. Recently, due to several unforeseen factors such as Demonetization, cyclones in Tamil Nadu (where five of our Projects are located), political unrest and civil agitations in Tamil Nadu, traffic volumes and resulting toll income of certain Project SPVs for financial year 2017 were significantly adversely affected (for details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Results of Operations – Financial Year 2017 Compared to Financial Year 2016*"). Furthermore, traffic volumes and toll revenues are subject to multiple factors as described above and can fluctuate significantly from month to month depending on various circumstances and may not match any projected traffic volumes and revenues. We cannot assure you that the traffic volumes or the toll revenues therefrom will remain constant, grow or match any projections contained in this Draft Offer Document. In the event that the actual traffic volumes are significantly less than the projected traffic volumes, the revenue generated from toll receipts may be significantly lower than anticipated and our business prospects, financial condition and results of operations and our ability to make distributions to Unitholders may be materially and adversely affected.

13. ***Certain Project SPVs' operations and revenue are geographically concentrated in Tamil Nadu and consequently we will be exposed to certain risks emanating therefrom***

The Project SPVs' operations and revenues are geographically concentrated in Tamil Nadu, as five out of the seven Projects are located in Tamil Nadu. Toll revenue from the Projects located in Tamil Nadu (DS, NK, SU, TD, and TK) represented approximately 72.4%, 70.8% and 70.5% of the Project SPVs' toll revenue on a combined historical basis for the financial years 2015, 2016 and 2017. Our business therefore will be significantly dependent on the general economic conditions, market conditions and natural disasters in the states in which we operate, in particular Tamil Nadu. In the past, the revenues of our projects in Tamil Nadu have been adversely affected on account of civil unrest, which impacted the traffic in our NK, DS and TK projects in September 2016 and cyclones (in December 2015 and 2016).

Any regional slowdown in economic activity in these areas or in Tamil Nadu or any natural disasters or political turmoil resulting in a reduction in traffic on the Initial Road Assets could materially and adversely affect our business, financial condition and results of operations.

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

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

- any failure by the relevant Project SPV to comply with prescribed minimum shareholding requirements;
- any failure by the relevant Project SPV to participate in, or match the bid of, the successful bidder in the event of any proposed augmentation of capacity of the Initial Road Assets;
- any failure by the relevant Project SPV to augment the capacity of the project if the average daily traffic exceeds the traffic capacity for which the project was designed;
- any failure by the relevant Project SPV to make any payments, including negative grants, concession fees or additional concession fees, to the Concessioning Authority in a timely manner;
- any failure by the relevant Project SPV to comply with operational or maintenance standards;
- any temporary or permanent halt of operations at the relevant Project SPV;
- any occurrence of an event of default under any financing document where the lender has recalled any part of the loan;
- any continuation of a force majeure event, such as an act of God, act of war, expropriation or compulsory acquisition of any project assets by the government, industrial strikes, and civil commotions, boycotts and political agitations, beyond a specified time, usually 180 days; and
- any failure by the relevant Project SPV to comply with any other material terms of the relevant concession agreement.

Certain of the concession agreements also provide that, if the actual traffic volume exceeds the target traffic volume on a defined date, the Concessioning Authority may reduce the concession period according to a formula specified in the concession agreement or perform additional capital expenditures in exchange for compensation agreed in the concession agreement. As per certain of the concession agreements, in the event the actual traffic volume on the target date exceeds the target traffic volume, the concession period may be reduced by 0.75% for every 1% excess in actual traffic volume as compared to the target traffic volume, provided that the aggregate reduction does not exceed 10% of the original concession period.

For each of the Project SPVs, we have assumed that we will continue to operate the relevant project until the last date of the concession period as per the relevant concession agreement and have not made provisions for any reduction in the concession periods in the projections included in this Draft Offer Document.

If a concession agreement is terminated by the Concessioning Authority due to a default by a Project SPV, or by the Project SPV due to a default by the Concessioning Authority, such Project SPV is entitled to termination payments or otherwise from the Concessioning Authority in accordance with the terms of the relevant concession agreement. The Secured Trust Financing may be for a maturity term that exceeds the maturity term of the original facilities obtained from the senior lenders. There can be no assurance that the Concessioning Authority will recognize such amounts as outstanding after the term of the original facilities obtained by the Project SPVs from their respective senior lenders. There can also be no assurance that the Concessioning Authority will pay the termination payments promptly or at all or that any termination payments will be adequate to enable us to recover our investments or returns in the relevant Project SPVs. The Termination Payments in the event of a termination due to a default by the Project SPV are, as per the terms of the concession agreements, lower than the amounts that would be paid in relation to a termination due to a default by the Concessioning Authority. For further details on the termination of the concession agreements, the termination payments, and the definition of "default" as contemplated under the relevant concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' concession agreements*" and "Summary of Concession Agreements" in this Draft Offer Document.

Certain of the Project SPVs have entered into supplementary concession agreements with the NHAI pursuant to which the Project SPVs and the NHAI have waived the right to raise claims against each with respect to certain past defaults, including in relation to delays in construction and loss of certain revenue. In the event that such supplementary agreements are set aside, the Project SPVs could face additional claims from the NHAI with respect to past defaults. Further, in the event any of the SPVs seek to raise claims against the NHAI with respect to the breaches listed in the supplementary agreements so having been waived, such SPVs may be in breach of the provisions of such supplementary agreements.

15. ***The Project SPVs are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets. In addition, some of the Project SPVs have not been in compliance with certain covenants prescribed under their financing agreements***

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

- amending any Project Agreements, including the EPC contract effecting any change in the nature or scope of the project or any change in the financing plan;
- effecting any change in management/management control of the Project SPVs;
- effecting any change in capital structure (including shareholding pattern);
- raising any equity or preference share capital;
- making any capital expenditure other than permitted investments;
- making any dividend payments to the Trust or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- the premature repayment of certain facilities;
- creating of any security interest in any of the secured property;
- escrow its future cash flows or create any lien or charge of whatsoever nature over the future cash flows for the benefit of anyone other than the lenders;
- incurring any other indebtedness, including the issuance of debentures or acceptance of deposits, other than permitted indebtedness;
- entering into any partnership, profit-sharing or royalty agreement;

- removing any person exercising substantial powers of management over the affairs of the Project SPVs in case of an event of default;
- amending the constitutional documents of the Project SPVs;
- undertaking of any new project or making of any investment or taking any assets on lease;
- providing guarantees, indemnities or similar assurances in respect of indebtedness of any other person, (other than in the ordinary course of business);
- repaying, redeeming or prepaying any subordinated loan or loans brought in as equity or otherwise taken by the Project SPVs from the Sponsor;
- creating any subsidiary or permit the Project SPV to become a subsidiary;
- entering into any agreements that grant rights or options to subscribe to the equity or preference share capital of the SPVs;
- undertaking or permitting any scheme of arrangement or compromise with its creditors or shareholders; and
- changing the composition of the board of directors of any Project SPV.

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

Certain of the loan agreements entered into by the Project SPVs provide for the conversion by the lenders of their outstanding debt into equity in an event of default. In case of an event of default, some lenders may elect to convert their debt into equity in the Project SPVs, and this may affect the debt to equity ratios maintained by the Project SPVs.

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

Further, some of the financing agreements contain mandatory prepayment clauses, which require the utilization of cash surplus towards the prepayment of loans, if the debt service coverage ratio at the Project SPVs is above specified thresholds. The triggering of any such mandatory prepayment clauses will impact the ability of the Project SPVs to make payments to the Trust and accordingly impact the ability of the Trust to make distributions to the Unitholders.

Certain financing agreements also require mandatory prepayment in the event of any receipt of a litigation/arbitration award by the Project from the relevant Concessioning Authority, pursuant to the terms of the relevant concession agreements.

Further, in the past, some of the Project SPVs have not been in compliance with certain covenants under their loan agreements, as set forth below:

- Maintenance of debt service reserve account: TD, TK, GF, NK and DS have failed to maintain debt service reserve accounts, as specified in their respective loan agreements;
- Maintenance of major maintenance reserve account: TD, TK and GF have failed to maintain major maintenance reserve accounts, as specified in their respective loan agreements; and

- Maintenance of debt service coverage ratio: GF, TK and TD have not complied with the debt service coverage ratio requirements under their loan agreements.

These covenants are tested at the end of each financial year and the above Project SPVs have not been in compliance for the years ended March 31, 2016, 2015 and 2014. Further, NK and DS were not in compliance with the covenant to maintain major maintenance reserve accounts in the years ended March 31, 2015 and 2014 but are in compliance with this covenant for the year ended March 31, 2016 and March 31, 2017.

Non-compliance with the above covenants may be considered an event of default under the relevant loan agreements. In case of an event of default, the lenders have the right to (a) declare the loan payable immediately; (b) enforce security interest; (c) transfer the assets of the borrower; (d) terminate the right of the borrower to make any withdrawals; (e) enter upon and take possession of the assets mortgaged; and (f) substitute themselves for the borrower under the project agreements and pursue other legal remedies.

Until the date of this Draft Offer Document, the lenders have not declared an event of default, and, at the most recent lender consortium meetings held in October and November 2016, the lenders have confirmed in the minutes of such meetings that there has been no default under the loan agreements as on the date of the respective consortium meetings.

Further, there is no assurance that the Project SPVs will be in compliance with the covenants for future periods. The Project SPVs have not specifically requested for waivers in relation to any past non-compliances and the declaration of an event of default by the Project SPVs' lenders for any earlier or continuing non-compliance of the covenants will have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the financing agreements also contain cross default provisions, which could automatically trigger defaults under other financing agreements. Certain lenders are also entitled to accelerate the repayment of the loans at any time based on the lenders' assessment of the cash flows, subject to any approval required from the concessioning authority.

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

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

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

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

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

As of March 31, 2017, the Project SPVs' concessions had residual periods ranging from approximately 8 years to 20 years. For further details on the residual concession period of each of the Initial Road Assets, see the section headed "*The Trust's Business*" in this Draft Offer Document.

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

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

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

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

18. ***Newly constructed roads or existing alternate routes may compete with the Initial Road Assets and result in diversion of the vehicular traffic, resulting in a reduction in our revenue from toll receipts***

Under the terms of the concession agreements entered into by each of the Project SPVs and the Concessioning Authority, the Government and State Governments have the right to construct and open additional roads which may serve as alternate routes to the Initial Road Assets after the expiry of between eight and 15 years from the appointed date, depending on terms of the concession. The construction of such alternative roads and highways may result in a diversion of vehicular traffic from the Initial Road Assets and a reduction of revenue from toll receipts. For example, the Mohanur Vangal bridge is an alternative route to the NK Project for vehicles to travel through. While we have applied to the NHAI for compensation for the revenue loss arising as a result of the alternative road, there is no assurance that the NHAI will provide such compensation or, if provided, the compensation will be sufficient to cover our loss of revenue. Further, the traffic growth at GF was adversely impacted in financial year 2017 by the Manesar–Palwal portion of the Kundli-Manesar-Palwal expressway becoming operational from June 2016. There can be no assurance that the construction of any additional roads or any changes in policies that impact existing routes that compete with the Initial Road Assets will not materially and adversely affect our revenues and operations. For further details on the terms of the concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' concession agreements*" in this Draft Offer Document.

Furthermore, local roads and state highways may be improved so as to serve as alternate routes to the Initial Road Assets, and tolls may or may not be charged on such local roads and state highways. The existence or improvement of such alternative roads and highways may also result in a diversion of vehicular traffic from the Initial Road Assets and a reduction of revenue from toll receipts, which may materially and adversely affect our business, financial condition and results of operations. For additional information on alternate routes, please see the Traffic Reports set out in Annex C to this Draft Offer Document.

19. ***Our ability to negotiate the standard form of concession agreement may be limited, and the concession agreements contain certain other restrictive terms and conditions which may be subject to varying interpretations***

Our concession agreements were entered into with the Concessioning Authority and we have limited ability to negotiate the terms of these contracts. The concession agreements that we have entered into are based on a model concession agreement prescribed by the Concessioning Authority. For example, the toll fees under the concession agreements are fixed, subject to annual adjustments to account for inflation as specified in the concession agreements. In addition, the operation and maintenance standards and specifications require the Project SPVs to incur operation and maintenance costs on a regular and periodic basis. The model concession agreement prescribed by the Concessioning Authority also provides for a fixed term concession and, although some concession agreements provide for an extension or reduction of the concession period based on certain factors, including actual traffic volumes on the target date, the concession agreements do not provide for renewal of the concession agreement after the expiry of the term.

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

The terms and conditions of the concession agreements contain restrictive terms and conditions. For example, certain concession agreements contain provisions that mandate substitution clauses in the project agreements. Such substitution clauses allow the Concessioning Authority to step into project agreements in place of the Project SPV in the event of suspension or termination of the concession agreements due to a breach or default by such Project SPV. The concession agreements also provide that the lenders to a Project SPV may substitute the Project SPV with new concessionaires approved by the Concessioning Authority in the event of a default by the Project SPV under the relevant concession agreement, financing agreements or other project agreements. Additionally, pursuant to a circular dated January 29, 2014 issued by the NHAI, the NHAI or lenders may substitute the Project SPV in the event of a "financial default" by such Project SPV, which includes situations in which the NHAI or lenders have reason to believe that the Project SPV is likely to face financial distress and is likely to default in its compliance with the terms of the relevant concession agreement. While approving such substitution, the Concessioning Authority may also impose a penalty on the defaulting Project SPV, subject to a cap of 1% of the total project cost. See also the terms of NHAI letter dated March 27, 2017, specified in the section "*Government and Other Approvals*" on page 450.

Further, the government may, on the occurrence of certain events, suspend toll collection at any of the roads. This has happened in Tamil Nadu for five of our projects due to flooding in the State of Tamil Nadu and for all of our projects in November and December 2016 pursuant to notifications from the NHAI and HPWD (in connection with the Government's decision to "demonetize" Rs. 500 and Rs. 1,000 currency denominations ("**Demonetization**")), in relation to which we have claimed compensation from the NHAI and the HPWD (for details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Year 2017 Compared to Financial Year 2016*"). In such situations, we have to make claims for loss of revenue and there is no assurance that our claims would be successful.

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

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

20. ***As the terms and conditions of the concession agreements are generally fixed, we may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees***

The terms and conditions of the concession agreements are fixed and are not negotiable during the concession period. The Project SPVs' operation and maintenance costs were Rs. 1,117.75 million, Rs. 1,326.66 million and Rs. 1,181.76 million, respectively, representing 20.8%, 23.5% and 21.7% of the Project SPVs' total expenses and 33.6%, 37.2% and 33.2% of toll revenue, in each case on a combined historical basis for the financial years 2015, 2016 and 2017, respectively.

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

- increase in the cost of labor, materials and insurance;
- the Project SPVs being required to restore their project roads in the event of any landslides, floods, cyclones, droughts, road subsidence, other natural disasters, accidents or other events causing structural damage or compromising safety which may not be fully compensated by insurance;
- increase in electricity tariff rates or other fuel costs resulting in an increase in the cost of energy;
- changes in Government policies requiring the reduction or abolition of toll collection;
- adverse weather conditions which may not be fully compensated by insurance;
- unforeseen legal, tax and accounting liabilities relating to acquired assets; and
- other unforeseen operational and maintenance costs.

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

21. ***Deflation may materially and adversely affect our results of operations and financial condition***

The toll rates specified under the concession agreements for the Project SPVs are subject to revision on account of inflation. In case of deflation, the toll rates may be adjusted downwards. In financial year 2017, tariff rates for NK, DS, TD, SU and TK were adjusted downwards and toll rates were revised with effect from September 1, 2016, to account for negative inflation. For details, see the section titled "*Management's Discussion and Analysis of the Financial Condition and Results of Operations – Results of Operations*" in this Draft Offer Document.

Such downward adjustment may decrease our income from toll collection and our results of operations and financial condition may be materially and adversely affected.

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

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

- amendment, modification or replacement by the Project SPV of any project agreements (including financing agreements and the EPC Contracts) relating to the operation of the Initial Road Assets to which the Project SPV is a party if the amendment, modification or replacement of such agreement increases or imposes any financial liability or obligation on the Concessioning Authority;

- the creation of any encumbrance or security interest over, or transfer of rights and benefits of the Project SPVs under, the concession agreements or any project agreements;

- the selection or replacement of any operation and maintenance contractor and execution of the operation and maintenance agreements;

- any replacement of the Project Manager. Additionally, any change to the Project Manager will only be to an entity which is equal or better in terms of prescribed operations and maintenance capacity requirements; and

- any change in ownership of any Project SPV during the operation of the Trust.

While we have applied for certain required approvals from the Concessioning Authority, certain of these approvals are currently pending. There can be no assurance that the Concessioning Authority will approve such actions in a timely manner or at all. Furthermore, we will also have to ensure adherence with the conditions prescribed by NHAI in its letter dated March 27, 2017, by way of which, NHAI permitted the transfer of the shares held by the Sponsor in the Project SPVs to the Trust. The conditions prescribed under the aforesaid NHAI approval include, amongst others, the prior approval of NHAI before the replacement of the Project Manager; certain restrictions on the utilization of the proceeds of the divested equity; and no relaxation with respect to the limitations placed on the quantum of termination payments. For further details, please see the section headed "*Government and Other Approvals*" on page 450.

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

The restrictions described above may impose constraints on our flexibility to conduct our business. Furthermore, if as a result of these restrictions, we are unable to pursue a favorable course of action or to respond to an unfavorable event, condition or circumstance, then our business, financial condition and results of operations may be materially and adversely affected. For further details on the terms of the concession agreements, see the section headed "*The Trust's Business – Summary of the Project SPVs' concession agreements*" in this Draft Offer Document.

23. ***Leakage of the toll fees on the Project SPVs' roads may materially and adversely affect its revenues and financial condition***

The Project SPVs' toll receipts are primarily dependent on the integrity of toll-collection systems and the willingness of road users to pay toll fees. While each of the Project SPVs has an integrated toll-collection system in place, the level of revenues derived from collection of tolls may be reduced by leakage through toll evasion, theft, fraud or technical defaults in the Project SPVs' toll systems or forced violations by users of the Initial Road Assets. For example, in relation to JR, the Jaipur Development Authority, in January 2017, demolished a ramp toll plaza, which was constructed by JR to prevent leakage of traffic, which led to leakage of traffic and loss of revenue (see "*Material Litigation and Regulatory Action - Material Litigation and Regulatory Action involving the Project SPVs - JR Toll Road Private Limited ("JR") – Other Proceedings Involving JR*") and may adversely impact our revenues from JR going forward. Furthermore, Project SPVs may also, at times, need to allow users of the Initial Road Assets to pass through without paying applicable tolls due to heavy traffic build-up, or may be unable to collect tolls due to political protests or other agitations relating to tolling. In addition, in certain circumstances, the governmental authorities or Indian courts could seek to suspend toll-collection for or during certain periods, in full or in part, on the Initial Road Assets, which suspension would result in a reduction in our revenues. Further, toll-collection errors may amount to a loss of revenue as there is an inherent risk of under-collection of toll fees given that most users of toll roads pay in cash. Any significant failure by us to monitor and control leakage in toll-collection systems could have a material, adverse effect on our business, prospects, financial condition and results of operations and our ability to make distributions. See the section headed "*The Trust's Business – Operations*" for further details on measures in place to protect the integrity of toll-collection systems.

In addition, we also rely upon third party toll operators to collect tolls. We have in the past faced a situation where our third party toll operator for a certain Project SPV withdrew its services without notice. Any such situation in the future may force us to staff such toll plazas with replacements at short notice and affect our ability to collect toll effectively, which may lead to loss in revenues.

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

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

While new currency notes in denominations of Rs.2,000 and Rs.500 have been introduced, the immediate impact of these measures has been a decrease in cash liquidity among the public in India. The effects of these measures in the long term are unclear, but may include a negative impact on the country's growth rate.

Pursuant to the demonetization of certain high-value currency denominations in November 2016, the Government of India announced a temporary suspension of toll collection from November 9, 2016 until December 2, 2016 at all our toll roads, other than at GF, where toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant). The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization (the "**NHAI Circulars**"). Accordingly, the Project SPVs were unable to collect tolls during this period.

The Project SPVs have claimed compensation from the NHAI and the HPWD for toll losses during this period of Rs. 192.51 million (excluding major maintenance costs) and Rs. 24.61 million (excluding major maintenance costs) respectively, as the Project SPVs were unable to service debt, pay operation and maintenance costs and other direct costs as a result of the suspension of the toll collection. The claim amounts have been recognized as other operating income for financial year 2017 (for details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Year 2017 Compared to Financial Year 2016*").

The NHAI and the HPWD have paid the Project SPVs an amount of Rs. 138.84 million and Rs. Nil, respectively, as compensation in the year ended March 31, 2017. The remaining amount of Rs. 78.28 million is a claims receivable as of March 31, 2017. There can be no assurance that the entire amount will be paid to the Project SPVs and we may be required to write-off this amount in part of in full in our profit and loss accounts in the future.

25. ***We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel***

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

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

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

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

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

Further, the Trust is required to distribute 90% of its net distributable cash flows to Unitholders. Accordingly, the Trust's ability to undertake any future acquisition will depend on the ability of the Trust to raise further funds from investors through a fresh issue of Units and/or to raise debt financing from banks or other eligible lenders, and will be subject to the leverage ratios construed in the InvIT Regulations and Applicable Laws.

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

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

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

28. ***The Project SPVs may be required to undertake certain development of the Projects (including capital expenditure in relation to certain Projects), which may present additional risks to us***

A concession agreement may be revoked by the Concessioning Authority if there is any failure by the relevant Project SPV to comply with a material term of the relevant concession agreement, such as the Project SPVs' failure to receive the final completion certificates. As of the date of this Draft Offer Document, none of the Projects have received their final completion certificates. The Project SPVs' receipt of final completion certificates is subject to the completion of either (i) additional construction as specified in the concession agreements (or supplementary agreements) in the case of two of our Projects; or (ii) completion of all conditions specified in the 'punch lists' under the respective provisional completion certificates of our remaining projects. The projects where additional construction is required under their respective concession agreements are:

- SU: This project also includes approximately 38 km of bypass length, which will be converted to a four lane road after 8 years and before 11 years from the COD pursuant to the concession agreement.

- TK: A 18.7 km stretch of the Trichy bypass could not be completed as the required land for widening was not made available. Therefore, a supplementary agreement was entered into between the NHAI and TK in November 2013, in which a total length of 18.7 km was delinked from the project for COD purpose. However, once the NHAI is able to hand over the land for the 18.7 km stretch, TK will be required to finance and complete construction within 18 months.

As certain of these activities are subject to the receipt of certain approvals and/or resources from the Concessioning Authority, they may not be completed prior to the date of the acquisition of such Project SPVs by the Trust. Additionally, while the Sponsor will agree to provide support (for details, see "*The Trust's Business – Sponsor Support Undertaking*") in relation to the completion of the construction at the Projects, there is no assurance that the projects will not be subject to time and cost overruns. Further, any failure by the Sponsor to meet its obligations under its Sponsor support undertakings will expose the Project SPVs to time and cost overruns and potential liability under their respective concession agreements.

If the Project SPVs are unable to complete the pending items listed in the provisional certificate or the remaining construction (in the case of the two Projects listed above), the Project SPVs may be subject to a Notice of Default and the concession agreement may be terminated. For more details of the conditions specified in the Project SPVs' provisional completion certificates, please see the section headed "*Legal and Other Information – Governmental and Other Approvals – Approvals in Relation to the Project SPVs*" in this Draft Offer Document. JR, TK and GF have, in the past, faced claims from the relevant Concessioning Authority in relation to delays in the completion of punch list items. For details, please see the section titled "*Material Litigation and Regulatory Action*" in this Draft Offer Document.

In accordance with the terms and conditions of the concession agreements, certain Project SPVs may be required to undertake additional development of the Initial Road Assets after a predetermined period in accordance with their respective concession agreements. Further, these concession agreements may impose penalties or provide for termination of such agreement for late or non-completion of such additional development of the Initial Road Assets.

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

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

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

If the work is not completed by a Project SPV within the period stipulated under the relevant concession agreement and the Concessioning Authority deems such delay to be a material breach or material default, then the Concessioning Authority has the right to (a) suspend the rights of the Project SPV, including the right to collect tolls and other fees, (b) claim compensation for all direct, additional costs suffered or incurred by the Concessioning Authority arising out of such default, or (c) terminate the relevant concession agreement. GF and JR have failed to comply with the maintenance requirements for certain past periods in relation to which the relevant Concessioning Authority have raised claims for compensation.

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

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

The Project SPVs' principal types of insurance coverage include fire insurance, contractor all-risk for under construction projects, money insurance for toll collection, third party liability for operation of roads, loss of profit. However, there can be no assurance that all risks are adequately insured against or that we will be able to procure adequate insurance coverage at commercially reasonable rates in the future.

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

- changes in governmental and regulatory policies;
- design and engineering defects;
- breakdown, failure or substandard performance of the road assets and other equipment;
- improper installation or operation of the road assets and other equipment;
- labor disturbances;
- public agitations/demonstrations;
- terrorism and acts of war;
- inclement weather and natural disasters;
- environmental hazards, including earthquakes, flooding, cyclones, droughts, tsunamis and landslides; and
- adverse developments in the overall economic environment in India.

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

31. ***The Project SPVs, the Sponsor, the Investment Manager, the Project Manager, their respective Associates and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favor***

The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in legal proceedings or claims which are pending at different levels of adjudication before various courts, tribunals and regulatory authorities. For details of certain material outstanding legal proceedings, see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" in this Draft Offer Document. There is no assurance that these legal proceedings and regulatory matters will be decided in favor of the respective entities. Decisions in any of the aforesaid proceedings adverse to our interests may have a material, adverse effect on our or their business, future financial performance and results of operations. If the courts or tribunals rule against the Project SPVs, the Sponsor, the Investment Manager, the Project Manager, their respective Associates or the Trustee, we or such entities may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase expenses and liabilities. Upon completion of the Formation Transaction, we will be responsible for legal proceedings against the Project SPVs. While the Sponsor will provide certain indemnities under the relevant securities purchase agreement, there can be no assurance that the relevant Project SPV or the Trust will be able to successfully bring a claim against the Sponsor under the relevant securities purchase agreements or that such indemnities will be adequate to satisfy all the losses, damages, costs and expenses suffered by the Trust Group arising from such proceedings or the consequences thereof.

32. ***GF has initiated an arbitration proceeding against HPWD, which is currently pending and may not be decided in GF's favor***

GF has initiated arbitration proceedings against the HPWD, and has claimed compensation in relation to losses suffered by non-compliance by the HPWD, inter alia, non-compliance by the users of the toll road and lack of adequate support by HPWD. Subsequently, HPWD has filed a statement of defence in the aforesaid matter and has filed counter-claim against GF. There can be no assurance that the outcome of the aforesaid proceeding will be decided in the favor of GF, nor that any counter-claims will be rejected or required to be set-off against the claims of GF. If the aforesaid proceedings is decided against GF, GF may face monetary losses. Furthermore, if the HPWD is successful in its counter-claim against GF, it may lead to a reduction in our profitability and adversely affect the trading price of the Units. For further details of these claims, see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" in this Draft Offer Document.

33. ***There are certain ongoing claims and/or disputes between certain Project SPVs and their Concessioning Authorities***

Certain Project SPVs have initiated claims against their respective Concessioning Authorities, and have sought compensation from such Concessioning Authorities. For instance, JR has filed a claim before the independent engineer against the NHAI in relation compensation for additional costs incurred during the extended construction period. Further, certain Project SPVs have received claims from their concessioning authorities in relation to alleged defaults. For instance, TK has received claims from NHAI in relation to the alleged failure to complete 'punch list' items in a timely manner. For additional details of the claims and disputes involving the Project SPVs and their respective Concessioning Authorities, see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" in this Draft Offer Document. There can be no assurance that such claims and/or disputes will be resolved in a timely manner, or at all. Further, in case such claims are not settled or disputes remain unresolved, such Project SPVs and their Concessioning Authorities may be involved in arbitration and/or legal proceedings, which may involve significant costs and take-up management attention. Any failure to successfully resolve such claims and/or disputes in a timely manner, or at all, could have a material adverse effect on our reputation, business, financial condition and results of operations.

34. ***The Project SPVs may be subject to claims under their contracts with EPC contractors***

The Project SPVs have subcontracted construction work at their respective projects to EPC contractors (such contracts, the "**EPC Contracts**") including the Sponsor. For each of our SPVs projects, there have been delays in construction because of reasons such as the failure of the concessioning authority to provide land for the construction of toll roads, floods and other reasons. On account of such delays, there has been an increase in the cost of construction of the relevant projects. In certain cases, the EPC Contractor may have borne such increased costs and may be entitled to claim such increased costs from the relevant Project SPV.

35. ***Criminal investigations are pending against Reliance Telecom Limited (a subsidiary of Reliance Communications Limited) and executives, the outcome of which may materially and adversely affect our reputation, business and financial condition***

On October 22, 2011, the Special Judge, CBI framed charges against Reliance Telecom Limited (a subsidiary of Reliance Communications Limited), three executives of the Reliance Group and certain persons not related to Reliance Group for various offences, including criminal breach of trust, criminal conspiracy, forgery, giving false evidence, abetment of corruption of a public servant and abetment of an offence under various sections of the IPC, or in the alternative, various sections of the Prevention of Corruption Act, 1988, inter alia, in relation to award of the Unified Access Services License ("**UASL**") to Swan Telecom Private Limited, now known as Etisalat DB Private Limited ("**Swan**"). It has been alleged by the CBI that Swan was ineligible to be granted a UASL as Reliance Telecom Limited, directly as well as through its associates, was holding equity shares in excess of the limit of 10% prescribed limit under the UASL. Reliance Telecom Limited and three executives of the Reliance Group have contended that Reliance Telecom Limited had held equity shares within the prescribed limits in Swan, when Swan had applied for the UASL. Further, Reliance Telecom Limited sold the equity shares it held in Swan before the grant of UASL by the Department of Telecommunications to Swan in 2008. When Swan acquired the UASL, Reliance Telecom Limited did not hold any stake in Swan. Initially, all of the accused were denied pre-trial bail by the Special Judge, CBI but subsequently by an order of Supreme Court of India were released on bail. The matter is pending adjudication before the Special Judge, CBI.

In the event that there is any adverse decision in the aforesaid litigation, the reputation of the Reliance Group and its business, results of operations, cash flows, prospects and financial condition may be adversely affected, in addition to criminal sanctions against certain employees and officers. Such an event could in turn have a material adverse effect on our reputation, business, financial condition and results of operation, including as a result of any regulatory or other issues in connection therewith.

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

We will depend on the availability and skills of third-party employees and contractors pertaining to the operation and maintenance of the Initial Road Assets. We can make no assurance that the services of such third parties will continue to be available at reasonable rates in the areas in which we conduct our operations. We may also be exposed to risks relating to the ability of such third parties to obtain requisite approvals for the operation and maintenance activities, as well as the quality of their services, equipment and supplies. In particular, failure to ensure the reliability and sustainability of toll collectors who are required to man the toll booths continuously may materially and adversely affect our overall level of net revenue. We may also be exposed to civil and criminal liability in relation to the actions of other third parties, including our employees and contractors. For details of such civil and criminal proceedings, please see the section headed "*Legal and Other Information – Material Litigation and Regulatory Action – Material Litigation and Regulatory Action against the Sponsor*" in this Draft Offer Document. Further, our results of operations could be materially and adversely affected by disruptions caused by strikes, work stoppages, increased wage demands or labor union action by the employees of such third parties. In addition, under certain of the Project SPVs' concession agreements, the consent of the Concessioning Authority is required for any selection or replacement of the Project Manager.

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

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

The Project SPVs appoint independent contractors who, in turn, engage on-site contract labor to perform certain operations. Certain of the Project SPVs have obtained registration as a principal employer under the Contract

Labor (Regulation and Abolition) Act, 1970 ("**Contract Labor Act**") for certain locations where workmen are employed through contractors or agencies licensed under the Contract Labor Act. Although the Project SPVs do not engage these laborers directly, in the event of default by any independent contractor, such Project SPV may be held responsible for any wage payments, including statutory health and welfare payments benefits, that must be made to such laborers. Any violation of the provisions of the Contract Labor Act by the contractor or a Project SPV may result in penalties pursuant to the provisions of the Contract Labor Act. If any of the Project SPVs are required to pay the wages of the contracted workmen and subjected to other penalties under the Contract Labor Act, the reputation, results of operations, cash flows and financial condition of the Trust could be adversely affected.

38. ***The Project SPVs have incurred losses on a combined basis in the financial years 2015, 2016 and 2017, and any losses in the future could adversely affect our business, financial condition and results of operations, our ability to make distributions and the trading price of our Units***

The Project SPVs have incurred losses on a combined basis in the financial years 2015, 2016 and 2017. For further details, see "*Financial Statements*" on page 313 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 372. Further, under the Companies Act, 2013, companies that do not generate "distributable profits" are not permitted to pay dividends. Accordingly, any Project SPVs that fails to generate such distributable profits will not be permitted to pay dividends to the Trust. Any losses in the future could adversely affect our business, financial condition and results of operations, our ability to make distributions and the trading price of the Units.

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

Upon completion of the Formation Transactions, our only assets will be our shareholding in the Project SPVs and any debt financing provided by the Trust to the Project SPVs. We will rely on cash flows from, interest payments, principal repayment, dividends, buybacks of equity shares of the Project SPVs (net of applicable taxes and expenses) from the entities held by us, which initially will comprise the Trust Group, in order to make distributions to Unitholders. For the purpose of this Draft Offer Document, the Combined Financial Statements have been prepared so as to present the financial position, results of operations and cash flows of the Project SPVs on a combined historical basis for the financial years 2015, 2016 and 2017. The Combined Financial Statements have been prepared for the sole purpose of the Issue and may not necessarily represent our consolidated financial position, results of operations and cash flows had the Trust Group been in existence during the periods presented, nor do they give an indication of our financial results, cash flows and financial position in the future. After the Listing Date, there may be certain changes to our cost structure, level of indebtedness and operations. Our cost structure after the Listing Date may differ in certain significant respects from our cost structure as indicated in the Combined Financial Statements.

Further, for the purpose of preparation of our Combined Financial Statements included in this Draft Offer Document and the Revenue, Profit and Cash Flows Projections, the transition date to Ind AS is considered as April 1, 2013 for the Trust Group (for details, see "*Financial Statements – Note 2 – Basis of preparation*"). However, going forward, for the purposes of the preparation of our consolidated financial statements after the listing of the Units, the actual transition date to Ind AS will be April 1, 2015, as applicable to the Project SPVs. Accordingly, our Combined Financial Statements may not be comparable with our consolidated financial statements in future periods.

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

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

The following table sets forth certain information relating to our contingent liabilities on a combined basis as on March 31, 2017, per the Combined Financial Statements:

Particulars	**(Rs. Millions)**
Income-tax matters: In case of NK – Income tax department under section 156 had levied penalty of Rs. 17.74 million for assessment year 2012-13. NK has appealed against the same and has paid Rs. 8.87 million out of the same under protest.	17.74
In case of TD - As per Assessment order for assessment year 2013-14, a demand of Rs. 1.14 million was raised by IT department. TD had defended the demand and approached to CIT Appeals and an amount of Rs. 0.41 Million was deposited under protest.	1.14
Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The Project SPVs expect to settle these soon and do not anticipate any further liability on account of interest.	36.82
Total	**55.70**

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

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

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

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

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

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

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

Upon completion of the Formation Transactions, the Initial Road Assets will comprise seven operating toll roads in India. Income from toll collection generated by the Initial Road Assets represented approximately 78.2%, 93.4% and 88.7% of the Project SPVs' total income on a combined historical basis for the financial years 2015, 2016 and 2017, respectively. This concentration may expose us to the risk of economic downturns in the toll-road industry to a greater extent than if our assets were more diversified across other industries in the infrastructure sector or other sectors of the economy.

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

Over the past few years, there have been agitations by political parties and local community members against the collection of tolls on local road and state highway projects across Maharashtra. These agitations have often turned violent and resulted in the destruction of toll-collection booths and other related property. If such events spread to the Project SPVs' projects, which are located on the national highways, it may limit our ability to collect tolls over a prolonged period and may have a material, adverse effect on our business, financial condition and results of operations. Further, the Project SPVs' concession agreements provide that in the event that the Project SPVs' ability to collect tolls is disrupted as a result of political and other agitations over a specified period, either party to the concession agreement may terminate the agreement. While the concession agreements provide for a specified payment mechanism in the case of such termination, there can be no assurance that the Project SPVs will receive such payments from the Concessioning Authority in a timely manner or at all, or that such payments will be adequate to recover our investment or return, which may materially and adversely affect our business, financial condition and results of operations.

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

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

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

We do not own the "*Reliance*" trademark, which is registered in the name of, and owned by, Anil Dhirubhai Ambani Ventures Private Limited. However, pursuant to a separate trademark and tradename license, the Sponsor has granted to the Trust, the Investment Manager and the Project Manager, the non-transferable and non-assignable right to use the "*Reliance*" trademark in connection with their respective businesses, on a non-exclusive basis for an annual royalty payments of Rs. 1, payable by the Investment Manager. The license may be terminated under certain circumstances, including if the Investment Manager on behalf of the Trust defaults in the payment of royalty and fails to cure such default within 30 days, if any of the Trust, the Project SPVs, the Sponsor or Anil Dhirubhai Ambani Ventures Private Limited files for bankruptcy or, if the Sponsor's holding in the Trust falls below 5%. Upon the termination of any license, the Trust or the relevant Project SPV, as the case may be, will be required to cease the use of the Reliance trademark and change its name to remove Reliance from its name within three months from the date of termination, which may have a material adverse effect on the operations of the Project SPVs and require management's time and attention.

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

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

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

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

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

49. ***A portion of the investments proposed to be made in the Project SPVs by way of an issue of debt from the proceeds of the Issue, are intended to be used to prepay/repay certain loans and advances taken by the Project SPVs from the Sponsor and affiliates of a GCBRLM and the BRLMs, and redeem debentures issued by the Project SPVs, for which the Trustee also serves as the debenture trustee***

A portion of the investments proposed to be made in the Project SPVs by way of an issue of debt from the proceeds of the Issue, are intended to be used to prepay/repay certain unsecured loans and advances provided by the Sponsor to the Project SPVs. For further details of the utilization of the Net Proceeds, see the section "*Use of Proceeds*" on page 87 of this Draft Offer Document. Certain Project SPVs propose to utilize a portion of the debt financing availed from the Trust to prepay/repay, in part or full, certain loans and facilities that they have availed from (i) Axis Bank Limited, which is an affiliate of AXIS, one of the GC BRLMs; (ii) State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of India and State Bank of Mysore, which are affiliates of SBI CAP, one of the BRLMs; and (iii) YES Bank Limited, which is an affiliate of YESSEC, one of the BRLMs. Further, certain of the Project SPVs may also utilize a portion of the debt financing availed from the Trust to redeem, in part or full, the outstanding debentures issued by such Project SPVs, for which the Trustee, namely IDBI Trusteeship Services Limited, also serves as the debenture trustee. The deployment of the Net Proceeds will be at the discretion of the Investment Manager and is not subject to any monitoring by any independent agency.

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

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

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

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

52. ***The Investment Manager may make assumptions about the development of a road project. Such assumptions may be incorrect and may cause delays in completion and/or increase in costs for the Trust***

In deciding whether to take up the development of a particular road project, the Investment Manager may make certain assumptions regarding the expected future performance of that road project. The Investment Manager may underestimate the costs necessary to bring the project up to the standards established for its intended market position or may be unable to increase traffic on such project as quickly as expected or at all. Any substantial or unanticipated delays or expenses could adversely affect the investment returns from these projects and impair the Trust's operating results, liquidity and financial conditions. There is also the risk that inadequate supervision over local contractors, architects or engineers may result in poor quality construction or the diversion of funds intended for construction. The quality of construction generally may not be commensurate with international standards.

53. ***Reliance on professionals and consultants may impact the conduct of business and performance of the Trust Group***

The toll road sector is subject to local and municipal level laws, taxes and compliances, in addition to the central and state level legal and tax compliances. Exposure to such laws and compliances would vary from project to project and thus the Investment Manager would seek advice from consultants and professionals having relevant experience and rendering services in respect of such matters and rely on decisions taken by members of the investment committee. The performance of the Trust may be impacted by the nature and quality of advice and services rendered by such local consultants and professionals.

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

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

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

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

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

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

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

55. ***This Draft Offer Document contains information from the ICRA Report which we have commissioned***

The information in the section entitled "*Industry Overview*" in this Draft Offer Document is based on the ICRA Report and other publically available information. We commissioned the ICRA Report for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we, nor the Trustee, the Sponsor, the lead managers, the Investment Manager nor any other person connected with the Issue has verified the information in the ICRA Report. Further, the ICRA Report has been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the ICRA Report based on estimates, projections, forecasts and assumptions may prove to be incorrect.

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

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

After the completion of the Issue, the Sponsor will own an aggregate of [●]% of the issued and outstanding Units and will be entitled to vote as a Unitholder on all matters other than matters where it is a related party and not permitted to vote under the InvIT Regulations. Although the Investment Manager will have an independent board of directors, the Sponsor will nonetheless be in a position to exercise significant influence in matters which require the approval of Unitholders by virtue of its ownership of Units in the Trust. We will also rely on the Sponsor to comply with its obligations under the various transaction agreements to which it is a party. The Sponsor will also act as the Project Manager to the Project SPVs. The Trust may also utilize the services of the Sponsor as an EPC contractor in relation to any future construction obligations that may arise in relation to certain of the Project SPVs. The interests of the Sponsor may conflict with the interests of our other Unitholders and the Sponsor may, for business considerations or otherwise, seek to benefit itself instead of the Trust or the interests of the other Unitholders. These conflicts may be harmful to our interests or the interests of our other Unitholders, which may impact our business, financial condition and results of operations.

57. ***The ROFO and Future Assets Agreement will terminate in certain circumstances and shall be subject to the terms of the concession agreement and applicable law***

The rights of the Trust under the ROFO and Future Assets Agreement are effective as at the Listing Date, but the ROFO and Future Assets Agreement may be terminated, subject to approval of Unitholders, if any of the following events occur:

- there is mutual consent of the parties to the ROFO and Future Assets Agreement, in writing;
- if the Sponsor and/or any Sponsor Group Entity ceases to hold 10% of the total issued units in the Trust;
- if the Trust ceases to be listed on the BSE, the NSE or any other recognized stock exchanges.

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

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

The Sponsor has been listed on the Stock Exchanges since 1995. Excluding the toll-road assets that are being transferred by the Sponsor to us pursuant to the Formation Transactions, as of the date of this Draft Offer Document, the Sponsor had two more under-construction road projects (DA and PS), one project which is partially complete (KM) and one project which is completed and revenue generating (HK). We propose to enter into the ROFO and Future Assets Agreement with the Sponsor, pursuant to which the Sponsor has agreed to provide us with rights of first offer and first refusal with respect to certain toll-road assets located in India which are owned or which may be acquired or developed by the Sponsor or its existing or future subsidiaries. Because of our relationship with the Sponsor, its existing toll-road assets and its future toll-road assets, anything that impacts the business, results of operations and trading price of the Sponsor's equity shares may have a material, adverse effect on the Trust and the trading price of the Units.

59. ***The Investment Manager has no operating history in relation to an InvIT or the toll roads business***

The Investment Manager has no operating history in relation to an InvIT or the toll roads business and may not be able to successfully implement the relevant strategies to manage the Trust or achieve the investment objectives of the Trust.

60. ***The Investment Manager may not be able to implement its investment or corporate strategies***

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

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

There is no assurance that the Investment Manager will be able to implement these strategies successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels. The Investment Manager may not be able to make acquisitions or investments on favorable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Factors that may affect this risk may include, but are not limited to, changes in the regulatory framework in India, competition for assets, partial award of concessions or licenses favoring local or other competitors of the Trust, changes in the Indian regulatory or legal environment or macro-economic conditions. Even if the Investment Manager is able to successfully grow the operating business of the underlying assets and to acquire toll roads and other eligible infrastructure projects in India as desired, there can be no assurance that the Investment Manager will achieve its intended return on such acquisitions or capital investments. Furthermore, the Investment Manager's investment mandate involves a higher level of risk as compared to a portfolio which has a more diverse range of investments. The Investment Manager may only be removed by a resolution of Unitholders (excluding the Sponsor) such that the votes cast in favor of the resolution are not less than one-and-a-half times the votes cast against the resolution.

Further, in terms of the engagement letter of the Investment Manager, the fee payable to the Investment Manager shall be equivalent to 1% per annum (plus applicable taxes) of the consolidated net toll revenue (after revenue share and premium payment to the concessioning authority) of the underlying projects in which the Trust, directly or indirectly, makes investments. The amount payable to the Investment Manager per annum as management fee, exclusive of taxes, shall not exceed Rs. 250.00 million. The payment of fees is not linked to the consolidated net profit of the Trust but to consolidated net toll revenue. Accordingly, the Trust will have to pay investment management fees to the Investment Manager even if the Trust is making losses.

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

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

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

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of the Trust, (b) overseeing the activities of the Project Manager, (c) investing and declaring distributions in accordance with the InvIT Regulations, (d) submitting reports to the Trustee and (e) ensuring the audit of the Trust's accounts. There can be no assurance that the Investment Manager will be able to comply with such requirements in a timely manner or at all, which could have a material adverse effect on our business, financial condition and results of operations.

63. ***Reliance on the Investment Manager***

The day-to-day operations of the Trust will be managed by the Investment Manager. Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the Trust (which would be taken by the investment committee constituted by the Investment Manager). Investors must rely entirely on the Investment Manager to conduct and manage the affairs of the Trust. The success of the Trust would depend on the ability of the Investment Manager to effectively implement the strategy of the Trust. If the Investment Manager becomes unable to participate in the performance of services to the Trust, the consequence to the Trust could be material and adverse. The success of the Trust will also depend to a large extent upon the ability of the Investment Manager to source, select, complete and realize appropriate investments. Except to the limited extent as specified in the Trust Documents, the Investors will have no right to participate in the management of the Trust or in decisions made by the Trust or the Investment Manager on its behalf. The monitoring of the investments will be done by the Investment Manager. As a result, Investors will have almost no control over their investments in the Trust or their prospects.

Risks Related to India

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

Our business, financial condition and results of operations could be materially and adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Government or State Governments will not implement new regulations and policies which will require the Trust Group to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. The Investment Manager cannot predict the terms of any new policy, and there can be no assurance that such policy will not be onerous. For example, the Government revised the wage ceiling limit for the coverage of employees under the Employees State Insurance Act, 1948 (which applies to the Project SPVs), which has been challenged by certain companies and is stayed by the courts. There is no assurance that the revised wage ceiling limit will be set aside by the courts.

In addition, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "**Land Acquisition Act 2013**") came into force with effect from January 1, 2014. The Land Acquisition Act 2013 provides for certain restrictions on land acquisition and also provides for certain rehabilitation and resettlement benefits to every family affected by an acquisition. The Rights to Fair Compensation and Transparency in Land Acquisition Rehabilitation and Resettlement (Social Impact Assessment and Consent) Rules, 2014 were notified by the Ministry of Rural Development on August 8, 2014.

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

India imports a significant majority of its requirements of crude oil. Crude oil prices are volatile and are subject to a number of factors, including the level of global production and political factors, such as war and other conflicts, particularly in the Middle East, where a substantial proportion of the world's oil reserves are located. Any significant increase in the price of or shortages in the supply of crude oil could materially and adversely affect the volume of traffic at the projects operated by the Project SPVs and materially and adversely affect the

Indian economy in general, including the infrastructure sector, which could have a material, adverse effect on our business, financial condition and results of operations.

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

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

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

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

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

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

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and saving conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighboring countries;

- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- the balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- annual rainfall which affects agricultural production; and
- other significant regulatory or economic developments in or affecting India or its infrastructure sector.

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

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

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

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

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

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

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

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

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

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

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

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

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

As per the InvIT Regulations, the aggregate consolidated borrowings and deferred payments of an infrastructure investment trust cannot exceed 49% of the value of the assets. Further, as an Indian trust, we are subject to exchange controls that regulate borrowing in foreign currencies. As per the ECB Master Directions, overseas borrowing by an infrastructure investment trust is permitted subject to the conditions and limits contained therein. Such regulatory restrictions limit our financing sources for projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. For example, as a Trust, we cannot issue debentures under the current regulatory framework. In addition, there can be no assurance that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have a material, adverse effect on our business growth, financial condition and results of operations.

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

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

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

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

- civil unrest, riots, protests, acts of violence, terrorist attacks, regional conflicts or situations or war involving India or other countries could materially and adversely affect the financial markets, which could impact our business;

- natural disasters in India such as earthquakes, tsunamis, floods and droughts may disrupt or materially and adversely affect the Indian economy, on which our business depends, or cause us to suffer losses arising from damage to the Initial Road Assets; and

- the outbreak, or perception of an outbreak, of an infectious disease in Asia (including in India) and elsewhere, together with any resulting travel restrictions or quarantines, could reduce traffic volumes and materially and adversely affect our business and financial results.

73. ***It may not be possible for Unitholders to enforce foreign judgments***

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

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, their directors and executive officers, and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

Risks Related to Ownership of the Units

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

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

75. ***The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to Unitholders***

may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India

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

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

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

The Trust's distributions will be based on the NDCF available for distribution and not on whether the Trust makes an accounting profit or loss. The InvIT Regulations provide that not less than 90% of NDCF of each Project SPV are required to be distributed to the Trust in proportion of its holding in each of the Project SPVs subject to applicable provisions of the Companies Act. Not less than 90% of NDCF of the Trust shall be distributed to the Unitholders. Such distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration.

The Trust will rely on the receipt of interest, dividends, principal repayments and buy back of shares (net of applicable taxes and expenses) from the Project SPVs in order to make distributions to Unitholders. There can be no assurance that the Trust will have sufficient distributable or realized profits or surplus in any future period to make distributions every six months or at all. The ability of the Project SPVs to pay dividends, make interest payments and repay shareholder loans may be affected by a number of factors including, among other things:

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

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

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

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

The Investment Manager may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions. Pursuant to the InvIT Regulations, the Trust is required to obtain a credit rating for further borrowing, if the consolidated borrowings of the Trust (excluding cash and cash equivalents) exceeds 25% of the value of its assets. As on the date of this Draft Offer Document, the Trust has not obtained any such credit rating, and its ability to raise financing after Listing, may be restricted to this extent.

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

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

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

79. ***Unitholders are unable to require the redemption of their Units***

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

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

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

81. ***The price of the Units may decline after the Issue***

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

- the perceived prospects of our business and investments and the market for toll roads and other infrastructure projects;

- differences between our actual financial and operating results and those expected by investors and analysts;

- the perceived prospects of future toll roads and other infrastructure projects that may be added to our portfolio in accordance with our investment mandate;

- changes in research analysts' recommendations or projections;

- changes in general economic or market conditions;

- the market value of our assets;

- the perceived attractiveness of the Units against those of other business trusts, equity or debt securities;

- the balance of buyers and sellers of the Units;

- the size and liquidity of the Indian business trusts market;

- any changes to the regulatory system, including the tax system, both generally and specifically in relation to India business trusts;

- the ability of the Investment Manager to implement successfully its investment and growth strategies;

- foreign exchange rates;

- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets;

- variations in our quarterly operating results;

- difficulty in assessing our performance against either domestic or international benchmarks, as there are few listed comparables;

- publication of research reports about us, other road businesses, the road industry in general or other relevant sectors, or the failure of securities analysts to cover the Units after the Issue;

- additions or departures of key management personnel of the Trust and/or the Trust Group;

- changes in the amounts of our distributions, if any, and changes in the distribution payment policy or failure to execute the existing distribution policy;

- actions by Unitholders;

- changes in market valuations of similar business entities or companies;

- announcements by us or our competitors of significant contracts, acquisitions, disposals, strategic partnerships, joint ventures or capital commitments;

- speculation in the press or investment community; and

- changes or proposed changes in laws or regulations affecting the road industry and infrastructure development in India or enforcement of these laws and regulations, or announcements relating to these matters.

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

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

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

82. ***Purchasers of the Units may experience dilution of their interests upon the completion of acquisitions of the ROFO/ROFR Assets or the remaining 26% of equity share capital of GF***

The Trust intends to acquire the ROFO/ROFR Assets, subject of completion of certain milestones and conditions. Following the these acquisitions, purchasers of the Unit may experience immediate dilution as a consequence of the issuance of units as consideration in any such acquisition of the ROFO/ROFR Assets or the remaining GF equity share capital.

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

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

Upon completion of the Issue, [●] Units (constituting [●]% of the total number of Units expected to be in issue after the completion of the Issue) will be held by the Sponsor. The Sponsor and the other Selling Unitholders have agreed with the BRLMs that they will enter into a lock-up arrangement. For more details, please see the section headed "*About the Trust – Leverage – Lock-in Restrictions*" in this Draft Offer Document.

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

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

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

Further, pursuant to the Indenture of Trust, the Trustee is not under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceeding or claim, which in its opinion might involve it in expense or liability that exceeds the value of the fund. The Trust (acting through the Trustee) and the

Investment Manager intend to apply the proceeds of the Issue towards the objects set out in this Draft Offer Document. Accordingly, the Trust Fund may not be sufficient to recover claims, including claims with respect to any offer documents in relation to the Issue.

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

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

Risks Related to Tax

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Under current Indian tax laws, capital gains arising from the sale of Units in an Indian Trust are generally taxable in India. Any gain realized on the sale of listed Units on a stock exchange held for more than 36 months will not be subject to capital gains tax in India if STT has been paid on the transaction. Further, gains realized on the sale of listed Units on a stock exchange held for less than 36 months will be subject to capital gains tax in India even if STT is paid. STT will be levied on and collected by a domestic stock exchange on which the Units are sold. Any gain realized on the sale of the Units held for more than 36 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of listed Units held for a period of 36 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Units will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Units. The above statements are based on the current tax laws.

SECTION III – INTRODUCTION

SUMMARY FINANCIAL INFORMATION

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

a) the Condensed Combined Financial Statements, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS, as of and for the financial years ended March 31, 2015, 2016 and 2017;

b) the consolidated financial statements of the Sponsor, (i) as of and for the financial years ended March 31, 2015 and 2016, have been prepared in accordance with Indian GAAP and the Companies Act; and (ii) as of and for the financial year ended March 31, 2017, have been prepared in accordance with Ind-AS and the Companies Act, with a transition date of April 1, 2015 (along with Ind-AS restated comparative figures for the financial year ended March 31, 2016); and

c) the consolidated financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2015, 2016, 2017.

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

The summary financial information derived from the Condensed Combined Financial Statements, as presented herein below, should be read in conjunction with the Condensed Combined Financial Statements, the notes thereto and the sections "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 313 and 372, respectively.

A. Summary Condensed Combined Financial Statements of the Project SPVs

I. Condensed Combined Summary Statement of Assets and Liabilities

Sr. No.	Particulars	As at March 31, 2017 (Rs. in Millions)	As at March 31, 2016 (Rs. in Millions)	As at March 31, 2015 (Rs. in Millions)
	ASSETS			
	Non-current assets			
(a)	Intangible assets	35,381.00	36,310.72	36,682.48
(b)	Intangible Assets under development	9.05	12.05	552.92
(c)	Financial Assets			
	-Other Financial Assets	191.87	506.39	993.20
(d)	Deferred Tax assets (net)	1291.87	975.16	685.92
(e)	Other non-current assets	37.18	34.87	34.50
		36,910.97	**37,839.19**	**38,949.02**
	Current Assets			
(a)	Financial Assets			
	(i) Investments	175.34	166.56	158.34
	(ii) Cash and cash equivalents	419.99	215.94	185.01
	(iii) Bank balances other that (ii) above	498.99	253.42	198.88
	(iv) Loans	740.00	740.00	4,904.00
	(v) Other financial assets	341.74	264.10	1,946.19
(b)	Current Tax Assets (Net)	20.61	39.35	54.07
(c)	Other current assets	233.93	377.42	285.13
		2,430.60	**2,056.79**	**7,731.62**
	Total Assets	**39,341.57**	**39,895.98**	**46,680.64**
	EQUITY AND LIABILITIES			
	EQUITY			
(a)	Equity share capital	530.62	530.62	530.62
(b)	Subordinated debt (in nature of Equity)	5,757.95	6,278.71	5,594.41
(c)	Other equity	2,022.59	3,001.83	4,465.40
	Equity attributable to owners	**8,311.16**	**9,811.16**	**10,590.43**
	Non-controlling interest	409.99	374.72	410.19
	Total Equity	**8,721.15**	**10,185.88**	**11,000.62**
	LIABILITIES			
	Non-current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	22,959.15	24,671.71	26,032.25
	(ii) Other financial liabilities	13.03	546.35	467.64
(b)	Provisions	699.82	1,687.34	1,399.74
(c)	Deferred tax liabilities (net)	90.31	126.95	56.10
		23,762.31	**27,032.35**	**27,955.73**
	Current Liabilities			
(a)	Financial Liabilities			
	(i) Borrowings	1,575.00	75.00	-
	(ii) Trade Payables	500.62	392.56	1,034.56
	(iii) Other Financial liabilities	2,619.54	1,515.16	877.11
(b)	Other current liabilities	43.39	53.95	5,372.06
(c)	Provisions	2102.37	641.08	440.56
(d)	Current tax liabilities (net)	17.19	-	-
		6,858.11	**2,677.75**	**7,724.29**
		30,620.42	**29,710.10**	**35,680.02**

Sr. No.	Particulars	As at March 31, 2017 (Rs. in Millions)	As at March 31, 2016 (Rs. in Millions)	As at March 31, 2015 (Rs. in Millions)
	Total Equity and Liabilities	**39,341.57**	**39,895.98**	**46,680.64**

II. Condensed Combined Summary Statement of Profit and Loss

Particulars	For the Financial Year Ended		
	March 31, 2017 (Rs. in Millions)	**March 31, 2016 (Rs. in Millions)**	**March 31, 2015 (Rs. in Millions)**
Revenue	3,782.92	3,572.08	3,409.14
Other Income	234.63	252.23	851.61
Total Income	**4,017.55**	**3,824.31**	**4,260.75**
Expenses			
Toll Operation and Maintenance expenses	1,181.76	1,326.66	1,117.75
Employee benefits expense	55.03	48.09	36.47
Finance cost	3,149.94	3,294.45	3,343.69
Amortisation expenses	916.76	803.54	659.46
Other expenses	132.59	172.26	208.33
Total expenses	**5,436.08**	**5,645.00**	**5,365.70**
Profit/ (loss) before tax	**(1,418.53)**	**(1,820.69)**	**(1,104.95)**
Tax expense			
Current tax	34.26	12.03	138.37
Deferred tax charge/(credit)	(352.68)	(218.28)	(238.20)
Income tax for earlier years	(0.90)	-	-
	(319.32)	**(206.25)**	**(99.83)**
Profit/(Loss) after tax	**(1,099.21)**	**(1,614.44)**	**(1,005.12)**
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or loss			
Remeasurements of net defined benefit plans :Gains/(loss)	(1.93)	(0.39)	(0.23)
(ii) Income tax relating to items that will not be reclassified to Profit or loss			
Remeasurements of net defined benefit plans	(0.66)	(0.11)	0.01
Other Comprehensive Income/(Loss)	**(1.27)**	**(0.28)**	**(0.24)**
Total Comprehensive Income/(Loss)	**(1,100.48)**	**(1,614.72)**	**(1,005.36)**
Profit/(Loss) after tax			
Attributable to:			
Equity holders	(977.97)	(1,463.29)	(867.66)
Non-controlling interests	(121.24)	(151.15)	(137.46)
Other Comprehensive Income/(Loss)			
Attributable to:			
Equity holders	(1.26)	(0.26)	(0.17)
Non-controlling interests	(0.01)	(0.02)	(0.07)
Total Comprehensive Income/(Loss)			
Attributable to:			
Equity holders	(979.23)	(1,463.56)	(867.84)
Non-controlling interests	(121.25)	(151.16)	(137.53)

III. Condensed Combined Summary Statement of Cash Flows

Particulars	For the Financial Year Ended		
	March 31, 2017 (Rs. in Millions)	**March 31, 2016 (Rs. in Millions)**	**March 31, 2015 (Rs. in Millions)**
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax	(1,418.53)	(1,820.69)	(1,104.95)
Adjustments for:			
Amortisation expenses	916.76	803.54	659.46
Interest income	(200.03)	(232.95)	(833.74)
Dividend income	(11.41)	(17.07)	(16.68)
Interest expense	3,149.94	3,294.45	3,343.70
	2,436.73	**2,027.28**	**2,047.78**
Cash Generated from Operations before working capital changes			
Adjustments for:			
(Increase)/decrease in financial assets except for investments	144.25	606.14	378.80
(Increase)/decrease in other current assets	143.49	(92.29)	(117.50)
(Increase)/decrease in trade payables	108.06	(642.00)	58.65
(Increase)/decrease in other financial liabilities	74.25	10.72	(0.80)
(Increase)/decrease in provisions	356.21	314.58	663.91
(Increase)/decrease in other non-current liabilities	-	-	(5,138.68)
(Increase)/decrease in other current liabilities	(10.55)	(5,318.13)	5,098.16
	815.71	**(5,120.98)**	**942.54**
Cash generated from operations	3,252.44	(3,093.70)	2,990.32
Direct Taxes (paid) net of refunds	2.55	2.66	(178.34)
Net Cash generated from operating activities – [A]	**3,254.99**	**(3,091.04)**	**2,811.98**
B CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase/sale proceeds of intangible assets (including intangible assets under development)	33.51	134.29	(227.70)
(Purchase) / sale proceeds from current investments (Net)	(8.78)	(8.56)	(10.11)
Intercorporate deposits received	-	4,904.00	145.00
Intercorporate deposits given	-	(740.00)	-
Interest received	47.08	1,740.73	73.04
Dividend received	11.41	17.07	16.68
Net cash generated from / (used in) investing activities - [B]	**83.22**	**6,047.53**	**(3.09)**
C CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds / (Repayment) from Sub-ordinated debt	(364.24)	800.00	2,386.01
Proceeds (net) from short term borrowings	1,500.00	75.00	(1,973.00)
Proceeds from long term borrowings	-	-	6,649.60
Repayment of long term borrowings	(1,305.52)	(744.81)	(6,648.43)
Interest paid	(2,964.42)	(3,055.74)	(3,226.71)
Net cash used in financing activities - [C]	**(3,134.18)**	**(2,925.55)**	**(2,812.53)**

Particulars	For the Financial Year Ended		
	March 31, 2017 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	**204.05**	**30.94**	**(3.64)**
Add: Cash and cash equivalents at the beginning	215.94	185.01	188.65
Cash and cash equivalents at the end	**419.99**	**215.94**	**185.01**
Components of Cash and cash equivalents			
Balances with banks - in Current accounts	140.90	126.53	123.45
Deposits with maturity of less than three months	265.22	73.45	46.65
Cash on hand	13.87	15.96	14.91
Total Cash and cash equivalents	**419.99**	**215.94**	**185.01**

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

I. Sponsor's Summary Consolidated Balance Sheet

a. As at March 31, 2017, prepared in accordance with Ind-AS and the Companies Act

Particulars	As at March 31, 2017 (Rs. in Millions)	As at March 31, 2016* (Rs. in Millions)
ASSETS: **Non-current assets**		
Property, Plant and Equipment	240,377.28	243,275.88
Capital work-in-progress	13,048.13	11,912.56
Investment property	5,584.20	5,894.20
Goodwill on Consolidation	17.47	334.18
Concession Intangible Assets	108,987.71	74,531.39
Other Intangible Assets	10,705.32	10,725.08
Intangible Assets under development	10,551.62	37,799.70
Financial Assets		
Investments	128,951.80	120,269.82
Trade Receivables	-	2,678.19
Service Concession Receivable	9,283.91	10,945.24
Other Financial Assets	1,565.86	2,292.38
Deferred tax assets (net)	670.14	260.21
Other non current assets	5,079.64	12,476.00
	534,823.08	**533,394.83**
Current assets		
Inventories	4,119.27	5,538.01
Financial assets		
Investments	2,541.94	5,832.48
Trade Receivables	56,835.37	56,160.56
Cash and cash equivalents	5,640.23	3,766.01
Bank Balance other than Cash and cash equivalents above	1,139.15	1,043.21
Loans	110,616.88	106,635.35
Service Concession Receivable	2,877.65	2,877.65
Other Financial Assets	34,187.98	20,712.37
Current Tax Assets (Net)	404.32	498.75
Other current assets	11,253.68	14,382.56
	229,616.47	217,446.95
Assets classified as held for sale	39,341.59	76,030.76
Regulatory deferral account debit balances and related deferred tax balances	179,695.56	181,078.27
Total assets	**983,476.70**	1,007,950.81
EQUITY AND LIABILITIES: **Equity**		
Share Capital	2,630.25	2,630.25
Other Equity	230,844.95	213,893.01
Equity attributable to the owners of the Company	233,475.20	216,523.26
Non Controlling Interest	15,969.51	16,277.07
Total Equity	**249,444.71**	232,800.33
LIABILITIES: **Non-current liabilities**		
Financial Liabilities		
Borrowings	156,245.19	195,650.05
Finance Lease Obligations	41,647.53	42,222.64
Trade Payables	49.83	2,528.24

Particulars	As at March 31, 2017 (Rs. in Millions)	As at March 31, 2016* (Rs. in Millions)
Other Financial Liabilities	27,459.46	26,938.80
Provisions	5,333.76	4,862.78
Deferred tax liabilities (Net)	31,870.92	33,676.59
Other non-current liabilities	33,622.23	31,538.77
	296,228.92	**337,417.87**
Current liabilities		
Financial Liabilities		
Borrowings	59,785.94	67,940.59
Finance Lease Obligations	526.60	472.55
Trade Payables	211,657.67	182,891.01
Other Financial Liabilities	95,013.90	93,569.44
Other Current Liabilities	31,520.12	26,133.41
Provisions	4,100.79	3,368.78
Current tax liabilities (net)	5,057.46	5,251.89
	407,662.48	**379,627.67**
Liabilities relating to assets held for sale	30,075.14	58,104.84
Regulatory deferral account credit balances and related deferred tax balances	65.45	-
Total Equity and Liabilities	**983,476.70**	**1,007,950.81**

**The Sponsor has adopted Ind-AS from April 1, 2016, with a transition date of April 1, 2015. Accordingly, Ind-AS restated comparative figures for the financial year ended March 31, 2016, have been provided.*

b. As at March 31, 2016 and 2015, prepared in accordance with Indian GAAP and the Companies Act

Particulars	As at March 31, 2016 (Rs. in Millions)	As at March 31, 2015 (Rs. in Millions)
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	2,630.25	2,630.25
Reserves and Surplus	2,74,127.81	2,67,114.42
	2,76,758.06	**2,69,744.67**
Minority Interest	**1,356.72**	**1,923.67**
Non-Current Liabilities		
Long Term Borrowings	1,91,401.35	1,61,725.17
Deferred Tax Liabilities (Net)	3,653.35	3,100.14
Other Long Term Liabilities	26,663.30	30,538.43
Long Term Provisions	4,083.33	3,998.10
	2,25,801.33	**1,99,361.84**
Current Liabilities		
Short Term borrowings	30,886.10	78,534.46
Trade Payables		
Total Outstanding dues of micro and small enterprises	38.71	23.02
Total Outstanding dues of others	87,657.36	73,275.11
Other Current Liabilities	86,918.28	79,203.96
Short Term Provisions	10,104.00	6,358.52
	2,15,604.45	**2,37,395.07**
Total	**7,19,520.56**	**7,08,425.25**
ASSETS		
Non-Current Assets		
Fixed Assets		

Particulars	As at March 31, 2016 (Rs. in Millions)	As at March 31, 2015 (Rs. in Millions)
Tangible Assets	1,31,964.33	1,20,797.08
Intangible Assets	64,874.09	55,582.69
Goodwill on consolidation	588.53	588.53
Capital Work-in-progress	10,474.00	22,262.23
Intangible assets under development	34,113.59	30,040.06
	2,42,014.54	**2,29,270.59**
Non Current Investments	1,61,211.97	1,42,476.18
Long Term Loans and Advances	12,186.70	9,052.34
Other Non Current Assets	68,942.69	80,742.95
	4,84,355.90	**4,61,542.06**
Current Assets		
Current Investments	32,892.17	33,703.57
Inventories	6,649.58	6,075.49
Trade Receivables	27,288.58	54,840.65
Cash and Bank Balances	4,710.80	5,333.89
Short Term Loans and Advances	1,37,213.30	1,16,092.46
Other Current Assets	26,410.23	30,837.13
	2,35,164.66	**2,46,883.19**
Total	**7,19,520.56**	**7,08,425.25**

II. Sponsor's Summary Consolidated Statement of Profit and Loss

a. For the Financial Year ended March 31, 2017, prepared in accordance with Ind-AS and the Companies Act

Sr. No.	Particulars	For the Financial Year Ended	
		March 31, 2017 (Rs. in Millions)	**March 31, 2016* (Rs. in Millions)**
1	Revenue from Operations	**246,664.61**	262,166.13
2	Other income	**23,973.50**	20,546.38
	Less: Transfer to General Reserve	**273.45**	-
		23,700.05	20,546.38
	Total Income	**270,364.66**	282,712.51
3	Expenses		
	Cost of Power Purchased	**131,460.60**	132,322.67
	Cost of Fuel and Materials Consumed	**10,516.09**	10,160.53
	Construction Material Consumed and Sub-Contracting Charges	**19,747.98**	26,242.02
	Employee benefit expenses	**17,062.09**	16,880.57
	Finance costs	**56,498.99**	52,783.08
	Less: Transfer from General Reserve	**-**	(2,525.00)
		56,498.99	50,258.08
	Depreciation and amortization expenses	**16,883.29**	15,438.85
	Other expenses	**23,421.07**	26,248.32
	Less: Transfer from General Reserve	**2,723.65**	1,582.61
		20,697.42	24,665.71
	Total Expenses	**272,866.46**	275,968.43
4	**Profit / (Loss) before Rate Regulated Activities, Exceptional Items and Tax (1+2-3)**	**(2,501.80)**	6,743.98
5	Regulatory Income / (Expense) (Net of Deferred tax)	**11,855.53**	1,908.98
6	**Profit before Exceptional Items and Tax (4+5)**	**9,353.73**	8,652.96
7	Exceptional Items - (Net)	**4,700.05**	5,404.70
	Less: Transfer from General Reserve	**5,555.80**	4,995.30
		(855.75)	409.40
8	**Profit / (Loss) before tax (6+7)**	**10,209.48**	8,243.56
9	**Tax Expenses**		
	Current Tax	**956.62**	2,909.49
	Deferred Tax – Liability/(Asset) (net)	**(2,177.44)**	(745.69)
	Taxation for Earlier Years	**(200.96)**	82.33
10	**Profit / (Loss) for the year from Continuing Operations (8-9)**	**11,631.26**	5,997.43
11	**Profit / (Loss) from Discontinued Operations before tax**	**(1,096.83)**	(3,343.42)
12	**Tax Expenses of Discontinued Operations**		
	Current Tax	**34.26**	12.03
	Deferred Tax – Liability/(Asset) (net)	**(352.68)**	(218.28)
	Taxation for Earlier Years	**(0.90)**	-
13	**Profit / (Loss) from Discontinued Operations after tax (11-12)**	**(777.51)**	(3,137.17)
14	**Profit / (Loss) for the year before Share of net profit of associates and joint venture (10+13)**	**10,853.75**	**2,860.26**
15	Share of net profit of associates and joint ventures accounted for using the equity method	**3,090.49**	4,064.95
16	Non Controlling Interest	**(307.56)**	(671.14)
17	**Net Profit / (Loss) for the year (14+15-16)**	**14,251.80**	7,596.35

**The Sponsor has adopted Ind-AS from April 1, 2016, with a transition date of April 1, 2015. Accordingly, Ind-AS restated comparative figures for the financial year ended March 31, 2016, have been provided.*

b. ***For the Financial Year ended March 31, 2016 and 2015, prepared in accordance with Indian GAAP and the Companies Act***

Particulars	For the Financial Year Ended	
	March 31, 2016 (Rs. in Millions)	**March 31, 2015 (Rs. in Millions)**
Revenue from operations	1,66,554.43	1,72,775.61
Less : Excise Duty	1,988.73	790.97
	1,64,565.70	**1,71,984.64**
Other Income	19,878.16	17,703.93
Less : Transfer to General Reserve	367.19	1,172.54
	19,510.97	**16,531.39**
Total Revenue	**1,84,076.67**	**1,88,516.03**
Expenses		
Cost of Power Purchased	68,397.79	78,116.24
Cost of Fuel Consumed	16,534.50	15,421.43
Construction Material Consumed and Sub-Contracting Charges	15,715.24	21,342.74
Changes in inventories of finished goods, work-in-progress and stock-in trade	(166.84)	(298.34)
Purchase of stock in trade	129.31	236.86
Employee Benefits Expense	13,405.94	12,155.58
Finance Costs	30,209.05	25,834.32
Less : Transfer from General Reserve	2,525.00	2,361.11
	27,684.05	**23,473.21**
Depreciation and Amortization Expense	9,491.28	7,815.32
Less: Transfer from Revaluation Reserve	-	-
Less: Transfer from Service Line Contribution	118.33	113.97
Add: Share in Joint Ventures	636.70	626.99
	10,009.65	**8,328.34**
Other Expenses	20,683.59	16,069.63
Less : Transfer from General Reserve	270.36	165.93
	20,413.23	**15,903.70**
Total Expenses	**1,72,122.87**	**1,74,679.76**
Profit before Tax, Exceptional Items and Rate Regulated Activities	**11,953.80**	**13,836.27**
Exceptional Items		
Income	-	-
Expenses	5,404.67	13,176.59
Less: Transfer from provision for extra-ordinary and exceptional items	4,995.27	13,176.59
	(409.40)	**-**
Profit before Tax and Rate Regulated Activities	11,544.40	13,836.27
Regulatory Income (Net)	5,946.20	-
Profit before tax	**17,490.60**	**13,836.27**
Profit from Continuing Operations before Tax	18,865.62	13,836.27
Tax Expenses:	-	
Current Tax	2,781.82	2,505.11
Deferred Tax (Net)	-	(1,184.69)
Deferred Tax Other than Rate Regulated Activities	1,026.54	-
Deferred Tax pertaining to Rate Regulated Activities	332.70	-
Less : Net tax to be recovered in future tariff determination	803.84	780.08
Income-tax for earlier years (Net)	46.61	(0.64)

Particulars	For the Financial Year Ended	
	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)
	3,383.83	**539.70**
Profit from Continuing Operations after Tax	**15,402.48**	**13,136.55**
Profit / (Loss) from Discontinuing Operations before tax		
Tax Expense:	(1,375.02)	-
Current Tax	-	
Deferred tax	-	-
Profit / (Loss) from Discontinuing Operations after tax	-	-
	(1,375.02)	-
Profit after tax but before share of associates and minority interest		
Share of Profit in Associates (Net)	14,027.46	13,136.55
Minority Interest (Loss / (Profit))	5,151.09	4,117.42
Profit for the year	**567.03**	**747.78**

III. Sponsor's Summary Consolidated Cash Flow Statement

a. For the Financial Year ended March 31, 2017, prepared in accordance with Ind-AS and the Companies Act

Particulars	For the Financial Year Ended	
	March 31, 2017 (Rs. in Millions)	March 31, 2016* (Rs. in Millions)
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	10,209.48	8,243.56
Adjustments for:		
Depreciation and amortisation expenses	16,883.29	15,438.85
Net (Income) / Expenses relating to Investment Property	(352.06)	(64.81)
Interest income	(20,283.58)	(19,163.26)
Dividend income	(65.44)	(138.06)
Gain on sale / redemption / fair valuation of investments (net)	(1,813.53)	(318.31)
Interest and Finance Costs (net of transfer from reserves)	56,498.99	50,258.08
Provision for doubtful debts / advances / deposits	1,339.05	5,460.80
Amortisation of Consumer Contribution	(392.82)	(321.85)
Provision for Retirement of Inventory and Fixed Assets	10.10	90.05
Loan written off	120.00	-
Excess Provisions Written Back	(588.02)	(1,735.09)
Loss on Sale / Discarding of Assets	669.36	499.97
Loss on write off of Capital Work in Progress	197.53	409.72
Provision for Contingency Reserve Fund	167.66	155.59
Provision for / (write back of) diminution in value of investments	(37.76)	40.73
Provision For Leave Encashment And Gratuity	371.53	392.81
Income from Financial Guarantee Obligation (net)	(77.10)	(67.90)
Reversal of Provision for Impairment of Assets	(396.44)	-
Net foreign exchange / derivative (gain)/loss	(45.95)	86.52
Provision for major maintenance and overhaul expenses	132.62	123.30
Cash Generated from Operations before working capital changes	**62,546.91**	59,390.70
Adjustments for:		
(Increase) / Decrease in Financial Assets and Other Assets	2,496.73	23,627.46
(Increase) / Decrease in Inventories	1,418.74	(160.97)
Increase in Financial Liabilities and Other Liabilities	23,903.85	15,869.33
Cash generated from operations	**90,366.23**	98,726.52
Income Taxes paid (net of refunds)	(1,401.33)	(271.14)
Net cash generated from operating activities - Continuing Operations [A]	**88,964.90**	98,455.38
Net cash generated from operating activities - Discontinued Operations	**4,764.53**	4,501.37
Net cash generated from operating activities - Continuing and Discontinued Operations	**93,729.43**	1,02,956.75
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of intangible assets (including intangible assets under development)	(12,110.10)	(14,036.56)
Interest on Service Concession Received	1,317.52	1,124.34
Purchase of Property, Plant & Equipments (including capital work in progress, capital advance and capital creditors)	(11,295.11)	(11,501.62)
Purchase of Investment Property	(645.44)	(1,401.72)

Particulars	For the Financial Year Ended	
	March 31, 2017 (Rs. in Millions)	March 31, 2016* (Rs. in Millions)
Proceeds From Disposal of Property, Plant & Equipments	217.31	50.86
Net Income / (Expenses) relating to Investment Property	255.95	(28.73)
Investment / (Redemption) in fixed deposits	39.26	(265.47)
Investments in Associates	(400.20)	(15,677.02)
Investments in others	(9,624.08)	(69,004.71)
Sale of Investments in Subsidiaries	20,100.00	-
Sale / Redemption of Investments in others	10,970.29	70,936.02
Inter Corporate Deposits given (net)	(10,590.14)	(37,263.28)
Dividend received	46.97	75.88
Interest Income	11,438.02	14,967.13
Net cash (used in) / generated from investing activities - Continuing Operations [B]	**(279.75)**	(62,024.88)
Net cash (used in) / generated from investing activities - Discontinued Operations	**(316.44)**	5,085.87
Net cash (used in) / generated from investing activities - Continuing and Discontinued Operations	**(596.19)**	(56,939.01)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from long term borrowings	43,168.52	63,237.33
Repayment of long term borrowings	(68,155.72)	(39,236.36)
Proceeds / (Repayment) of Short Term Borrowings (Net)	(11,511.15)	(25,626.52)
Principal payment of Financial Lease Obligation	(472.55)	(424.04)
Payment of Interest and Finance charges	(43,021.12)	(34,323.68)
Interest payment on Finance Lease Obligation	(4,622.13)	(4,670.64)
Realised Gain / (Loss) on derivative instruments (net)	7.70	(13.86)
Dividends Paid To Shareholders Including Tax	(2,535.58)	(2,568.66)
Net cash used in financing activities - Continuing Operations [C]	**(87,142.03)**	(43,626.43)
Net cash used in financing activities - Discontinued Operations	**(4,320.79)**	(3,413.54)
Net cash used in financing activities - Continuing and Discontinued Operations	**(91,462.82)**	(47,039.97)
Effect of exchange difference on translation of foreign currency cash and cash equivalent - [D]	**(21.44)**	37.94
Net increase/(decrease) in cash and cash equivalents - [A+B+C+D]	**1,648.98**	(984.29)
Add: Adjustment on Disposal of Subsidiaries	(128.55)	-
Cash and Cash Equivalents at the beginning of the year	**4,539.80**	5,524.09
Cash and Cash Equivalents at the end of the year	**6,060.23**	4,539.80
Components of Cash and Cash Equivalents		
Balances with banks - in Current accounts**	3,107.59	1,657.31
Cheques, drafts on hand	698.40	1,054.21
Deposits with maturity of less than three months	1,728.50	926.23
Cash in hand	105.74	128.26
Total Cash and Cash Equivalents – Continuing Operations	**5,640.23**	3,766.01
Total Cash and Cash Equivalents – Discontinued Operations	420.00	773.79

**The Sponsor has adopted Ind-AS from April 1, 2016, with a transition date of April 1, 2015. Accordingly, Ind-AS restated comparative figures for the financial year ended March 31, 2016, have been provided.*

***Including balance in unpaid dividend account Rs 143.21 Million (Rs 133.21 Million) and balance in current account with banks of Rs 74.53 Million (Rs 147.55 Million) lying in escrow account with bank held as a Security against the borrowings.*

b. *For the Financial Year ended March 31, 2016 and 2015, prepared in accordance with Indian GAAP and the Companies Act*

Particulars	For the Financial Year Ended March 31, 2016 (Rs. in Millions)	For the Financial Year Ended March 31, 2015 (Rs. in Millions)
A. Cash Flow from Operating Activities :		
Profit before Taxation	**17,490.60**	**13,836.27**
Adjustments for :		
Depreciation (Net of transfer from Reserves)	10,009.65	8,328.34
Interest and finance charges	27,684.05	23,473.21
(Profit) / Loss on sale / disposal of fixed assets (Net)	111.68	26.44
Provision for Impairment of assets	25.96	66.06
Provision for / (write back of) diminution in value of investments	0.48	0.47
Provision for doubtful debts, advances, deposits	172.64	477.72
Provision for leave encashment & gratuity	923.24	486.69
Interest income	(15,003.64)	(11,893.04)
Dividend Income	(87.46)	(105.67)
Premium on Redeemable Preference Shares	(3,886.62)	(3,876.00)
Write Off of capital expenditure as exceptional item	409.42	-
Provisions / Liabilities written back	(1,497.62)	-
Loss / (Gain) on exchange fluctuation (Net)	(265.06)	239.07
Unrealised (Gain) / Loss on exchange fluctuation (Net)	(0.31)	-
Share Issue Expenses	40.85	-
(Profit) / Loss on sale / redemption of investments (net)	(284.40)	(86.71)
Loss on dilution of investment in subsidiaries / joint ventures (net)	-	
Operating Profit before Working Capital Changes	**35,843.46**	**30,972.86**
Adjustments for :		
Trade and other receivables	15,249.83	7,170.87
Inventories	(565.71)	(888.58)
Trade and other payables	17,238.39	(2,768.45)
	67,765.97	34,486.70
Income Taxes paid (net of refund)	(105.72)	(1,578.02)
Net Cash generated from Operating Activities	**67,660.25**	**32,908.68**
B. Cash Flow from Investing Activities :		
Purchase/acquisition of fixed assets	(22,812.71)	(19,771.69)
Sale of fixed assets	35.07	184.04
Purchase of Investments	-	(42,944.21)
Investments in others	(71,982.65)	-
Investments in Subsidiaries / Joint Ventures/Associates	(19,616.71)	-
Investment in fixed deposits including margin money (net)	349.46	(779.57)
Advance against Investments in Subsidiaries / Associates	-	63.89
Advance against investments in Others	-	-
Sale of Investment in Subsidiaries / Joint Ventures	-	11,068.00
Sale/redemption of Investments in Others	74,170.04	38,575.59
Inter Corporate Deposits	(34,217.94)	(14,222.60)
Dividend Income	87.46	105.67
Premium on Redeemable Preference Shares	-	-
Interest Income	16,629.44	10,715.82
Net Cash generated from / (used in) Investing Activities	**(57,358.54)**	**(17,005.06)**
C. Cash Flow from Financing Activities :		
Share Issue Expenses	(40.85)	-
Proceeds of share capital from minority shareholders (including application money)	-	147.16
Proceeds from borrowings - Long Term	66,370.10	33,126.22
Repayment of borrowings - Long Term	(27,251.95)	(14,793.30)
Proceeds from borrowings - Short Term (Net)	(18,152.52)	(6,635.58)
Realised Gain / (Loss) on derivative instruments (net)	(13.86)	(23.51)
Proceeds from Grants / Capital Contribution	-	-
Interest and finance charges	(29,234.59)	(26,600.85)
Dividends paid on equity shares including tax	(2,602.02)	(2,333.91)
Net Cash generated from / (used in) Financing Activities	**(10,925.69)**	**(17,113.77)**
D. Effect of exchange differences on translation of foreign currency cash and cash equivalent	**37.94**	**(16.82)**

Particulars	For the Financial Year Ended	
	March 31, 2016 (Rs. in Millions)	**March 31, 2015 (Rs. in Millions)**
Net Increase/(Decrease) in cash and cash equivalents (A+B+C+D)	**(586.04)**	**(1,226.97)**
Cash and cash equivalents as at the commencement of the year (Opening Balance)	3,779.69	5,340.60
Add: Adjustment on Disposal / Dilution of Share Holding in Subsidiaries/Joint Ventures (Net)	-	(0.24)
Add: Shares in Joint Ventures	441.31	314.24
	4,221.00	5,654.60
Cash and cash equivalents as at the end of the year (Closing Balance)*	3,188.35	3,986.32
Add : Share in Joint Ventures	446.61	441.31
	3,634.96	4,427.63
Net Increase / (Decrease) as disclosed above	**(586.04)**	**(1,226.97)**

C. Summary Consolidated Financial Information of the Investment Manager, namely Reliance Nippon Life Asset Management Limited

I. Investment Manager's Summary Consolidated Balance Sheet as at March 31, 2017, 2016 and 2015

Particulars	March 31, 2017 (Rs. in Millions)	March 31, 2016 (Rs. in Millions)	March 31, 2015 (Rs. in Millions)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	415.20	415.20	412.70
Reserves and surplus	18,310.54	14,309.03	13,218.57
	18,725.74	**14,724.23**	**13,631.27**
Minority Interest	-	**88.70**	**88.64**
Non Current Liabilities			
Other long-term liabilities	-	0.51	0.86
Long - term provisions	116.02	74.79	32.30
	116.02	**75.30**	**33.16**
Current Liabilities			
Trade payables	1,083.30	650.25	933.71
Other current liabilities	488.50	739.44	503.84
Short - term provisions	99.54	3,037.70	1,833.75
	1,671.34	**4,427.39**	**3,271.31**
TOTAL	**20,513.10**	**19,315.62**	**17,024.37**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	86.55	85.48	44.37
Intangible assets	2,424.93	33.80	26.79
Non - current investments	5,894.77	5,271.57	4,029.40
Deferred tax assets (net)	37.13	85.62	69.34
Long - term loans and advances	1,488.21	3,788.62	3,037.09
Other non - current assets	74.13	78.65	40.43
	10,005.72	**9,343.73**	**7,247.42**
Current assets			
Current investments	3,570.40	3,835.94	4,319.55
Trade receivables	431.61	594.21	175.36
Cash and bank balance	397.21	795.06	602.28
Short - term loans and advances	5,839.93	4,601.74	4,508.14
Other current assets	268.24	144.94	171.61
	10,507.39	**9,971.89**	**9,776.95**
TOTAL	**20,513.10**	**19,315.62**	**17,024.37**

II. *Investment Manager's Summary Consolidated Statement of Profit and Loss for the Fiscals 2017, 2016 and 2015*

Particulars	Fiscal 2017 (Rs. in Millions)	Fiscal 2016 (Rs. in Millions)	Fiscal 2015 (Rs. in Millions)
Income			
Revenue from operations - management fees	13,074.95	12,000.86	8,472.37
Other income	1,284.20	1,137.34	1,078.81
Total revenue	**14,359.15**	**13,138.20**	**9,551.19**
Expenditure			
Employee benefits expenses	1,956.78	2,122.70	1,612.74
Administrative and other expenses	2,559.35	2,206.79	1,810.43
Marketing and publicity expenses	3,892.38	3,703.86	1,500.78
Depreciation	179.12	43.09	128.50
Diminution/(Write back) in value of long term investments	(41.61)	37.77	(80.00)
Total expenses	**8,546.02**	**8,114.20**	**4,972.44**
Profit before tax and exceptional items	**5,813.13**	**5,024.00**	**4,578.75**
Exceptional Items	-	-	-
Profit before tax for the period	**5,813.13**	**5,024.00**	**4,578.75**
Net Expenses of demerged division for 13-14	-	-	29.14
Profit before tax	**5,813.13**	**5,024.00**	**4,549.61**
Income tax expense			
Current tax (Net of MAT credit entitlement)	(1,737.07)	(1,275.87)	(1,037.59)
Reversal of previous year	(7.93)	-	136.11
MAT credit asset	29.77	290.84	418.95
MAT credit utilised	(29.77)	(290.84)	(418.95)
Deferred tax	(48.49)	16.27	(25.89)
Profit after tax before share of Minority Interest	**4019.64**	**3,764.40**	**3,622.24**
Less: Share of Minority Shareholders	-	0.07	0.27
Profit after tax	**4019.64**	**3,764.34**	**3,621.97**

III. *Investment Manager's Summary Consolidated Cash Flow Statement for the Fiscals 2017, 2016 and 2015*

Particulars	Fiscal 2017 (Rs. in Millions)		Fiscal 2016 (Rs. in Millions)		Fiscal 2015 (Rs. in Millions)	
Cash flow from operating activities						
Profit before tax as per statement of profit and loss for the period		**5,813.13**		**5,024.00**		**4,578.75**
Adjusted for						
Depreciation	179.12		43.09		128.50	
Provision for Wealth Tax	-		-		0.02	
Provision for doubtful debts	-		13.08		-	
Dividend Income	(63.37)		(96.87)		(115.76)	
Interest Income	(701.53)		(413.03)		(700.83)	
Amortisation of discount / premium on investments	(7.83)		(8.65)		-	
(Profit) / Loss on sale of Investment (Net)	(508.80)		(597.49)		(223.49)	
Net (gain) or Loss on Foreign Currency Transactions & Translations	1.74		2.12		8.82	
Diminution(write back) in Value of long term Investments	(41.61)		37.77		(80.00)	
Loss on sale of Fixed Assets/write off	0.30	(1,141.99)	(0.54)	(1,020.53)	8.55	(974.18)
Operating Profit before Working Capital changes		**4,671.14**		**4,003.46**		**3,604.57**
(Increase) / Decrease in Long Term Loans & Advances	1,644.21		(184.19)		(1,504.11)	
(Increase) / Decrease in Other Non Current Assets	4.53		14.08		(2.79)	
(Increase) / Decrease in Trade Receivable	162.60		(431.92)		(58.20)	
(Increase) / Decrease in Short Term Loans & Advances	376.81		306.41		(1,746.19)	
(Increase) / Decrease in Other Current Assets	9.79		(8.74)		(17.13)	
Increase / (Decrease) in Long term provisions	41.23		42.50		8.62	
Increase / (Decrease) in Short term provisions	64.52		(25.77)		33.61	
Increase / (Decrease) in Other Long-term Liabilities	(0.51)		(0.35)		(0.04)	
Increase / (Decrease) in Short Term Borrowings	-		-		-	
Increase / (Decrease) in Trade payables	433.05		(283.46)		171.88	
Increase / (Decrease) in Other Current Liabilities	(252.67)	2,483.55	232.36	(339.09)	105.93	(3,008.44)
Cash generated from Operations		**7,154.69**		**3,664.37**		**596.14**
Taxes Paid		(1,589.70)		(1,432.20)		(1,011.39)
Refund received (including interest)		-		-		19.64
A. Net Cash (used) / generated from operating activities		**5,564.99**		**2,232.17**		**(395.61)**
Cash Flow from Investing Activities						
Purchase of Fixed Assets	(2,571.60)		(94.47)		(46.91)	
Sale of Fixed Assets	(0.02)		3.80		2.95	
Inter Corporate Deposit received	400.00		-		4,500.00	
Inter Corporate Deposit given	(1,515.00)		(1,150.00)		(250.00)	
Loan repaid by ESOP Trust (net of loan advanced)	-		601.28		-	
Purchase of Investments	(18,861.74)		(21,933.39)		(17,874.77)	
Loan to ESOP Trust (net off repayment)	-		-		22.41	
Drawings received from limited liability partnership	0.90		0.90		1.63	
Purchase of additional stake in subsidiary	(88.70)		-		-	
Sale of Investments	19,062.32		21,743.21		17,287.78	
Sale of Investments in Subsidiaries	-		-		-	
Interest Received (Paid)	568.44		448.44		699.08	
Dividend Received	63.37		96.87		97.84	
B. Net Cash from / (used in) Investing Activities		**(2,942.03)**		**(283.35)**		**4,440.01**

Particulars	Fiscal 2017 (Rs. in Millions)		Fiscal 2016 (Rs. in Millions)		Fiscal 2015 (Rs. in Millions)	
Cash Flow from Financing Activities						
Redemption of Preference Share Capital	-		-		-	
Interim Dividend paid including dividend distribution tax	-		-		(2,018.21)	
Dividend paid including dividend distribution tax	(3,002.68)		(1,736.89)		(2,021.67)	
C. Net Cash from / (used in) Financing Activities		**(3,002.68)**		**(1,736.89)**		**(4,039.88)**
D. Effect of exchange fluctuation on translation reserve		**(18.13)**		**33.15**		**(34.98)**
Net increase/(decrease) in cash and cash Equivalents (A+B+C+D)				**245.08**		**(30.47)**
Opening Balance of Cash and Cash Equivalents		**(397.85)**		**549.98**		**579.42**
Opening Cash and Cash Equivalents of merged division – Azalia		**795.06**		**-**		**1.02**
Closing Balance of Cash and Cash Equivalents		**397.21**		**795.06**		**549.98**
Cash and cash equivalents comprising of :						
Cash on Hand		0.02		0.07		0.09
Balance with banks in Current Accounts		397.20		794.97		533.60
Cheques in hand		-		-		16.28
Effect of exchange differences on balances with banks in foreign currency		(0.01)		0.02		0.01
Total		**397.21**		**795.06**		**549.98**

THE ISSUE

The following table summarizes the details of the Issue:

Issue (1)(2)	Up to [●] Units, aggregating up to Rs. 25,000 million
of which	
A. Institutional Bidder Category	Not more than [●] Units
of which	
Anchor Investor Portion(3)	Up to [●] Units
Balance available for allocation to other Institutional Bidders(4)	[●] Units
B. Other Bidder Category	Not less than [●] Units
Details of Outstanding Units	
Units outstanding prior to the Issue (pre-Formation Transactions)	Nil
Units outstanding prior to the Issue (upon completion of the Formation Transactions)(5)	[●] Units
Units outstanding after the Issue(6)	[●] Units

(1) *The Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations.*

(2) *The Issue has been authorized by a resolution of the duly authorized committee of the board of directors of the Investment Manager dated November 9, 2016 and April 12, 2017.*

(3) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors in the Issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations.*

(4) *Assuming Anchor Investor Portion is fully subscribed.*

(5) *The Units to be issued to the Sponsor pursuant to the Formation Transactions will be created and issued to the Sponsor post the Bid/Issue Closing Date but prior to Allotment.*

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

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

GENERAL INFORMATION

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

For details of the business of the Trust, see "*The Trust's Business*" on page 161.

Registered Office and Correspondence Address of the Trust:

Reliance Infrastructure InvIT Fund
502, Plot No. 91/94,
Prabhat Colony, Santacruz (East),
Mumbai – 400055.

Tel: +91 22 3303 7000
Fax: +91 22 3303 7664
E-mail: info@relianceiif.com
Website: www.relianceiif.com
SEBI Registration Number: IN/InvIT/16-17/0004
Date of Registration with SEBI: November 24, 2016

Contact Person and Compliance Officer

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

Address

7th Floor, South Wing,
Reliance Centre, Off. Western Express Highway,
Santacruz (East),
Mumbai - 400055,
Maharashtra

Tel: +91 22 3303 7024
Fax: +91 22 3303 7664
E-mail: deepak.mukhija@relianceada.com

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

Sponsor

Reliance Infrastructure Limited

Registered Address

H Block, 1st Floor
Dhirubhai Ambani Knowledge City,
Navi Mumbai - 400710,
Maharashtra

Correspondence Address

3rd Floor, North Wing,
Reliance Centre, Santacruz (East),
Mumbai - 400055,

Maharashtra

Tel: +91 22 3303 1000
Fax: +91 22 3303 6664
Email: aashay.khandwala@relianceada.com
Contact Person: Mr. Aashay Khandwala

Trustee

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

Investment Manager

Reliance Nippon Life Asset Management Limited

Registered Address

H Block, 1st Floor
Dhirubhai Ambani Knowledge City,
Koparkhairane, Navi Mumbai, Thane - 400710,
Maharashtra

Correspondence Address

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Mumbai - 400055,
Maharashtra

Tel: +91 22 3303 7000
Fax: +91 22 3303 7664
E-mail: customercare.invit@relianceada.com
Contact Person: Mr. Praveen Joshi

Project Manager

The Trustee and the Investment Manager have appointed the Sponsor, namely Reliance Infrastructure Limited, as the Project Manager. For additional details, see "*The Project Manager*" on page 306.

Global Co-ordinators and Book Running Lead Managers

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Website: www.axiscapital.co.in
Contact Person: Ankit Bhatia

SEBI Registration No: INM000012029

DSP Merrill Lynch Limited
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Investor Grievance e-mail: dg.india_merchantbanking@baml.com
Website: www.dspml.com
Contact Person: Chirag Jain
SEBI Registration Number: INM000011625

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E-mail: ol-rinfrainvit@ubs.com
Investor Grievance e-mail: customercare@ubs.com
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SEBI Registration Number: INM000010809

Book Running Lead Managers

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Investor Grievance e-mail: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Nikhil Bhiwapurkar / Gitesh Vargantwar
SEBI Registration Number: INM000003531

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E-mail: rinfra.invit@yessecuritiesltd.in
Investor Grievance e-mail: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mukesh Garg
SEBI Registration Number: MB/INM000012227

Legal Advisors to the Issue

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Indian Legal Counsel to the GCBRLMs and the BRLMs

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International Legal Counsel to the GCBRLMs and the BRLMs

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Auditors

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714 - 715, Tulsiani Chambers
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Firm Registration No.: 101720W
Peer Review Certificate No.: 009065

Valuers

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Tel: +91 80 4243 0700
Fax: +91 80 4126 1228
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Firm Registration No.: 001076N/N500013
Peer Review Certificate No.: 009046

Technical Consultants

Traffic Consultants

GMD Consultants
2, Park View Society, Sector-17,
Nerul (East), Navi Mumbai – 400 076

Tel: 022-27700991
E-mail: info@gmdconsultants.in
Contact Person: Mr. Shailendra Mohan (Institution of Engineers (India) Membership No. F-118411-5)

Systra MVA Consulting (India) Private Limited
B-302, Great Eastern Summit, Sector-15,
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Tel: +91 22 27572745
Fax: +91 11 2622 4204
E-mail: mrtagore@systra.com
Contact Person: Dr. M. Ravindranath Tagore (Institution of Engineers (India) Membership No. F-116710-5)

Registrar to the Issue

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

Syndicate Members

[●]

Escrow Collection Bank(s)

[●]

Public Issue Account Bank(s)

[●]

Refund Bank(s)

[●]

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available at www.sebi.gov.in and updated from time to time, or at such other website as may be prescribed by SEBI from time to time. Details relating to the Designated Branches of SCSBs collecting the Bid cum Application Forms used by the ASBA Bidders are available at the abovementioned link.

Registered Brokers

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

RTAs

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

Collecting Depository Participants

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

Inter-se Allocation of Responsibilities

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

Activity	Responsibility	Co-ordination
Assist the Investment Manager in selecting the initial portfolio of the Trust and Sponsor non-compete measures; capital structuring, with the relative components and formalities such as type of instruments, etc.	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS
Due diligence of the Trust's operations/management/ business plans/legal, etc., Sponsors / Investment Manager's / Project Manager's experience, the proposed formation transactions, the proposed and future assets arrangements., any other related party transactions (including any name licensing or other arrangements) Drafting and design of offer documents and of statutory advertisement including memorandum containing salient features of the Offering Documents. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and the SEBI.	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	AXIS, DSPML, UBS, SBICAP, YESSEC	SBICAP
Appointment of Registrar to the Issue, Bankers to the Issue and other intermediaries	AXIS, DSPML, UBS, SBICAP, YESSEC	SBICAP
Appointment of Printers and Advertising Agency	AXIS, DSPML, UBS, SBICAP, YESSEC	SBICAP
Finalising road show marketing presentation and FAQ; Finalising the Anchor Minutes and Strategic Investor minutes	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS, DSPML & UBS
International and Domestic institutional marketing of the Issue which will cover, inter alia: - Formulating overall institutional marketing strategy; - Finalising the list and division of investors for one-on-one meetings, institutional allocation - Finalizing road show schedule and investor meeting schedules	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS, DSPML & UBS
Non-Institutional marketing strategy which will cover, inter alia: - Formulating marketing strategies, preparation of publicity budget; finalising media, marketing and public relations	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS

Activity	Responsibility	Co-ordination
strategy; finalising centers for holding conferences for brokers, etc.; - Finalising the brokerage & commission for Non-Institutional category for the brokers and sub syndicate - Payment and calculation of the brokerage & commission		
- Finalising collection centers; - Deciding on the quantum of the Offer material and allocation amongst the printers and coordinating all aspects of distribution of Bid cum Application Forms. - Follow-up on distribution of publicity and Issue material including Bid cum Application Forms, Offer Document, etc.	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS
Coordination with stock exchanges for Book Building software and submitting 1% deposit	AXIS, DSPML, UBS, SBICAP, YESSEC	SBICAP
Finalizing of Pricing and Allocation in consultation with the Investment Manager	AXIS, DSPML, UBS, SBICAP, YESSEC	Axis, DSPML & UBS
Assisting the Investment Manager in ensuring the completion of the formation transactions and the allotment of Units in consideration thereof	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS
Post bidding activities including management of Escrow Accounts, coordinate non-institutional and institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post Issue activities of the Issue will involve essential follow up steps, which include finalization of basis of allotment, trading and dealing instruments and dispatch of certificates and demat delivery of Units, with the various agencies connected with the work such as Registrar to the Issue, Banker to the Issue and the bank handling refund business. Release of 1% deposit with Designated Stock Exchange	AXIS, DSPML, UBS, SBICAP, YESSEC	AXIS

USE OF PROCEEDS

The Issue comprises of a initial public offer of up to [●] Units, aggregating to Rs. 25,000 million, with an option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations.

The Issue

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

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

1. Investment in the Project SPVs by way of an infusion of debt; and

2. General purposes.

Net Proceeds

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

Particulars		Estimated Amount (Rs. in Millions)
Issue Proceeds		25,000.00
Less:	Issue related expenses*	([●])
Net Proceeds		**[●]**

** To be finalized upon determination of Issue Price*

Utilization of Net Proceeds

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

Sr. No.	Particulars	Estimated Amount (Rs. in Millions)
1.	Investment in the Project SPVs by way of an infusion of debt	24,000.00
2.	General purposes*	[●]
Total Net Proceeds		[●]

** To be finalized upon determination of Issue Price.*

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

Details of Utilization of Net Proceeds

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

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

The Investment Manager, on behalf of the Trust, proposes to invest an estimated amount of Rs. 24,000.00 million from the Net Proceeds in the Project SPVs, namely DS, GF, JR, NK, SU, TD and TK, by way of an infusion of debt, in the form of certain secured loans (the "**Secured Trust Financing**") and certain unsecured loans (the "**Unsecured Trust Financing**"). The Project SPVs, in turn, intend to utilize the proceeds of (a) the Secured Trust Financing towards repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders/lenders; and (b) the Unsecured Trust Financing towards prepayment, in part, of the unsecured subordinate debt provided to such Project SPVs by the Sponsor, and the prepayment, in full, of the unsecured loans/advances provided to such Project SPVs by the Sponsor. The aforesaid investments will be made by entering into the debt documentation with each Project SPV (collectively, the "**Debt Documentation**"). For details in relation to the Debt Documentation, including details with respect to the nature and purpose, rate of interest, repayment, security, events of default, ranking and governing law, as applicable, see "*Background and Structure of the Trust*" on page 118.

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

The amount of Net Proceeds proposed to be utilized, the selection of the borrowings proposed to be repaid/prepaid among the various loans/facilities availed by the Project SPVs from their respective lenders and the extent of such repayment/prepayment, in part or full, will be finalized by the Investment Manager based on a variety of factors, including *inter alia*, (i) any conditions attached to the loans/facilities restricting the respective Project SPV's ability to repay/prepay such loans/facilities and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents for repayment/prepayment from the respective lenders of the Project SPVs, (iii) terms and conditions of such consents and waivers, (iv) levy of any pre-payment penalties and/or premia and the quantum thereof, (v) provisions of any laws, rules and regulations governing such loans/facilities, and (vi) other commercial considerations including, among others, the interest rates on the loans/facilities, the amounts outstanding and the remaining tenor of the loans/facilities. However, the Investment Manager (on behalf of the Trust) proposes to utilize at least 50% of the Net Proceeds to prepay/repay the aggregate outstanding loans/facilities that have been availed by the Trust Group from its senior lenders/lenders, without any obligation to any particular senior lender/lender, by way of the Secured Trust Financing. The Project SPVs may also be required to provide notice to and obtain consent from some of their respective lenders prior to repayment/prepayment.

The Project SPVs may prepay, repay or refinance certain loans/facilities set out herein below, or avail additional borrowings prior to Allotment. In such a scenario, the Investment Manager (on behalf of the Trust) may utilise the Net Proceeds for the prepayment/repayment, in part or full, of any such borrowings or loans/facilities. Further, the amounts outstanding under the loans identified for repayment/prepayment, in part or full, may vary on account of interim repayments and drawdowns. In the event that outstanding amounts were to vary prior to the filing of the Offer Document, we may revise our utilisation of the Net Proceeds towards prepayment/repayment, in part or full, of the amounts under the identified loans, subject to compliance with the InvIT Regulations and other applicable laws.

As of the date of this Draft Offer Document, the Project SPVs are yet to receive consents from certain of their senior lenders/lenders in connection with, *inter alia*, the proposed transfer of the Sponsor's shareholding in the Project SPVs to the Trust and the repayment/pre-payment of indebtedness availed by the Project SPVs. For additional details, see "*Financial Indebtedness*" on page 394. Further, as on the date of the Draft Offer Document, we are yet to place before NHAI and HPWD, the drafts of certain Debt Documentation as required under the terms of the concession agreements entered into by each of the Project SPVs with NHAI and HPWD. Please see "*Risk Factors – We have not executed definitive documentation with respect to the Formation Transactions, the debt financing arrangements, the ROFO and Future Assets Agreement. Our completion of the Formation Transactions, pursuant to which we will acquire the Project SPVs, and the transactions contemplated by the debt financing documentation are subject to certain closing and other conditions that may prevent us from acquiring the Project SPVs or providing debt financing to them*" on page 17.

A. *Secured Trust Financing*

The following table provides details of certain loans/facilities that have been availed by Project SPVs that are outstanding as on March 31, 2017, out of which the Investment Manager (on behalf of the Trust) may repay/prepay, in part or full, any or all such loans/facilities from the proceeds of the investment made in such Project SPVs by the Trust by way of the Secured Trust Financing, subject to the utilization of at least 50% of the Net Proceeds towards the repayment/prepayment of the aggregate outstanding loans/facilities that have been availed by the Trust Group from its senior lenders/lenders, without any obligation to any particular senior lender/lender:

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
DS								
1.	Infrastructure Development Finance Company Limited (“**IDFC**”)	Rupee Loan Agreement dated March 26, 2012 (“**DS Loan Agreement**”)	The proceeds of the loan are to be utilised for refinancing of the short term loan of Rs. 3,320 million from IDFC which was taken for refinancing of an earlier loan which was taken for refinancing the project loans taken for financing the project envisaging the 4 laning of the erstwhile 2 laned Dindigul-Samayanallur	Rs. 3,320.00	Rs. 2,375.44	11.10%	Repayment will be in quarterly instalments commencing from June 30, 2012 and ending on March 31, 2024.	The prepayment premium to be charged shall be at the rate of 1% of the prepaid amount of the loan, subject to the relevant provisions of the DS Loan Agreement

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
			section of NH-7 in Tamil Nadu					
2.	India Infrastructure Finance Company Limited (“**IIFCL**”)	Takeout agreement dated January 13, 2015 (“**DS Takeout agreement**”)	Take out financing for the purpose of taking over the part of the outstanding loan amount of IDFC under the DS Loan Agreement by IIFCL as the Takeout Lender	Rs. 750.00	Rs. 706.22	10.10%	Repayment will be in 37 quarterly instalments commencing from March 31, 2015 and ending on March 31, 2024.	The prepayment premium to be charged shall be at the rate of 1% of the prepaid amount of the loan, subject to the relevant provisions of the DS Loan agreement
GF								
1.	Allahabad Bank	Common loan agreement dated August 26, 2009(“**GF Common Loan Agreement**”)	The proceeds of all amounts borrowed by GF shall be applied in or towards the construction and development of the GF Project	Rs. 280.00	Rs. 212.88	11.15%	Repayment in 38 unequal quarterly instalments from the period commencing on March 31, 2012 and ending June 30, 2021	The prepayment premium to be charged by the lenders shall be at the rate of 1% of the loan amount being repaid, subject to the relevant provisions of the GF Common Loan Agreement
2.	Axis Bank Limited			Rs. 420.00	Rs. 331.05	11.15%		
3.	Bank of Baroda			Rs. 650.00	Rs. 492.69	11.15%		
4.	Bank of India			Rs. 1,000.00	Rs. 775.96	11.65%		
5.	Corporation Bank			Rs. 720.00	Rs. 550.48	11.15%		
6.	Indian Bank			Rs. 500.00	Rs. 394.27	11.15%		
7.	State Bank of Patiala			Rs. 250.00	Rs. 189.67	11.15%		
8.	UCO Bank			Rs. 950.00	Rs. 722.52	11.15%		
9.	Union Bank of India			Rs. 720.00	Rs. 551.98	11.15%		
10.	United Bank of India			Rs. 350.00	Rs. 266.05	11.15%		

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
JR								
1.	Yes Bank Limited	Loan agreement dated January 25, 2011 ("**JR Loan Agreement**")	The purpose of all amounts borrowed by JR shall be applied in or towards the construction and development of the JR Project.	Rs. 3,890.00	Rs. 3,510.69	11.00%	JR shall repay the loan availed under the JR Loan Agreement in 42 unequal quarterly instalment, commencing on December 31, 2013 and ending on March 31, 2024.	The prepayment premium to be charged shall be at the rate of 1% of the prepaid amount of the loan, subject to the relevant provisions of the JR Loan Agreement
NK								
1.	Infrastructure Development Finance Company Limited	Rupee Loan Agreement dated March 26, 2012 ("**NK Loan Agreement**")	The proceeds of the loan shall be utilized for the part financing of the short term loan of Rs. 2,760.00 million from Infrastructure Development Finance Company Limited which was taken for refinancing an earlier loan which was taken for refinancing of	Rs. 1,200.00	Rs. 638.88	11.25%	The repayment will be made in unequal quarterly instalments commencing from June 30, 2012 and ending March 31, 2023.	The prepayment premium to be charged shall be at the rate of 1% of the prepaid amount of the loan, subject to the relevant provisions of the NK Loan Agreement.

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
			the project loans taken for financing the project for the 4 laning of the erstwhile 2 laned Namakkal-Karur section of NH-7 in Tamil Nadu.					
2.	IDBI Trusteeship Services Limited (Debenture Trustee)	Debenture Trust Deed dated September 24, 2015 (“**NK DTD**”)	The proceeds from the issuance of the debentures are proposed to be utilized for partial prepayment of the outstanding senior debt of the rupee lenders under the NK Loan Agreement	Rated, secured, redeemable, non-convertible debentures of face value of Rs. 0.10 million each, aggregating upto Rs. 500.00 million	Rs. 470.88	10.20%	The repayment will be made in unequal quarterly instalments commencing from December 31, 2015, and ending March 31, 2023	The maximum premature redemption premium to be charged shall be at the rate of 1% on the principal amount of the debenture being redeemed prematurely, subject to the relevant provisions of the NK DTD. Any premature redemption to the rupee lender and the debenture holders shall be on a pro rata basis

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
								unless such premature redemption is effected on the respective interest reset dates of the rupee lender and/or the debenture holders.
3.	YES Bank Limited (Issuing and Paying Agent)	Issuing and Paying Agency Agreement dated September 26, 2016	The proceeds received by NK from the issuance of the commercial papers ("**CPs**") shall be applied only for (i) capital expenditure and repayment of existing loans infused by the Sponsor for the purposes of capital expenditure, (ii) advance payment to suppliers and repayment of existing loans	Rupee denominated rated CPs, aggregating upto Rs. 1,500 million	Rs. 1,500.0	8.37%	For the purposes of redemption, NK is required to deposit the the amount/maturity value payable to the holders of the CPs at least (but not later than) three business days prior to the respective maturity dates, being August 4, 2017, September 5, 2017 and September 29, 2017.	Buyback subject to approval of Investor

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
			infused by the Sponsor for the purposes of advance payment to suppliers, and (iii) working capital and repayment of existing loans infused by the Sponsor for the purposes of working capital.					
SU								
1.	Dena Bank	Facility Agreement dated June 23, 2014 as supplemented by deeds of accession dated February 19, 2015, March 27, 2015, June 29, 2015 and August 28, 2015("**SU Facility Agreement**")	The proceeds of the loan are to be utilised for refinancing the senior debt and other uses as per terms of the SU Facility Agreement.	Facility A (Senior) – Rs. 750.00	Rs. 739.07	11.20%	Facility A - Repayment shall be made in unequal quarterly instalments commencing from June 30, 2014 and ending on March 31, 2029 Facility B - Repayment shall be made in unequal quarterly instalments commencing from June 30, 2023 and	The prepayment premium to be charged shall be at the rate of 1% of the facility proposed to be repaid in accordance with the terms of the SU Facility Agreement
2.	Oriental Bank of Commerce			Facility A (Senior) – Rs. 1000.00	Rs. 984.77	11.20%		
3.	State Bank of Bikaner & Jaipur			Facility A (Senior) – Rs. 500.00	Rs. 491.45	11.20%		
4.	State Bank of India			Facility A (Senior) – Rs. 1750.00	Rs. 1,721.65	11.20%		
5.	State Bank of Mysore			Facility A (Senior) – Rs. 600.00	Rs. 590.40	11.20%		

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
				Facility B (Subordinate) – Rs. 150.0	Rs. 150.00	12.25%	ending on March 31, 2030	
6.	L&T Infrastructure Finance Company Limited			Facility A (Senior) – Rs. 680.00	Rs. 638.56	11.20%		
				Facility B (Subordinate) – Rs. 450.00	Rs. 450.0	12.25%		
7.	IDBI Trusteeship Services Limited (Debenture Trustee)	Debenture Trust Deed dated August 12, 2014 ("**SU DTD**")	The proceeds from the issuance of the debentures shall be utilized solely towards part repayment of the outstanding amounts under the existing rupee facilities.	Secured, rated, redeemable, unlisted, non-convertible debentures of face value of Rs. 0.10 million each, aggregating upto Rs. 800.00 million	Rs. 786.40	10.75%	Redemption shall be made in structured quarterly instalments commencing from July 1, 2014 and ending on April 1, 2029	Any premature redemption is required to be made with a 30 day prior notice to the debenture trustee. Any offer to redeem the outstanding debentures is required to be made to all the debenture holders and such offer shall be on a pro rata basis. The requirement of redemption offer being extended to all the relevant debenture holder. Each debenture holder shall be

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
								entitled to apply for any amount pro rata to the number of the debentures held by such debenture holders. The early redemption premium to be payable to the debenture holders shall be at the rate of 1% of the face value of the outstanding debentures, subject to the relevant provisions of the SU DTD
TD								
1.	Bank of India	Common Rupee Loan Agreement dated March 28, 2008 (“**TD Common Loan Agreement**”)	The proceeds of all amounts shall be applied in or towards the construction and development of the Project (as	Rs. 250.00	Rs. 220.06	10.75%	TD is required to repay in 50 quarterly unequal instalments from the period commencing December 31, 2011 and ending March 30, 2024	The prepayment premium to be charged by the lenders shall be at the rate of 0.5% of the loan amount being prepaid, subject to the relevant
2.	Canara Bank			Rs. 854.00	Rs. 751.47	10.75%		
3.	Corporation Bank			Rs. 650.00	Rs. 571.92	10.75%		
4.	IIFCL			Rs. 750.00	Rs. 665.63	10.75%		
5.	Oriental Bank of Commerce			Rs. 320.00	Rs. 282.13	10.75%		
6.	UCO Bank			Rs. 400.00	Rs. 352.20	10.75%		

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
			defined under the TD Common Loan Agreement). The lenders (at the request of TD) may also issue a financial guarantee within the sanctioned amount of the rupee loan availed under the TD Common Loan Agreement in favour of banks and financial institutions (set out in the TD Common Loan Agreement)					provisions of the TD Common Loan Agreement.
TK								
1.	Bank of India	Common Rupee Loan Agreement dated March 28, 2008 ("**TK Common Loan Agreement**")	The proceeds of all amounts shall be applied in or towards the construction	Rs. 400.00	Rs. 294.84	10.80%	TK is required to repay the principal amount of the Rupee loans to the TK Lenders in 48 quarterly unequal	The prepayment premium to be charged by the lenders shall be at the rate of 0.5% of the prepaid
2.	Canara Bank			Rs. 990.00	Rs. 729.81	10.80%		
3.	Corporation Bank			Rs. 600.00	Rs. 441.40	10.80%		
4.	IIFCL			Rs. 900.00	Rs. 667.41	10.80%		
5.	Indian Overseas Bank			Rs. 500.00	Rs. 368.99	10.80%		

Sr. No.	Name of Lender	Nature of Borrowing and Details of Facility Agreement	Purpose	Amount sanctioned (in Millions)	Principal Amount Outstanding as on March 31, 2017 (in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment Schedule	Prepayment Provision
6.	Oriental Bank of Commerce		and development of the Project (as defined under the TK Common Loan Agreement).	Rs. 400.00	Rs. 295.40	10.80%	instalments from a period commencing on December 31, 2011 and ending September 30, 2023	amount, subject to the relevant provisions of the TK Common Loan Agreement.
7.	UCO Bank			Rs. 600.00	Rs. 440.58	10.80%		

B. Unsecured Trust Financing

(i) Repayment/prepayment, in part, of Unsecured Subordinate Debt:

The following table provides details of the outstanding unsecured subordinate debt provided by the Sponsor to the Project SPVs as on March 31, 2017 out of which the Investment Manager (on behalf of the Trust) proposes to prepay, in part, any or all of such outstanding unsecured subordinate debt from the proceeds of the investment made in such Project SPVs by the Trust by way of the Unsecured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on March 31, 2017 (Rs. in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment / Redemption Provision	Transferability	Prepayment / Repayment Penalty
DS									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Dindigul - Samayanallore Road on NH-7 in the State of Tamil-Nadu and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating upto Rs. 468.00 million	468.00	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*

Sr. No.	Name of Lender	Nature of Borrowing	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on March 31, 2017 (Rs. in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment / Redemption Provision	Transferability	Prepayment / Repayment Penalty
GF									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Gurgaon - Faridabad section in the State of Haryana and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating upto Rs. 2,042.90 million	2,042.90	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*
JR									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Jaipur-Reengus section of National Highway - 11 in the State of Rajasthan and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating upto Rs. 1,330.31 million	1,330.31	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*
NK									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Namakkal Karur section of NH - 7 in the State of Tamil Nadu and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating upto Rs. 582.69 million	582.69	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*
TD									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Trichy Dindigul section of NH 45 in the State of Tamil Nadu and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating	152.50	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*

Sr. No.	Name of Lender	Nature of Borrowing	Purpose	Amount sanctioned (Rs. in Millions)	Principal Amount Outstanding as on March 31, 2017 (Rs. in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Repayment / Redemption Provision	Transferability	Prepayment / Repayment Penalty
				upto Rs. 152.50 million					
TK									
1.	Reliance Infrastructure Limited	Subordinate Debt	To meet the cost of construction of Trichy Karur section of NH – 67 in the State of Tamil Nadu and for general corporate purposes.	Unsecured subordinate debt certificates of face value of Re. 1.00 each, aggregating upto Rs. 1,712.70 million	1,712.70	*Nil*	See **Note 1** below	See **Note 2** below	*Nil*

Note 1

Each subordinate debt certificate is redeemable at Re. 1 each. Further, the Project SPV has the right to redeem the subordinate debt certificates in part or in full at any time during the tenor of the subordinate debt certificates after approval from its lenders or the holder(s) of the subordinate debt certificates have the right to convert the subordinate debt certificates at any time into equity shares of the Project SPV.

Note: 2

The subordinate debt certificates are non-transferable to any person, company or entity either by endorsement or by instrument of transfer or by delivery. However, with the mutual consent of the parties, the holder of the subordinate debt certificates may assign the subordinate debt certificates to any third party purchaser, and then the subordinate debt certificates will be cancelled, and instead an inter-corporate loan agreement evidencing the debt of the Project SPV will be entered into at mutually agreed terms.

(ii) Prepayment of Unsecured Loans/Advances:

The following table provides details of the outstanding unsecured loans/advances provided by the Sponsor to the Project SPVs as on March 31, 2017, out of which the Investment Manager (on behalf of the Trust) proposes to prepay, in full, all of such unsecured loans/advances from the proceeds of the investment made in such Project SPVs by the Trust by way of the Unsecured Trust Financing:

Sr. No.	Name of Lender	Nature of Borrowing	Amount sanctioned (Rs. in Millions)	Amount Outstanding as on March 31, 2017 (Rs. in Millions)	Rate of Interest as on March 31, 2017 (% per annum)	Prepayment / Repayment Penalty
TK						
1.	Reliance Infrastructure Limited	Unsecured Loan Letter dated August 29, 2016	40.00	40.00	*Nil*	*Nil*
2.	Reliance Infrastructure Limited	Unsecured Loan Letter dated March 31, 2016	35.00	35.00	*Nil*	*Nil*

Additionally, certain Project SPVs propose to utilize a portion of the debt financing availed from the Trust to prepay/repay, in part or full, certain loans and facilities that they have availed from (i) Axis Bank Limited, which is an affiliate of AXIS, one of the GC BRLMs; (ii) State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of India and State Bank of Mysore, which are affiliates of SBICAP, one of the BRLMs; and (iii) YES Bank Limited, which is an affiliate of YESSEC, one of the BRLMs. Further, certain of the Project SPVs may also utilize a portion of the debt financing availed from the Trust to redeem, in part or full, the outstanding debentures issued by such Project SPVs, for which the Trustee, namely IDBI Trusteeship Services Limited, also serves as the debenture trustee.

2. *General Purposes*

The Investment Manager (on behalf of the Trust) proposes to deploy the balance Net Proceeds, aggregating to Rs. [●] million, towards general purposes, subject to such utilization not exceeding 10% of the Net Proceeds in compliance with the InvIT Regulations. The general purposes for which the Investment Manager (on behalf of the Trust) proposes to utilize the Net Proceeds include meeting expenses incurred in the ordinary course of business, reimbursement of the Sponsor for expenses incurred in relation to the Trust, meeting any exigencies that the Trust may face, or any other purposes as may be approved by the Investment Manager from time to time, subject to compliance with necessary provisions of the InvIT Regulations. Further, the Investment Manager (on behalf of the Trust), will have flexibility in utilizing surplus amounts, if any.

Retention of Oversubscription in the Issue, if any

The Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations. In the event that the Investment Manager, in consultation with the GCBRLMs and the BRLMs, exercises the aforesaid right, the proceeds from the Allotment of Units pursuant to such oversubscription shall be utilized in a manner that is proportional to the proposed utilisation of the Net Proceeds and towards the same objects. However, in compliance with the InvIT Regulations, proceeds from the Allotment of Units pursuant to such oversubscription shall not be utilized towards general purposes.

Schedule of Deployment

The Investment Manager proposes to deploy the Net Proceeds towards the aforestated purposes during Fiscal 2018, depending upon various factors, including the actual timing of completion of the Issue and the receipt of the Net Proceeds. The proposed deployment of funds is based on the estimates of the Investment Manager and has not been appraised by any bank, financial institution or any other external agency. In the event that the Investment Manager is unable to utilize the entire amount that it has currently estimated for use out of Net Proceeds in a particular fiscal year, it will utilize such unutilized amount in the next fiscal year.

Interim use of Net Proceeds

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

Issue Related Expenses

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

All expenses in relation to the Issue shall be paid by the Trust. However, for ease of operations, if required, the expenses of the Trust may, at the outset, be borne by the Sponsor on behalf of the Trust, and the Investment Manager (on behalf of the Trust) agrees that it will reimburse the Sponsor for all such expenses. The break-down for the estimated Issue expenses are as follows:

Activity	Estimated expenses* (Rs. in Millions)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Expenses in relation to the Formation Transactions (including stamp duty and registration)	[●]	[●]	[●]
Payment to the GCBRLMs and the BRLMs (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]

Activity	Estimated expenses* (Rs. in Millions)	As a % of the total estimated Issue expenses*	As a % of the total Issue size*
Processing fee for SCSBs	[•]	[•]	[•]
Fees payable to the Registrar to the Issue	[•]	[•]	[•]
Fees payable to other advisors to the Issue	[•]	[•]	[•]
Fees payable to the Valuers	[•]	[•]	[•]
Fees payable to the Traffic Consultants	[•]	[•]	[•]
Fees payable to the Banker(s) to the Issue	[•]	[•]	[•]
Fees payable to the Auditors	[•]	[•]	[•]
Others	[•]	[•]	[•]
- Listing fees, SEBI, BSE and NSE Processing Fees	[•]	[•]	[•]
- Printing and stationery	[•]	[•]	[•]
- Advertising and marketing expenses	[•]	[•]	[•]
- Miscellaneous	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

**Will be incorporated upon finalization of the Issue Price.*

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

TERMS OF THE ISSUE

The following is a summary of the terms and conditions of an investment in the Issue. For additional details, refer to "Issue Structure" on page 461.

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

Trust	Reliance Infrastructure InvIT Fund
Sponsor	Reliance Infrastructure Limited
Investment Manager	Reliance Nippon Life Asset Management Limited
Project Manager	Reliance Infrastructure Limited
Trustee	IDBI Trusteeship Services Limited
Issue	Initial public offer of up to [●] Units, aggregating to Rs. 25,000 million, with an option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations
Issue Size	[●] Units, aggregating to Rs. [●] million
Option to Retain Oversubscription	Up to 25% of the Issue size in accordance with the InvIT Regulations
Face Value	Not applicable
Issue Price	Rs. [●] per Unit
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]*
Anchor Investor and Strategic Investor Bid/Issue Period	[●]**
Commitment received from Strategic Investors, if any	[●]
Lock-in on the Sponsor (*Regulatory*)	In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units, subject to the following: (i) the Sponsor would be responsible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust; (ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard; (iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee. Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units. Further, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

Lock-in on the Sponsor (*Contractual*)	The Sponsor shall not, without the prior written consent of the GCBRLMs and the BRLMs, during the period commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the listing of the Units, directly or indirectly: (i) in relation to any Units or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Units other than pursuant to the Issue, issue, offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any encumbrances; ii) except as disclosed in the Draft Offer Document, enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any securities convertible into or exercisable as or exchangeable for Units; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or securities, in cash or otherwise. The aforesaid restrictions shall not apply to any bank financing or refinancing proposed to be undertaken by any of the Project SPVs and any pledge of the equity shares held by the Sponsor in the Project SPV in relation to such bank financing or refinancing taken by the Project SPVs, provided that the overall bank debt of such Project SPV shall not be increased and that the Sponsor ensures the release of such pledge for the transfer of such equity shares to the Trust pursuant to the relevant Securities Purchase Agreement.
Lock-up on the Sponsor (*Contractual*)	The Sponsor shall not, without the prior written consent of the GCBRLMs BRLMs, during the periods (i) commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the date of filing the Draft Offer Document (which period shall be extendable by the mutual consent of the GCBRLMs and BRLMs and the Sponsor) and (ii) commencing from the listing of the Units and ending 180 calendar days thereafter, directly or indirectly undertake any offering of debt, equity, units of an infrastructure investment trust that proposes to invest in the road infrastructure sector in India or any other jurisdiction. Further, none of the Sponsor or any of its Associates shall set up any infrastructure investment trust that proposes to invest in the road infrastructure sector in India or in any other jurisdiction subsequent to the filing of the Draft Offer Document by the Trust and until a period of 180 calendar days from the listing of the Units.
Lock-up on the Trust and the Investment Manager (*Contractual*)	The Trust (acting through the Trustee) and the Investment Manager shall not, without the prior written consent of the Managers, during the period commencing from the date of the Draft Offer Document and ending 180 calendar days after the listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, encumber, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of directly or indirectly any Units or any securities convertible into or exercisable or exchangeable for Units, other than pursuant to the Securities Purchase Agreements or the Issue (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any other securities convertible into or exercisable as or exchangeable for Units, or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise. However, the aforesaid restrictions shall not apply to (i) an issue of Units made as consideration with respect to an acquisition made by the Trust pursuant to the right of first offer and future assets agreement; and (ii) any buy-back of Units made by the Trust.
Use of Proceeds	Please see "*Use of Proceeds*" on page 87
Distribution Policy	Please see "*Distribution Policy*" on page 281
Rights of Unitholders	Please see "*Rights of Unitholders*" on page 285

Taxation	Please see "*Statement of Tax Considerations / Benefits*" on page 109
Brief description of the assets under the Trust (including details of the capital structure of such assets)	Please see "*Background and Structure of the Trust*" on page 118
Brief description of the valuation of each asset	Please see "*Valuation*" on page 280
Relevant financial ratios	Please see "*Basis of Issue Price*" on page 107
Brief details of the fees and expenses charged or chargeable to the Trust	Please see "*Background and Structure of the Trust*" on page 118
Brief description of any ROFR	Please see "*Background and Structure of the Trust*" on page 118
Alteration of terms of the Issue	In case of any alteration of the terms of the Units, including the terms of the Issue, which may adversely affect the interest of the Unitholders, an approval from the Unitholders shall be required where the votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution.
Minimum Unitholding	In accordance with the InvIT Regulations, at all times post-listing of the Units, the minimum public unitholding of the Trust is required to be in accordance with Regulation 14(1A) of the InvIT Regulations, and other than the Sponsor, its related parties and Associates, the Trust is required to have, and maintain, a minimum of 20 Unitholders forming part of the 'public', each holding not more than 25% of the aggregate amount of the Units on a post-Issue basis, failing which action may be taken as may be specified by the SEBI and the Stock Exchanges, including delisting of the Units under the InvIT Regulations. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.
Depositories	NSDL and CDSL
Listing	
a) Stock Exchanges	BSE and NSE
b) Designated Stock Exchange	[●]
c) Timelines for Listing	[●]
d) ISIN	INE521W23015

**The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors. The Anchor Investor and Strategic Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations.*
***The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Issue Period for Institutional Bidders one Working Day prior to the Bid/Issue Closing Date in accordance with the InvIT Regulations.*

Notes

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

2. The 'in-principle' approvals of the BSE and the NSE for the listing of the Units have been received pursuant to their letters each dated January 13, 2017, respectively.

BASIS OF ISSUE PRICE

The Issue Price will be determined by the Investment Manager, in consultation with the GCBRLMs and the BRLMs, on the basis of assessment of market demand for the Units offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. Investors should also refer to the sections "*Risk Factors*", "*The Trust's Business*", and "*Financial Statements*" on pages 17, 161 and 313, respectively.

Qualitative Factors

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

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

For further details, see section titled "*The Trust's Business - Competitive Strengths*" on page 167.

Quantitative Factors

The information presented below is based on the Condensed Combined Financial Statements, prepared in accordance with the requirements of the InvIT Regulations and Ind-AS. For details, see "*Financial Statements*" on page 313.

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

I. Valuation provided by the Valuers

The Valuers have used the following basis for Valuation:

i. Discounted Cash Flows (DCF) of all Trust Assets; and

ii. The assumptions used by the Valuers have been disclosed in **Annex A** of the Draft Offer Document.

Valuation of the Trust Assets as on [●] as per the Valuers is Rs. [●].

The Price Band is [●] to [●].

Number of Units to be issued by the Trust to acquire the Project SPV shares from the Sponsor is as follows

Particulars	At Floor Price (Rs. in Million)	At Cap Price (Rs. in Million)	At Issue Price (Rs. in Million)
Equity Valuation	[●]	[●]	[●]
Enterprise Valuation*	[●]	[●]	[●]

**Net Debt of Rs. [●] as on [●] has been considered for calculating Enterprise Value.*

II. The Investment Manager has given Revenue, Profit and Cash Flow Projections for the Next Three Financial Years.

For details of Revenue, Profit and Cash Flow Projections and notes thereto, please refer to **Annex B**.

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

Particulars	At Floor Price (Rs in Million)	At Cap Price (Rs in Million)	At Issue Price (Rs in Million)
Enterprise Valuation*	[●]	[●]	[●]

**Net Debt of Rs. [●] as on [●] has been considered for calculating Enterprise Valuation.*

Particulars	Amount (Rs. in Million)	EV/EBITDA Ratio		
		At Floor Price	At Cap Price	At Issue Price
EBIDTA of Fiscal 17 as per Condensed Combined Financial Statements	2,648.17	[●]	[●]	[●]
EBIDTA of Fiscal 18#	3,210.45	[●]	[●]	[●]
EBIDTA of Fiscal 19#	3,815.02	[●]	[●]	[●]
EBIDTA of Fiscal 20#	4,382.05	[●]	[●]	[●]

#As per the Revenue, Profit and Cash Flow Projections

IV. Comparison with Industry Peers

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

STATEMENT OF TAX CONSIDERATIONS / BENEFITS

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

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

Reliance Nippon Life Asset Management Limited (As the Investment Manager of the Reliance Infrastructure InvIT Fund)
'H' Block, 1st Floor
Dhirubhai Ambani Knowledge City
Koparkhairne, Navi Mumbai
Thane - 400 710, India

Dear Sirs,

Sub: Statement of possible tax considerations / benefits available to the Reliance Infrastructure InvIT Fund and its Unitholders under the Income Tax Act, 1961.

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

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

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

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

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

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

We hereby give our consent to include the enclosed statement regarding tax benefits available to the Trust and to its Unit Holders in the letter for the proposed initial public offer of Units which the Trust intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

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

For **Chaturvedi & Shah**
Chartered Accountants
Firm's Registration No: 101720W

Vijay Napawaliya
Partner
Membership No.109859
Place: Mumbai
Date: April 24, 2017

TAX CONSIDERATIONS / BENEFITS

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

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

GENERAL

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

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

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

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

➢ Residential Status (Section 6)

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

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

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

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

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

For the purposes of IT Act, "non-resident" means a person who is not a resident in India. [Section 2(30)]

- *Section 115UA of the IT Act*

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

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

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

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

- *Section 10 of the IT Act*

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

Section 10(23FC) of the IT Act: any income of a business trust by way of -

(a) interest received or receivable from a special purpose vehicle; or

(b) dividend referred to in sub-section (7) of section 115O

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

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

- *Section 115-O(7) of the IT Act:*

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

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

Explanation – For the purpose of this sub-section –

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

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

TAX REGIME FOR BUSINESS TRUST AND UNIT HOLDERS

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

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

- The income by way of interest received by the Trust from Special Purpose Vehicle ('SPV') is accorded 'pass through' treatment i.e. there is no taxation of such interest income in the hands of the Trust and there are no withholding tax obligations at the level of SPV while remitting the money to the Trust [Section 10(23FC) and Section 194A(3)(xi) of the IT Act].

- The dividend, referred to in sub-section (7) of section 115-O of the IT Act, received by the Trust from the domestic company will be exempt in the hands of the Trust under section 10(23FC) of the IT Act. However, as per section 115BBDA of the IT Act, the total income of a specified assessee, resident in India, includes any income in aggregate exceeding ten lakh rupees, by way of dividends declared, distributed or paid by a domestic company or companies, the income-tax payable shall be the aggregate of the amount of income-tax calculated on the income by way of such dividends in aggregate exceeding ten lakh rupees, at the rate of ten per cent; and the amount of income-tax with which the assessee would have been chargeable had the total income of the assessee been reduced by the amount of income by way of dividends. As per section 115-O(7) of the IT Act as amended by the Finance Act, 2016, no Dividend Distribution Tax ('DDT') shall be payable on dividend declared, distributed or paid by the specified domestic company to the Trust after the 'specified date'.. [Section 10(23FC), 115BBDA and Section 10(23FC) of the IT Act].

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

  - Trust has become the holder of whole of the nominal value of equity share capital of the company (excluding the equity share capital required to be held mandatorily by any other person in accordance with any law for the time being in force or any directions of Government or any regulatory authority, or equity share capital held by any Government or Government body)

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

  Dividends paid out of accumulated profits or current profits upto the date of acquisition of shares in SPV will be subject to DDT as and when distribution takes place [Section 115-O of the IT Act].

- Capital gains on sale of unlisted shares of the SPV is taxable in the hands of the Trust at 20% with an indexation benefit, where the shares are held for a period of 24 months or more, else at maximum marginal rate ('MMR') i.e., 30%. Capital gains on the sale of assets (other than unlisted shares) is taxable in the hands of the Trust at 20% with an indexation benefit, where such assets are held for a period of 3 years or more, else at MMR i.e., at 30%. Any other income (subject to above) of the Trust shall be taxable at the MMR (i.e., at 30%). [Section 112 and Section 115UA].

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

- However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not allowable expenditure.

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

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

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

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

  - Short-term capital gains (held for 36 months or less than 36 months) on sale of units would be subject to tax at 15% provided that the units are sold on recognised stock exchange and STT has been paid on sale of such units of the Trust. In case of non-resident investors, beneficial tax regime under a DTAA, if any, shall be available; and

  - Long term capital gains (held for more than 36 months) would be exempt from tax provided the units are sold on recognised stock exchange and STT has been paid on sale of such units of the Trust. [Section 10(38) and Section 111A of the IT Act].

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

- However, it is pertinent to note that Section 14A of the IT Act restricts claims for deduction of expenses incurred in relation to exempt income. Thus, any expense incurred to earn the dividend income is not allowable expenditure.

3. Buy-back of Units by the Trust

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

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

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

  The capital gains, if any, arising to the unit holder on the buy-back of units shall be taxed as under:
  in case such units are bought back in an off-market transaction (i.e. not through recognised stock exchange) without paying any STT:

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

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

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

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

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

4. Withholding tax implications

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

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

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

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

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

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

- There are no withholding tax obligations on the Trust in respect of the dividend income earned by the Trust and distributed to the non-resident unit holders. In case of capital gain, the Trust has to withhold tax on payment made to non-resident unit holders. As per beneficial tax regime under a DTAA entered into between India and the country in which the offshore Investor is resident, if any, shall be available.

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

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

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

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

  The new rules (Rule 37BC) require submission of the following information and documents by the non- resident to the deductor to avail the exemption, namely –

  i. Name, e-mail id, contact number;

ii. Address in the country or specified territory outside India of which the deductee is a resident;

iii. A certificate of his being resident (i.e. Tax Residency Certificate or TRC) in any country or specified territory outside India from the Government of that country or specified territory if the law of that country or specified territory provides for issuance of such certificate;

iv. TIN of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

5. Income accrual to the Investors

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

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

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

- Where the unit holder or sponsor is an Indian company, the MAT provisions would apply in case of the interest income / capital gains arising to such unit holder / sponsor and the unit holder / sponsor would be liable to pay MAT, in case, the tax liability under the MAT provisions is higher than the tax liability under the normal provisions [Section 115JB of the IT Act].

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

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

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

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

- The provisions of AMT would be applicable to a person, other than a company, where the regular income-tax payable for a previous year is less than the alternate minimum tax payable for such previous year, the adjusted total income shall be deemed to be the total income of that person for such previous year and he shall be liable to pay income-tax on such total income at the rate of 18.5%.

7. Rate of tax, surcharge, and education cess

The Income-tax rates specified in this note are as applicable for the financial year 2017-18, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

Surcharge:

Domestic companies

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

Foreign companies

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

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

Education cess:

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

SECTION IV – ABOUT THE TRUST

BACKGROUND AND STRUCTURE OF THE TRUST

Background of the Trust

The Trust has been settled by Reliance Infrastructure Limited (the "**Sponsor**") pursuant to the Indenture of Trust in Mumbai, India, as an irrevocable trust in accordance with the Trusts Act. The Trust was settled with an initial settlement amount of Rs. 10,000 by the Sponsor. The Indenture of Trust is registered under the Registration Act. The Trust has been registered with SEBI as an infrastructure investment trust under the InvIT Regulations (Registration Number: IN/InvIT/16-17/0004).

The object and purpose of the Trust, as described in the Indenture of Trust, is to carry on the activity of an infrastructure investment trust under the InvIT Regulations, to raise resources in accordance with the InvIT Regulations, and to make investments in accordance with its investment strategy. For additional details in relation to the business and investment strategy of the Trust, see "*The Trust's Business*" on page 161.

The Trust is required to make distributions to the Unitholders in accordance with the InvIT Regulations. For details in relation to the distribution policy of the Trust, see "*Distribution Policy*" on page 281.

Parties to the Trust

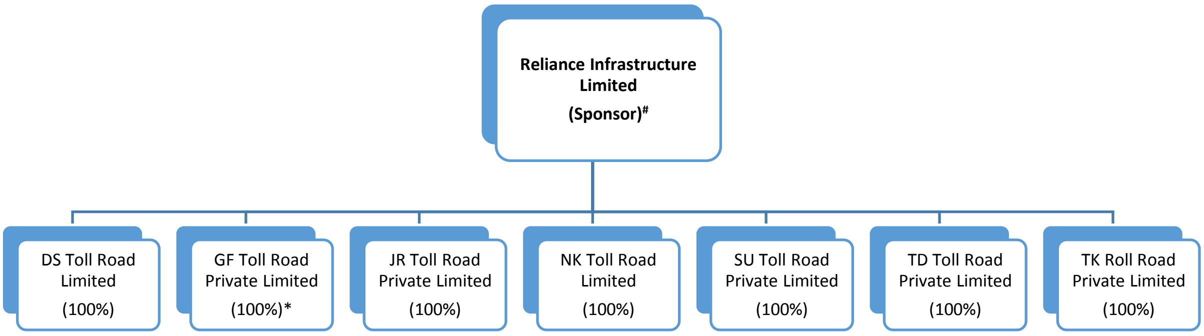
In accordance with the InvIT Regulations, the Parties to the Trust are:

Sr. No.	Name of the Party	Role/Responsibility	Description
1.	Reliance Infrastructure Limited	Sponsor	Reliance Infrastructure Limited (the Sponsor) is a public limited company incorporated under the Indian Companies Act, 1913, having CIN L75100MH1929PLC001530. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai - 400710, Maharashtra. The equity shares of the Sponsor are listed on the Stock Exchanges. For further details in relation to the Sponsor, see "*The Sponsor*" on page 292.
2.	Reliance Nippon Life Asset Management Limited	Investment Manager	Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited) is a public limited company incorporated under the Companies Act, 1956, having CIN U65910MH1995PLC220793. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Koparkhairane, Navi Mumbai, Thane - 400710, Maharashtra. The Investment Manager is a subsidiary of Reliance Capital Limited. Further, the Investment Manager is registered with SEBI as a portfolio manager under the Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993. For further details in relation to the Investment Manager, see "*The Investment Manager*" on page 297.
3.	Reliance Infrastructure Limited	Project Manager	The Trustee and the Investment Manager have appointed the Sponsor, namely Reliance Infrastructure Limited, as the Project Manager. For additional details, see "*The Project Manager*" on page 306.

Sr. No.	Name of the Party	Role/Responsibility	Description
4.	IDBI Trusteeship Services Limited	Trustee	IDBI Trusteeship Services Limited is a company incorporated under the Companies Act, 1956, having CIN U65991MH2001GOI131154. It is registered with SEBI as a debenture trustee under the Debenture Trustees Regulations, having SEBI registration number IND000000460. Its registered office is situated at Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001. For further details in relation to the Trustee, see "*The Trustee*" on page 307.

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

The following diagram illustrates the shareholding structure of the Project SPVs as on the date of this Draft Offer Document and before the completion of the Formation Transactions:



#Includes equity shares held jointly by Reliance Infrastructure Limited
** The Trust intends to acquire only 74% of the equity shares in GF pursuant to the Formation Transactions*

Details of the Project SPVs

1. DS Toll Road Limited ("DS")

Corporate Information

DS was incorporated on June 29, 2005, as 'Reliance Fuel Management Limited' a public limited company under the Companies Act, 1956, having CIN U23300MH2005PLC154360. Subsequently, its name was changed from 'Reliance Fuel Management Limited' to 'Kangaroo Corporate Services Limited' and then to 'DS Toll Road Limited' on November 9, 2005. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" 1. *To carry on the business of finance, design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, rest and recreation structures, buildings and other infrastructures, acquire equipment by purchase, lease, sale, exchange, sub-lease, rent or otherwise, or sell or let equipment on lease or hire, or otherwise or services in connection therewith, provide arboriculture and landscaping, provide advertising, hoardings, displays, lighting and any other amenities and collect toll, fees or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer* " *basis for Reconstruction, Strengthening, Widening and Rehabilitation on National Highway No. 7 from Dindigul to Samayanallur as per the tender floated by National Highway Authority of India.*

2. *To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual.*

3. *To provide consultancy, toll collection, traffic management, survey and investigation services in relation to roadways, bridges, flyover, road over-bridges, underpasses and other infrastructure facilities.*

4. *To acquire by purchase, lease, sale, exchange, sub-lease, rent or otherwise and to deal anywhere in India, property of any description and any estate or interest therein and any rights over or connected with lands so situated and to build own, operate and transfer or to build own operate and to turn the same to account as may seem expedient and in particular by laying out, developing or assist in developing and preparing building sites and by constructing, pulling down, altering, improving, decoration, furnishing and maintaining offices, flats, houses, restaurants, bungalows, chawls, factories, warehouses, shops, amusements parks, technology parks, building works and conveniences and by sublet all or any contract from time to time by leasing, letting, renting, selling (by installments, ownership, hire basis or otherwise) and to disposing off the same on any other terms or conditions and entering into contract and arrangement of any types with builders, tenants, occupiers, governments, semi-government, municipal and local authorities.*

Capital Structure

The capital structure of DS is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	100,000,000
Issued, subscribed and paid-up capital	5,210,000

In accordance with DS' MoA, it is required to have a minimum paid-up capital of Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DS is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	5,209,940	100.00
2.	Abhijit Benerjee*	10	0.00
3.	Harshada Dhavale*	10	0.00
4.	Praksash Khedekar*	10	0.00
5.	Srilatha Gopal*	10	0.00
6.	Prachi Potnis*	10	0.00
7.	Madan Biyani*	10	0.00
	Total	**5,210,000**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

2. GF Toll Road Private Limited ("GF")

Corporate Information

GF was incorporated on December 23, 2008, as a private limited company under the Companies Act, 1956, having CIN U74990MH2008PTC189112. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" 1. *To design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, buildings and other infrastructures and collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Design, Engineering, Finance, Construction, Operation and Maintenance of Gurgaon to Faridabad and Ballabgarh to Sohna Roads in Faridabad and Gurgaon districts in Haryana.*

2. *To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual.* "

Capital Structure

The capital structure of GF is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	20,000,000
Issued, subscribed and paid-up capital	1,961,100

In accordance with GF's MoA, it is required to have a minimum paid-up capital of Rs. 100,000.

Shareholding Pattern

The shareholding pattern of GF is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	1,961,099	100.00
2.	Ms. Prachi Potnis*	1	0.00
	Total	**1,961,100**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

3. JR Toll Road Private Limited ("JR")

Corporate Information

JR was incorporated on December 9, 2009, as a private limited company under the Companies Act, 1956, having CIN U45203MH2009PTC197721. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" *To design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, buildings and other infrastructures and collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Design, Engineering, Construction, Operation and Maintenance for 4/6 laning of Jaipur to Reengus section of National Highway -11 in the state of Rajasthan.* "

Capital Structure

The capital structure of JR is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	6,400,000
Issued, subscribed and paid-up capital	10,704

In accordance with JR's MoA, it is required to have a minimum paid-up capital of Rs. 100,000.

Shareholding Pattern

The shareholding pattern of JR is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	10,703	100.00
2.	Anirudh Dhawardkar*	1	0.00
	Total	**10,704**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

4. NK Toll Road Limited ("NK")

Corporate Information

NK was incorporated on June 29, 2005, as 'Reliance Communication Ventures Limited' a public limited company under the Companies Act, 1956, having CIN U67190MH2005PLC154359. Subsequently, its name was changed from 'Reliance Communication Ventures Limited' to 'Elephant Consultants Limited and then to 'NK Toll Road Limited' on November 9, 2005. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" *1. To carry on the business of finance, design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, rest and recreation structures, buildings and other infrastructures, acquire equipment by purchase, lease, sale, exchange, sub-lease, rent or otherwise, or sell or let equipment on lease or hire, or otherwise or services in connection therewith, provide arboriculture and landscaping, provide advertising, hoardings, displays, lighting and any other amenities and collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Reconstruction, Strengthening, Widening and Rehabilitation on National Highway No. 7* *from Namakkal Bypass to Karur Bypass as per tender floated by National Highway Authority of India.*

2. *To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual.*

3. *To provide consultancy, toll collection, traffic management, survey and investigation services in relation to roadways, bridges, flyover, road over-bridges, underpasses and other infrastructure facilities.*

4. *To acquire by purchase, lease, sale, exchange, sub-lease, rent or otherwise and to deal anywhere in India, property of any description and any estate or interest therein and any rights over or connected with lands so situated and to build own, operate and transfer or to build own operate and to turn the same to account as may seem expedient and in particular by laying out, developing or assist in developing and preparing building sites and by constructing, pulling down, altering, improving, decoration, furnishing and maintaining offices, flats, houses, restaurants, bungalows, chawls, factories, warehouses, shops, amusements parks, technology parks, building works and conveniences and by sublet all or any contract from time to time by leasing, letting, renting, selling (by installments, ownership, hire basis or otherwise) and to disposing off the same on any other terms or conditions and entering into contract and arrnagement of any types with builders, tenants, occupiers, governments, semi-government, municipal and local authorities.* "

Capital Structure

The capital structure of NK is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	100,000,000
Issued, subscribed and paid-up capital	4,477,000

In accordance with NK's MoA, it is required to have a minimum paid-up capital of Rs. 500,000.

Shareholding Pattern

The shareholding pattern of NK is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	4,476,940	100.00
2.	Abhijit Banerjee*	10	0.00
3.	Harshada Dhavale*	10	0.00
4.	Prakash Khedekar*	10	0.00
5.	Srilatha Gopal*	10	0.00
6.	Prachi Potnis*	10	0.00
7.	Madan Biyani*	10	0.00
	Total	**4,477,000**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

5. SU Toll Road Private Limited ("SU")

Corporate Information

SU was incorporated on March 24, 2007, as a private limited company under the Companies Act, 1956, having CIN U74999MH2007PTC169145. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" *1. To design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, buildings and other infrastructures and collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Reconstruction, Strengthening, Widening and Rehabilitation on National Highway No. 68 from Salem to Ulundurpet as per tender floated by National Highway Authority of India.*

2. To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual. "

Capital Structure

The capital structure of SU is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	23,000,000
Issued, subscribed and paid-up capital	18,412,260

In accordance with SU's MoA, it is required to have a minimum paid-up capital of Rs. 100,000.

Shareholding Pattern

The shareholding pattern of SU is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	18,412,259	100.00
2.	Ms. Prachi Potnis*	1	0.00
	Total	**18,412,260**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

6. TD Toll Road Private Limited ("TD")

Corporate Information

TD was incorporated on March 24, 2007, as a private limited company under the Companies Act, 1956, having CIN U45400MH2007PTC169141. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" 1. *To design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, buildings and other infrastructures, collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Reconstruction, Strengthening, Widening and Rehabilitation on National Highway No. 45 from Trichy to Dindigul as per tender floated by National Highway Authority of India.*

2. *To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual.* "

Capital Structure

The capital structure of TD is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	12,000,000
Issued, subscribed and paid-up capital	10,744,920

In accordance with TD's MoA, it is required to have a minimum paid-up capital of Rs. 100,000.

Shareholding Pattern

The shareholding pattern of TD is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	10,744,919	100.00
2.	Ms. Prachi Potnis*	1	0.00
	Total	**10,744,920**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

7. TK Roll Road Private Limited ("TK")

Corporate Information

TK was incorporated on March 26, 2007, as a private limited company under the Companies Act, 1956, having CIN U45203MH2007PTC169208. Its registered office is situated at H Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai- 400710, Maharashtra.

Main Object

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

" 1. *To design, engineer, procure, construct, fabricate, build, improve, strengthen, operate, maintain roads, bridges, culverts, over bridges, underpasses, flyovers, toll plaza, traffic management systems and equipment, buildings and other infrastructures, collect toll, fees, or charges, carry out surveys, investigations, polls and regulate traffic in connection with the project to be taken up by the Company on Build, Operate and Transfer basis for Reconstruction, Strengthening, Widening and* "

Rehabilitation on National Highway No. 67 from Trichy to Karur as per tender floated by National Highway Authority of India.

2. *To design, build, erect, construct, operate on construction contract, EPC contract, Build-Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Built-Own-Lease-Transfer (BOLT) basis or any such variants thereof, repair, execute, develop infrastructure facility project including roadways, bridges, road over-bridges, underpasses, canals or any kind of work for and on behalf of government, NGOs or bodies corporate or individual.*

Capital Structure

The capital structure of TK is as follows:

Particulars	No. of equity shares of Rs. 10 each
Authorised capital	16,000,000
Issued, subscribed and paid-up capital	12,755,650

In accordance with TK's MoA, it is required to have a minimum paid-up capital of Rs. 100,000.

Shareholding Pattern

The shareholding pattern of TK is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of Rs. 10 each	Percentage of the issued, paid-up and subscribed capital (%)
1.	Reliance Infrastructure Limited	12,755,649	100.00
2.	Ms. Prachi Potnis*	1	0.00
	Total	**12,755,650**	**100.00**

** Held jointly with Reliance Infrastructure Limited*

Formation Transactions

Prior to the Allotment of the Units in the Issue, the Trust intends to acquire an initial portfolio of seven SPVs, namely, DS, GF, JR, NK, SU, TD and TK, all of which are currently wholly owned by the Sponsor (together, the "**Formation Transactions**").

The Trustee (on behalf of the Trust) intends to acquire the equity shares of the Project SPVs after the Bid/Issue Closing Date and prior to the Allotment in the Issue (for each such Project SPV, the "**Acquisition Date**"). Subject to the receipt of requisite approvals, the Trust intends to acquire 100% of the equity shares in each of DS, JR, NK, SU, TD and TK, and 74% of the equity shares in GF. Further, along with the equity shares of the Project SPVs, the Trustee (on behalf of the Trust) simultaneously intends to acquire a portion of the subordinate debt certificates issued by certain Project SPVs to the Sponsor pursuant to the Securities Purchase Agreements. As consideration for the acquisition of the equity shares of, and the subordinate debt certificates issued by, the Project SPVs, the Trust will issue Units to the Sponsor on or around the Acquisition Date. The Securities Purchase Agreements for each Project SPV are in draft form and will be executed after the Bid/Issue Closing Date and on or before the Acquisition Date.

The purchase price for the equity shares and the subordinate debt certificates of each Project SPV will be mutually agreed between the Investment Manager (in consultation with the Trustee) and the Sponsor on the date of the acquisition of such equity shares. The number of Units to be issued to the Sponsor pursuant to the securities purchase agreements will depend upon such purchase price and the Issue Price of Units determined in accordance with the Book Building Process pursuant to the Issue.

The Trustee (on behalf of the Trust) will acquire the securities of the Project SPVs, which are held by the Sponsor, by entering into the following securities purchase agreements:

1. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and DS (the "**DS SPA**") for the transfer of an aggregate of 5,210,000 equity shares in DS (representing 100% of the equity shares of DS on a fully diluted basis) and [●] subordinate debt certificates issued by DS, held by the Sponsor, in consideration of [●] Units to the Sponsor;

2. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and GF (the "**GF SPA**") for the transfer of an aggregate of 1,451,214 equity shares in GF (representing 74% of the equity shares of GF on a fully diluted basis) and [●] subordinate debt certificates issued by GF, held by the Sponsor, in consideration of [●] Units to the Sponsor. Prior to, or simultaneous with, the entering into of the GF SPA, the Trustee (acting on behalf of the Trust) and the Investment Manager will be required to enter into an agreement with the Sponsor in compliance with Regulation 18(3)(a) of the InvIT Regulations;

3. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and JR (the "**JR SPA**") for the transfer of an aggregate of 10,704 equity shares in JR (representing 100% of the equity shares of JR on a fully diluted basis) and [●] subordinate debt certificates issued by JR, held by the Sponsor, in consideration of [●] Units to the Sponsor;

4. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and NK (the "**NK SPA**") for the transfer of an aggregate of 4,477,000 equity shares in NK (representing 100% of the equity shares of NK on a fully diluted basis) and [●] subordinate debt certificates issued by NK, held by the Sponsor, in consideration of [●] Units to the Sponsor;

5. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and SU (the "**SU SPA**") for the transfer of an aggregate of 18,412,260 equity shares in SU (representing 100% of the equity shares of SU on a fully diluted basis), held by the Sponsor, in consideration of [●] Units to the Sponsor;

6. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and TD (the "**TD SPA**") for the transfer of an aggregate of 10,744,920 equity shares in TD (representing 100% of the equity shares of TD on a fully diluted basis) and [●] subordinate debt certificates issued by TD, held by the Sponsor, in consideration of [●] Units to the Sponsor; and

7. Securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and TK (the "**TK SPA**") for the transfer of an aggregate of 12,755,650 equity shares in TK (representing 100% of the equity shares of TK on a fully diluted basis) and [●] subordinate debt certificates issued by TK, held by the Sponsor, in consideration of [●] Units to the Sponsor.

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

Terms of the Securities Purchase Agreements

The Investment Manager and the Trustee (on behalf of the Trust) propose to enter into the aforesaid Securities Purchase Agreements with the Sponsor and the respective Project SPVs, after the Bid/Issue Closing Date but before the Allotment of the Units. For additional details, see "*Issue Structure*" on page 461.

Certain relevant definitions in the Securities Purchase Agreements:

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

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

"**Concessioning Authority**" shall mean the National Highways Authority of India or the Haryana Public Works Department;

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

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

"**Equity Shares**" shall mean equity shares of the Project SPV, with a par value of Rs.10 (Rupees ten) each;

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

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

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

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

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

"Sale Securities" shall mean the Sale Shares and the Subordinated Debt;

"**Sale Shares**" shall mean the equity shares of the Project SPV to be purchased by the Trustee (acting on behalf of the Trust) which would comprise of the Equity Shares of the Sponsor;

"Sponsor Claims" means the claims (including any administrative, legal or other similar proceedings) made or intended to be made by the Project SPV against NHAI or HPWD, as the case may be, in relation to events pertaining to the period prior to the Reference Date, and excluding the TK Future Claims (as defined under the Securities Purchase Agreement); and

"**Subordinated Debt**" shall mean [●] number of subordinate debts for a face value of Re 1 each aggregating to [●] issued on a private placement basis by the Project SPV to the Sponsor, evidenced by a certificate held by the Sponsor, the terms and conditions of which are detailed in Schedule 2 of the Securities Purchase Agreement.

Sale and Purchase of Sale Shares

Upon the terms and subject to the conditions set forth in the Securities Purchase Agreement, in consideration of the mutual rights and obligations of the Sponsor and the Trustee (acting on behalf of the Trust) and relying on the mutual warranties of the Sponsor and the Trustee (acting on behalf of the Trust) as set out in the Securities Purchase Agreement, the Trustee (acting on behalf of the Trust) agrees to acquire from the Sponsor and the Sponsor agrees to Transfer the Sale Securities, to the Trustee (acting on behalf of the Trust) on the Closing Date (as defined under the Securities Purchase Agreement), free and clear from all Encumbrances, in consideration for the issue of Units of the Trust to the Sponsor ("**Consideration Units**"). The number of Consideration Units which the Trustee (acting on behalf of the Trust) will issue to the Sponsor shall be as set out in the Securities Purchase Agreement.

Representations and Warranties

Under the respective Securities Purchase Agreements, the Sponsor, on its behalf and on behalf of the respective Project SPVs, will provide certain representations and warranties to the Trust, which, *inter alia*, are as follows:

(i) the sale of the Sale Securities contemplated under the Securities Purchase Agreement is and shall remain in compliance with Applicable Law, the Charter Documents and the Project Documents (as applicable). The Project SPV has approved the transfer of Sale Securities and in compliance with the Companies Act and its Charter Documents;

(ii) except as disclosed in the disclosure letter, there are no legal suits, complaints, proceedings or actions that are pending, threatened or undertaken against the Sponsor or its respective assets, which are either continuing or have been undertaken, that may have a Material Adverse Effect on the performance of its obligations under the Securities Purchase Agreement;

(iii) the Subordinate Debt certificates when novated in favour of the Trustee (acting on behalf of the Trustee) (i) will be duly authorised, validly issued, and free and clear of all Encumbrances; (ii) shall provide clear title to the Trustee (acting on behalf of the Trustee) in respect thereof; (iii) shall have all the rights attached to Subordinated Debt as set out in the Securities Purchase Agreement;

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

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

(vi) since the Accounts Date (as defined under the Securities Purchase Agreement), there has not been (a) to the best of the knowledge of the Sponsor, any damage, destruction or loss, whether or not covered by insurance, materially and adversely affecting the assets owned or used by the Project SPV for the conduct of its business; (b) to the best of the knowledge of the Sponsor, any waiver by the Project SPV of a valuable right or of a material debt owed to it or factoring of any of its debts; (c) to the best of the knowledge of the Sponsor, any change or amendment to any contract(s) with any related party except in the Ordinary Course of Business (as defined under the Securities Purchase Agreement) or in respect of employment terms of the officers/directors of the Project SPV; (d) any purchase, sale, transfer or other disposition of any of the immovable properties of or by the Project SPV other than in the Ordinary Course of Business; (e) any declaration, setting aside or, save as provided for in the Financial Statements (as defined under the Securities Purchase Agreement), payment of any dividend on, or the making of any other distribution in respect of, the share capital of the Project SPV, or any direct or indirect redemption, purchase or reduction by the Project SPV of its own shares; (f) any debt, obligation or contingent or other liability incurred, assumed or guaranteed by the Project SPV; (g) any payment or discharge of an Encumbrance of the Project SPV; (h) no obligation or liability incurred or assumed or loan or advances made by the Project SPV to any employees, directors or shareholders;

(vii) except as disclosed in the disclosure letter the Project SPV has obtained all governmental approvals required under Applicable Law and other approvals under the Project Documents for carrying on its business effectively in the places and in the manner, in which such businesses are carried on. All such governmental approvals are in full force and effect under the Applicable Law and Project Documents and, are not subject to any unusual or onerous conditions and have been complied with in all respects;

(viii) the Project SPV's assets and properties are adequately insured and the Project SPV has obtained all insurance policies that it is required to obtain under any contracts with third parties as well as under Applicable Law and the Project Documents. The Project SPV is in compliance with all its obligations under such insurance policies and such insurance policies are legal, valid, binding, enforceable and in full force and effect and will continue to be legal, valid, binding, enforceable, and in full force and effect on the same terms following the consummation of the transactions contemplated hereby. The Project SPV is not in material breach or default (including with respect to the payment of premiums or the giving of notices), and no event has occurred that, with notice or the lapse of time, would constitute such a material breach or default, or permit termination, modification, or acceleration, under the insurance policies and no party to the policy has repudiated any provision thereof;

(ix) the Project SPV has not disposed off, leased or licensed any equipment or assets (including real property) that are used in its business, except in accordance with the Applicable Law and the Project Documents. Where any such assets are used in the business of the Project SPV but not owned by the Project SPV, or any facilities or services are provided to the Project SPV by any third party, there has not occurred any event of default or any other event or circumstance (other than the expiry of any agreement in the normal course) which may entitle any third party to terminate any agreement or license in respect of the provision of such assets, facilities or services (or any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance);

(x) the Project SPV is not in default under any arrangement or agreement including the Project Documents to which it is a party nor has it received any notices of default or termination under any such arrangement or agreements including the Project Documents and no such notices of default or termination are threatened or anticipated;

(xi) except for the litigation proceedings specified in the disclosure letter, there have been no material (i) actions, suits, proceedings or (ii) investigations against the Project SPV prior to the date of the Securities Purchase Agreement. Except as disclosed in the disclosure letter, the Project SPV is not a claimant or defendant in or otherwise a party to any material (i) product liability claims, (ii) litigation, arbitration or administrative proceedings, which are in progress or pending, by or against or concerning the Project SPV or any of its assets or intellectual property rights. No investigation or inquiry by any governmental authority concerning the Project SPV or its business is in progress or pending;

(xii) the Project SPV does not have any outstanding borrowings in the nature of borrowing, other than as specified in the disclosure letter. The change in the level of borrowings since the Accounts Date has been in the Ordinary Course of Business and any new borrowings have been used exclusively for the business of the Project SPV;

(xiii) Except as disclosed in the disclosure letter no material claim has been made or threatened against the Project SPV or its directors, employees, agents, officers or consultants that involves a potential liability of or against the Project SPV;

(xiv) no dispute has arisen between the Project SPV and any of its employees (or his or her heirs), trade union, or contract workers or other body representing employees;

(xv) all related party transactions between the Sponsor, as the case may be, and their respective affiliates have been entered into in compliance with Applicable Law and all the related party transactions are incompliance with Applicable Law and Ind-AS;

(xvi) the Project SPV conducts and has always conducted its business in a normal and prudent manner and in compliance in all respects with the Applicable Law and in accordance with its Charter Documents and Project Documents; and

(xvii) Project Documents are valid and existing and will continue to remain as such in accordance with the terms of each of such Project Documents thereof.

Indemnification

The Sponsor ("**Indemnifying Party**") shall indemnify, defend and hold harmless, the Trust, the Trustee (acting on behalf of the Trust), the Investment Manager on behalf of the Trust, their respective affiliates and (as applicable) all of their respective directors, officers employees, representatives and advisors (collectively the "**Indemnified Parties**") at all times, from and against any and all losses, costs, damages, expenses and fees (including legal fees) ("**Loss**") suffered or incurred by the Indemnified Parties relating to or arising out of or in connection with claim, notice, action, proceeding or suit by or against the Indemnified Party arising out of or in connection with (collectively referred to as "**Indemnification Events**"):

(i) any material inaccuracy, misrepresentation or any breach of any representation and warranty of the Sponsor;

(ii) any material breach of any covenant or obligation of the Sponsor or of the Project SPV contained under the Securities Purchase Agreement;

(iii) any pending claims against the Project SPV or any claims which may be made against the Project SPV and which relate to or arise out of, the period prior to the Closing Date;

(iv) the Trustee (acting on behalf of the Trust) and/or the Investment Manager on behalf of the Trust being called upon to pay any liabilities in respect of the Project SPV and in respect of or pertaining to a period up to and including the Closing Date, which liability is not contested by such party;

(v) any and all costs and expenses incurred by the Trustee (acting on behalf of the Trust) in respect of a claim under this indemnity;

(vi) any failure of the Sponsor to obtain applicable consents from the Project Approval Parties and which relate to or arise out of, the period prior to the Closing Date; and

(vii) except as disclosed in the Offer Document any actual or alleged breach by the Sponsor of any covenant or agreement contained in the Project Documents pertaining to a period prior to the Closing Date.

Treatment of Sponsor Claims

Subject to the terms of the Securities Purchase Agreement, the parties have agreed, that any payments received in cash in a full and final settlement (with no further appeals) of the Sponsor Claims (as defined under the Securities Purchase Agreement) by the Project SPV that pertains to a period prior to the Reference Date (as defined under the Securities Purchase Agreement), will be to the account of the Sponsor. Provided however that, in the event any payments are received by the Project SPV in cash towards Sponsor Claims prior to full and final settlement of such Sponsor Claims, then such amounts would be on account of the Sponsor, if the Sponsor has provided a bank guarantee to the relevant authority in lieu of such Sponsor Claims. The Project SPV and/or the Trust shall provide such authorisations as may be necessary for the Sponsor to take actions in relation to the Sponsor Claims.

The Sponsor hereby agrees to fully indemnify and hold harmless the Trust and the Project SPV and their respective officers, directors, employees, representatives and agents at all times from and against any claims, losses, costs, taxes, damages, expenses and fees (including legal fees) suffered or incurred directly or indirectly in connection with the Sponsor Claims.

The Trust and/or the Project SPV will, forthwith upon receiving the amounts aforementioned, notify the Sponsor in writing and transfer the amounts to the Sponsor without any requirement of a demand from the Sponsor, within 7 (Seven) business days of the receipt by the Trust or the Project SPV from the Sponsor/ relevant authority copies of all requisite authorizations and approvals as required below. The Sponsor would obtain all approvals and authorisations required from NHAI/HPWD and/or any of the senior lenders of the Project SPV only if such approvals are required or are applicable, prior to any such payment of the Sponsor Claims to the Sponsor. Any such transfer will be strictly in accordance with the terms of such approvals and in the event such approvals are not required or are not applicable, such transfers will be made in accordance with the escrow waterfall mechanism. All such payments shall be made net of applicable taxes.

The Sponsor hereby (on its behalf and on behalf of its affiliates) expressly waives the right to make any further claims or initiate any action against the Trust and/or the Project SPV with respect to any matter (known or unknown, whether in law, equity or any agreement or document) in relation to the Sponsor Claims arising prior to the Reference Date.

Sponsor Undertaking

Punch List Items

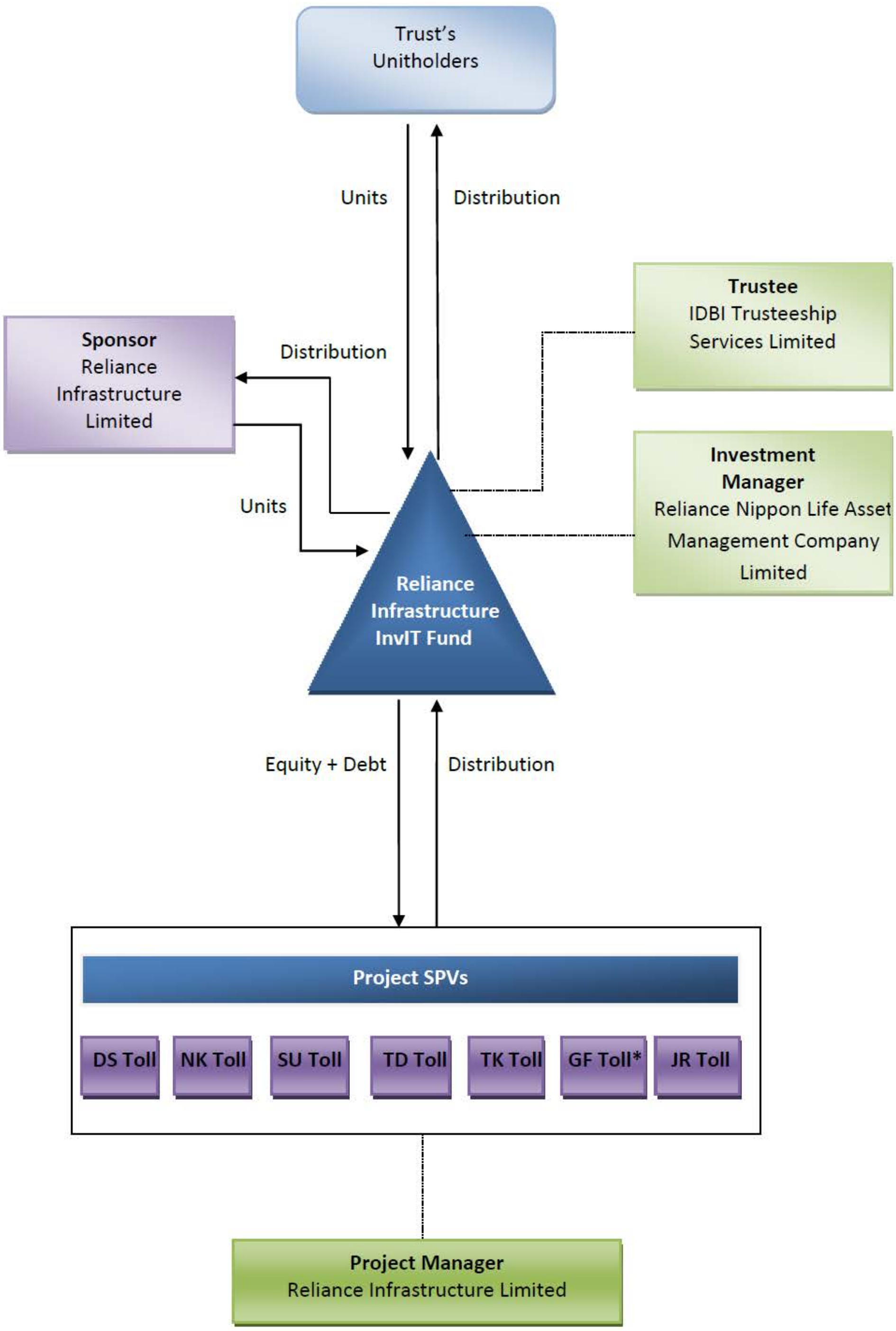
The Sponsor hereby undertakes that in the event that the final completion certificate with respect to the Existing Project of the Project SPV is not obtained on or prior to Closing Date, it will be solely responsible at its own cost for funding and completing all outstanding activities listed in the punch list to the provisional completion certificate obtained by the Project SPV with respect to the Existing Project, (except to the extent of any amount which has already been provided for towards such outstanding activities in the books of accounts of the Project SPV) as and when such activities are required to be completed.

Projects with Ongoing Capex

Subject to each of the Project SPV and NHAI duly meeting their respective obligations under the Project Documents (including the appointment of a suitable contractor by the Project SPV, in consultation with the Sponsor), the Sponsor has estimated certain reasonable cost of completion of the Existing Project (the “Estimated Completion Cost”), and has undertaken that in the event the actual cost of completion of the Existing Project exceeds the Estimated Completion Cost, the Sponsor shall be solely responsible for funding any amounts in excess of such Estimated Completion Cost.

Structure of the Trust

The following diagram illustrates the proposed structure of the Trust after completion of the Formation Transactions:



** The Trust intends to acquire only 74% of the equity shares in GF pursuant to the Formation Transactions*

Initial Road Assets

As of March 31, 2017, the Project SPVs owned, operated and maintained the following toll road assets comprising 497.43 km of constructed and operational roads:

- the Dindigul Samayanallore Project: an approximately 53.05 km section of NH 7 between Dindigul and Samayanallore in Tamil Nadu, which is held by DS;

- the Namakkal Karur Project: an approximately 41.37 km section of NH 7 between Namakkal and Karur in Tamil Nadu, which is held by NK;

- the Salem Ulundurpet Project: an approximately 136.36 km section of NH 68 between Salem and Ulundurpet in Tamil Nadu, which is held by SU;

- the Trichy Dindigul Project: an approximately 87.27 km section of NH 45 between Trichy and Dindigul in Tamil Nadu, which is held by TD;

- the Trichy Karur Project: an approximately 61.35 km section of NH 67 between Trichy and Karur in Tamil Nadu, which is held by TK;

- the Jaipur Reengus Project: an approximately 51.84 km section of NH 11 between Jaipur and Reengus in Rajasthan, which is held by JR; and

- the Gurgaon Faridabad Project: an approximately 66.19 km section in Gurgaon and Faridabad in Haryana, including stretches of Crusher Zone Road, Pali-Bhakri Road, Ballabgarh-Lukhawas junction Road and MCF road, which is held by GF.

Investment in the Project SPVs by way of an infusion of debt

The Investment Manager, on behalf of the Trust, proposes to invest almost all of the Net Proceeds in the Project SPVs, namely DS, GF, JR, NK, SU, TD and TK, by way of an infusion of debt, in the form of the Secured Trust Financing and the Unsecured Trust Financing.

The Project SPVs, in turn, intend to utilize the proceeds of (a) the Secured Trust Financing towards repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders/lenders; and (b) the Unsecured Trust Financing towards prepayment, in part, of the unsecured subordinate debt provided to such Project SPVs by the Sponsor, and the prepayment, in full, of the unsecured loans/advances provided to such Project SPVs by the Sponsor. For additional details in relation to the utilization of the Net Proceeds, see "*Use of Proceeds*" on page 87.

The aforesaid investments will be made by entering into certain debt financing agreements with each of the Project SPVs (the "**Debt Documentation**"). The Trust may also enter into inter-creditor arrangements or arrangements for sharing the charge on the assets with the existing senior lenders of the Project SPVs. Each of the Project SPVs has applied for the consent of their respective senior lenders/lenders in relation to the Secured Trust Financing and the Unsecured Trust Financing. For more details, please see the section headed "*Financial Indebtedness – Consents from the Lenders of the Project SPVs*" in this Draft Offer Document.

Terms of the Debt Documentation

Subsequent to the Bid/Issue Closing Date but prior to the Allotment of Units pursuant to the Issue, the Trustee (on behalf of the Trust) and the Project SPVs propose to enter into the Debt Documentation. For additional details, see "*Issue Structure*" on page 461.

Salient feature of the Secured Trust Financing

Nature and Purpose

The Secured Trust Financing shall be utilized solely for the purpose of repayment/prepayment, in part or full, of certain loans/facilities (including principal amounts, interest thereon and any other fees or charges payable in connection thereto) availed by the Project SPVs from their respective senior lenders/lenders;

Interest

Each issue of debt in relation to the Secured Trust Financing to each of the relevant Project SPVs shall carry an interest rate in the range of [●] % to [●] % per annum. The rate of interest may be revised by the Trust and the relevant Project SPV, with monthly rests.

Repayment/Redemption

The Secured Trust Financing given to each Project SPV shall be repayable/redeemable in accordance with the relevant Debt Documentation.

Security

The Secured Trust Financing, subject to receipt of consent from the existing senior lenders of the Project SPV, shall be secured by a first ranking *pari passu* charge over (a) all cash flows deposited in the relevant escrow account of the respective Project SPV established pursuant to the escrow agreement executed *inter alia* among the relevant Project SPV's, the lenders' representative and the NHAI; and (b) the relevant escrow account of such Project SPVs.

Events of Default

The occurrence of the certain events under the Debt Documentation in relation the Secured Trust Financing after the expiry of the cure period of 30 days or such other time period as may be specified, from the date of occurrence of the same, shall result in an event of default under such Debt Documentation, including:

(a) Failure of the Project SPV to pay any repayment instalment, interest due, or any other payment to be made under the Debt Documentation on the relevant payment date or otherwise within a period of 30 (Thirty) days when such payment falls due.

(b) Breach of a covenant, undertaking, condition or any other obligation by the relevant Project SPV under the transaction documents and the same has not been remedied within 30 (thirty) days from the date of receipt of notice of default issued by the Lender to the Project SPV and the same results in a material adverse change.

(c) Any representation or statement made by the Project SPV in any transaction documents or any other document delivered by or on behalf of the Borrower under or in connection with any transaction document is or proves to have been incorrect or misleading in any material respect when made or results in a material adverse change.

(d) Appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Project SPV and results in a material adverse change and the same is not set aside within 90 (ninety) days.

(e) Failure by the Project SPV in obtaining any material licenses or clearances necessary for the project or any material licenses or clearances necessary for the Project SPV to carry on its business that is required at such particular time or if any of material licenses or clearances necessary for the project or necessary for the Project SPV to carry on its business required at a particular time are modified, amended, revoked, refused, not renewed before its expiry, withheld or does not remain in full force and effect, which results in a material adverse change;

(f) If the relevant Project SPV becomes subject of (i) any voluntary winding-up proceedings; or (ii) any involuntary proceedings under any law relating to winding up or bankruptcy or insolvency law and the Project SPV is unable to or has admitted in writing its inability to pay any of its financial indebtedness as they mature or when due or the proceedings taken against it have been commenced. Provided that, any such corporate action, legal proceedings or other procedure or step shall not constitute an event of default, if the Project SPV can establish to the satisfaction of the lender that such proceedings relate to a frivolous or vexatious claim which has already been dealt with, disposed of, discharged or otherwise withdrawn to the satisfaction of the lender, within 90 (ninety) days from the date of commencement of such proceedings and the same results in a material adverse change;

(g) Any corporate action, legal proceedings or other procedure or step is taken by any person in relation to (i) the suspension of payments, a moratorium of any indebtedness, insolvency, winding-up, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Project SPV, (ii) a composition, compromise, assignment or arrangement with any creditor of the Project SPV, including any corporate debt restructuring, or (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of the Project SPV), receiver, administrator, compulsory manager or other similar officer in respect of the Project SPV or any of its assets, and such appointment is results in a material adverse change and has not been set aside within 90 (ninety) days;

(h) Any governmental agency or the Government of India, the NHAI or any related agency, instrumentality or department thereof has taken or has threatened to take any action to expropriate, condemn, nationalize or seize the project or whole or part of the assets of the Project SPV or the whole or substantially whole or part the project, resulting in the Project SPV being deprived or threatened to deprive to carry on its business or which will have a material adverse change on the operation of the business of the Project SPV;

(i) Any litigation, arbitration, investigative or administrative proceeding is current or pending to restrain the Project SPV's entry into, the exercise of the Project SPV's material rights under, or compliance by the Project SPV with any of its material obligations under, the transaction documents or the Project SPV fails to comply with or pay any sum due from it under any final judgment or any final order made or given by a court of competent jurisdiction, and such litigation, arbitration, investigative or administrative proceeding results in a material adverse change.

(j) Any transaction document or any provision therein is or becomes invalid, illegal or unenforceable or is declared to be illegal or unenforceable or has been repudiated, revoked, cancelled, terminated, suspended or withdrawn any of the parties thereto have taken any action to challenge the validity or enforceability of such document or any extra-ordinary circumstances have occurred that may reasonably be construed to have made it improbable or unlawful for the Project SPV to perform any of its obligations under the transaction documents or any obligation under any transaction document is not or ceases to be a valid and binding obligation of the Project SPV or becomes void, illegal, unenforceable or is repudiated by the Project SPV, and such events result in a material adverse change.

(k) The relevant concession agreement being terminated by the Project SPV or the NHAI, in accordance with the terms of such concession agreement.

(l) The Project SPV suspends or ceases (or threatens to suspend or cease) to carry on all or a material part of its business and/or the project or the business of the Project SPV and/or the project is in jeopardy and/or the authority of the Project SPV to conduct its business is wholly or partially curtailed, and the same results in a material adverse change.

(m) There is abandonment of the project by the relevant Project SPV and the same results in a material adverse change.

(n) Failure to create security within the time period specified in relevant Debt Documentation or such other extended period as acceptable to the Trust (acting in accordance with the Debt Documentation).

(o) If in the opinion of the Trust (acting in accordance with the Debt Documentation), the security is in jeopardy or ceases to have effect or if any transaction document including any security document executed or furnished by or on behalf of the relevant Project SPV becomes illegal, invalid, unenforceable or otherwise fails or ceases to be in effect or fails or ceases to provide the benefit of the security interests purported or sought to be created thereby or if any such transaction document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the Trust.

(p) If, in the opinion of the Trust (acting in accordance with the Debt Documentation), the value of the security depreciates to such an extent that the security does not provide adequate security for the secured obligations, and such depreciation in value is not remedied within 30 (thirty) days to the satisfaction of the Trust (acting in accordance with the Debt Documentation).

(q) The Project SPV defaults in the payment of any principal, interest, premium or other amount due (whether by scheduled maturity, mandatory prepayment, acceleration or demand) under any loan or credit agreement and/or defaults in the payments due under the any existing facility agreement or the occurrence of an event of default under the existing facility agreements of the Project SPV.

Upon the occurrence of any of the events above, the Trust may accelerate the Secured Trust Financing and declare all or any part of amounts outstanding under such Secured Trust Financing (including any interest accrued thereupon) due and payable immediately, whereupon such amounts will become due and payable by the relevant Project SPV. In the event the Trust does not accelerate the repayment of the debt, the relevant Project SPV is required to continue to perform all its obligations under the relevant Debt Documentation and any such amounts would continue to accrue until repayment is made by the relevant Project SPV, when it has adequate resources to do so.

Ranking

The issue of debt by the Trust in relation to the Unsecured Trust Financing shall at all times remain subordinate to the debt owed by the relevant Project SPVs to the existing senior lenders of the Project SPV.

Governing Law

The Debt Documentation shall be subject to the laws of India.

Salient feature of the Unsecured Trust Financing

Purpose

The Unsecured Trust Financing shall be utilized solely for towards prepayment, in part, of the unsecured subordinate debt provided to such Project SPVs by the Sponsor, and the prepayment, in full, of the unsecured loans/advances provided to such Project SPVs by the Sponsor.

Interest

Each issue of debt in relation to the Unsecured Trust Financing to each of the relevant Project SPVs shall carry an interest rate in the range of [●] % to [●] % per annum. The rate of interest may be revised by the Trust and the relevant Project SPV.

Repayment/Redemption

The Unsecured Trust Financing given to each Project SPV shall be repayable in accordance with the relevant Debt Documentation in relation to the Unsecured Trust Financing.

Security

The Unsecured Trust Financing will be unsecured.

Events of Default

The occurrence of the certain events under the Debt Documentation in relation the Unsecured Trust Financing after the expiry of the cure period of 30 days or such other time period as may be specified, from the date of occurrence of the same, shall result in an event of default under such Debt Documentation, including:

(a) Failure of the Project SPV to pay Interest due, or any other payment to be made pursuant to these terms on the relevant date on which such amount is due and payable or otherwise within a period of 30 (Thirty) days when such payment falls due.

(b) Any representation or statement made by the Project SPV in any Transaction Documents or any other document delivered by or on behalf of the Project SPV under or in connection with any Transaction Documents is or proves to have been incorrect or misleading in any material respect when made or results in a material adverse effect on the Project SPV or the Project.

(c) Appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Project SPV or a material part of its assets or undertakings and results in a material adverse effect on the Project SPV or the Project and the same is not set aside within 90 (ninety) days.

(d) If the Project SPV has become subject of: (i) any voluntary winding-up proceedings; or (ii) any involuntary proceedings under any law relating to winding up or bankruptcy or insolvency law and the Project SPV is unable to or has admitted in writing its inability to pay any of its Financial Indebtedness as they mature or when due or the proceedings taken against it have been commenced. Provided that, any such corporate action, legal proceedings or other procedure or step shall not constitute and Event of Default, if the Project SPV can establish to the satisfaction of the Holder that such proceedings relate to a frivolous or vexatious claim which has already been dealt with, disposed of, discharged or otherwise withdrawn to the satisfaction of the Holder, within 90 (ninety) days from the date of commencement of such proceedings and the same results in a material adverse effect on the Project SPV or the Project.

(e) The Debt Documentation for the Unsecured Trust Financing or any provision therein is or becomes invalid, illegal or unenforceable or is declared to be illegal or unenforceable or has been repudiated, revoked, cancelled, terminated, suspended or withdrawn any of the parties thereto have taken any action to challenge the validity or enforceability of such document or any extra-ordinary circumstances have occurred that may reasonably be construed to have made it improbable or unlawful for the Project SPV to perform any of its obligations under the finance or any obligation under the Debt Documentation for Unsecured Trust Financing is not or ceases to be a valid and binding obligation of the Project SPV or becomes void, illegal, unenforceable or is repudiated by the Project SPV, and such events result in a material adverse effect on the Project SPV or the Project.

(f) The Concession Agreement being terminated by the Project SPV or the NHAI, in accordance with the terms of the Concession Agreement.

(g) The Project SPV defaults in the payment of any principal, interest, premium or other amount due (whether by scheduled maturity, mandatory prepayment, acceleration or demand) under any loan or credit agreement and/or defaults in the payments due under the any existing facility agreement or the occurrence of an event of default under the existing facility agreements of the Project SPV.

(h) Any Governmental Agency or the GoI, the NHAI or any related agency, instrumentality or department thereof has taken or has threatened to take any action to expropriate, condemn, nationalize or seize the Project or whole or part of the assets of the Project SPV or the whole or substantially whole or part the Project, resulting in the Project SPV being deprived or threatened to deprive to carry on its business or which will have a material adverse effect on the Project SPV or the Project on the operation of the business of the Project SPV.

(i) Any corporate action, legal proceedings or other procedure or step is taken by any Person in relation to (i) the suspension of payments, a moratorium of any indebtedness, insolvency, winding-up, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Project SPV, (ii) a composition, compromise, assignment or arrangement with any creditor of the Borrower, including any corporate debt restructuring, or (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of the Project SPV), receiver, administrator, compulsory manager or other similar officer in respect of the Project SPV or any of its assets, and such appointment is results in a material adverse change and has not been set aside within 90 (ninety) days.

(j) Failure by the Project SPV in obtaining any material licenses or clearances (including any material license) necessary for the Project does not remain in full force and effect, which results in a material adverse effect on the Project SPV or the Project.

(k) The Project SPV suspends or ceases (or threatens to suspend or cease) to carry on all or a material part of its business and the same results in a material adverse effect on the Project SPV or the Project.

Upon the occurrence of any of the events above, the Trust may accelerate the Unsecured Trust Financing and declare all or any part of the amounts outstanding under such Unsecured Trust Financing (including any interest accrued thereupon) due and payable immediately, whereupon such amounts will become due and payable by the relevant Project SPV. In the event the Trust does not accelerate the repayment of the debt, the relevant Project SPV is required to continue to perform all its obligations under the relevant Debt Documentation and any such amounts would continue to accrue until repayment is made by the relevant Project SPV, when it has adequate resources to do so.

Governing Law

The Debt Documentation shall be subject to the laws of India.

Unit Holding Structure of the Trust

The table below provides details of the Unit holding structure of the Trust:

Sr. No.	Name of Unitholder	Pre-Issue Unit Holding[(1)] (Pre-Formation Transaction)		Pre-Issue Unit Holding (Upon-Formation Transaction)[(2)]		Units To Be Allotted in the Issue[(4)]		Post-Issue Unit Holding	
		No. of Units	**As a % of the total outstanding Units**	**No. of Units**	**As a % of the total outstanding Units**	**No. of Units**	**As a % of the total outstanding Units[(3)]**	**No. of Units**	**As a % of the total outstanding Units[(3)]**
1.	Reliance Infrastructure Limited	*Nil*	-	[●]	[●]	*Nil*	-	[●]	[●]
2.	Reliance Nippon Life Asset Management Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
3.	IDBI Trusteeship Services Limited	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
4.	Public[#]	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
	TOTAL	***Nil***	**-**	[●]	**100.00**	[●]	[●]	[●]	**100.00**

[(1)] As on the date of the Draft Offer Document
[(2)]The Units issued to the Sponsor pursuant to the Formation Transactions will be created post Bid/Issue Closing Date
[(3)]On a post-Issue basis
[(4)]To be updated after finalization of the Issue Price

Fees and Expenses

1. Fees and Expenses Payable to the Investment Manager

The proposed fee of the Investment Manager shall be equivalent to 1% per annum (plus applicable taxes) of the consolidated net toll revenue (after revenue share and premium payment to the concessioning authority) of the underlying projects in which the Trust, directly or indirectly, makes investments. In accordance with the terms of appointment of the Investment Manager, the amount payable to the Investment Manager per annum as management fee, exclusive of taxes, shall not exceed Rs. 250.00 million.

2. Fees and Expenses Paid or Payable to the Trustee

The trusteeship remuneration for the Trustee is as follows:

Particulars	Description
Acceptance Fee	Rs. 5.00 million plus applicable taxes (one-time payment, paid upfront, non-refundable)
Service Charges	Rs. 5.50 million p.a. plus applicable taxes pro rata service charges would become payable on the date of execution of the Indenture of Trust (September 12, 2016) for the pro-rata period from the date of execution of the Indenture of Trust till March 31, 2017; thereafter service charges are payable annually in advance on April 1 each year till full and final redemption/repayment of the funds to the Unitholders and the winding up of the Trust and termination of the Trusteeship arrangement
Delayed Payment Charges	In case the payment of service charges is not received within a period of 30 days from the date of the bill, the Trustee reserves the right to charge delayed payment charges of 12% p.a. on the outstanding amount
Reset Clause	The Trustee has the right to reset the service charges after expiry of two years from the date of execution of the Indenture of Trust
Out of Pocket Expenses	To be claimed by the Trustee on an actual basis
Invocation and Enforcement	Any other work relating to invocation and enforcement of the Trust Assets, in case of default, would attract separate expenses and fees

In case of late payment of the above fees, penal interest on the outstanding amount would be payable in accordance with the terms of the Indenture of Trust.

3. Fees and Expenses Payable to the Project Manager

In accordance with the Project Implementation Agreements, the fees and remuneration payable by the Project SPVs to the Project Manager shall be worked out and agreed upon for the duration of each financial year, between the Project Manager, Investment Manager and the respective Project SPV, on an arm's length basis, after taking into account the extent of work to be done in respect of maintenance and other services to be provided by the Project Manager to such Project SPV. The project management/operating and maintenance expenses associated with a toll road asset are primarily based upon the actual wear-and-tear of the road, and depend upon a number of factors like climatic conditions during the year, quantum of rainfall, ability of maintenance team to control and repair damages at an early stage, quality of construction, etc. While the aforesaid operating and maintenance expenses may be estimated based on prevailing rates, as have been provided in the Traffic Reports, the actual operating and maintenance expenses for each of the Project SPVs vary each year based on actual wear-and-tear of the underlying toll road and other exigencies.

Accordingly, the amounts to be paid to the Project Manager (in relation to operation and maintenance expenses of the Project SPVs) cannot be quantified currently, and will be at a price fixed on an annual basis for each Project SPV, commensurate with the extent of work to be done by the Project Manager in the ensuing year for such Project SPV. Such fees shall be decided at least one month before the commencement of every financial year. Payments shall be released on a monthly basis, after deduction of applicable taxes and after due certification. No additional charges will be paid by any Project SPV to the Project Manager for performing its duties under the Project Implementation Agreements.

4. *Fees and Expenses Paid or Payable to the Valuers, Auditors and Any Third Party*

The following table provides the fees and expenses payable by the Investment Manager and the Trustee (on behalf of the Trust) to the Valuers, Auditors and the Traffic Consultants in connection with the services rendered by such parties in relation to the Issue:

Sr. No.	Particulars	Amount (Rs. in Millions)
1.	Fees payable to the Valuers in relation to the Valuation Report	5.30*
2.	Fees payable to the Auditors	5.00*
3.	Fees payable to the Traffic Consultants	10.40*

** Plus applicable taxes*

Set-up Costs

In connection with the establishment and registration of the Trust, the Sponsor has incurred Rs. 1.10 million in expenses in connection with the establishment and registration of the Trust, which consist of (i) application fees paid to SEBI along with the application for grant of certificate of registration of the Trust amounting to Rs. 0.10 million; and (ii) registration fees paid to SEBI in relation to the Trust amounting to Rs. 1.00 million. The Trust shall reimburse the Sponsor the aforesaid set-up costs incurred in relation to the establishment and registration of the Trust from the Net Proceeds.

INDUSTRY OVERVIEW

The information contained in this section is derived from various government and other industry sources. Neither we nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. All references to years refer to calendar years except as otherwise stated.

- **Overview of the Indian Economy**

In 2015, India's population was approximately 1.25 billion, second only to China. India had an estimated GDP of approximately US$ 7.965 trillion in 2015, which made it the fourth largest national economy in the world after China, the European Union and the United States of America, in purchasing power parity terms *(Source: CIA World Factbook)*. In 2014, 2015 and 2016, India's gross domestic product ("**GDP**") based on purchasing power parity per capita was estimated at US$ 5,351.3, US$ 5,765.8 and US$ 6,187.2, respectively. *(Source: International Monetary Fund, World Economic Outlook, October 2016 ("**IMF Report**")).*

Overview of GDP Growth in India

India is one of the fastest-growing large economies worldwide. The Indian macroeconomic situation has improved appreciably in the recent years, with increased pace in economic expansion, moderation in retail inflation and narrowing of the current account and fiscal deficits. The pace of Indian GDP growth has recovered from a modest 5.6% in FY 2013 to 7.6% in FY 2016, led by fast-growing sectors such as industries with mixed trends across various states. *(Source: ICRA Report)*

Global Growth Trends

The global economic growth eased to 3.2% in 2015 from 3.4% in 2014, with similar trend expected to persist in 2016 followed by modest improvement in 2017. *(Source: IMF Report)* Specifically, the rate of expansion of economic activity in China, the Euro Area, the United States and the United Kingdom is expected to moderate in 2016 relative to the previous year, whereas the rate in India, the ASEAN-5 countries and Japan is expected to remain steady. *(Source: ICRA Report)*

The table below sets forth a comparison among various economies of their real GDP growth rate and projected GDP growth rate for the periods indicated:

	Real GDP growth rate					**Projected GDP growth rate**	
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
			(in percentage)				
India[1]	6.6	5.6	6.6	**7.2**	**7.6**	**6.6**	**7.2**
China	9.5	7.9	7.8	7.3	6.9	6.7	6.5
ASEAN-5[2]	4.7	6.2	5.1	4.6	4.8	4.8	4.9
Euro Area	1.5	(0.9)	(0.3)	1.1	2.0	1.7	1.6
Japan	(0.5)	1.7	1.4	0.0	1.2	0.9	0.8
United Kingdom	1.5	1.3	1.9	3.1	2.2	2.0	1.5
United States	1.6	2.2	1.7	2.4	2.6	1.6	2.3
World	4.2	3.5	3.3	3.4	3.2	3.1	3.4

Source: IMF Report and International Monetary Fund, World Economic Outlook Update, January 2017

Note:

[1] Actual and forecasts for India are on a fiscal basis.
[2] Includes Indonesia, Thailand, Malaysia, the Philippines and Vietnam.

Growth Trends in India

In FY 2016, the growth of India's GDP and gross value added ("**GVA**") at basic prices rose to 7.6% and 7.2%, respectively, from 7.2% and 7.1%, respectively, in FY 2015. Subsequently, the growth of India's GDP (at constant FY 2012 prices) moderated to 7.1% in Q1 FY 2017 in year-on-year ("**YoY**") terms from 7.5% in Q1 FY 2016. *(Source: ICRA Report)*

The table below sets forth the growth in India's real GDP per certain component in percentage terms (at constant FY 2012 prices, YoY):

Components	**Q1 FY 2016**	**Q2 FY 2016**	**Q3 FY 2016**	**Q4 FY 2016**	**Q1 FY 2017**	**FY 2015**	**FY 2016**
				(in percentage)			
PFCE	6.9	6.3	8.2	8.3	6.7	6.2	7.4
GFCE....................................	(0.2)	3.3	3	2.9	18.8	12.8	2.2
Exports	(5.7)	(4.3)	(8.9)	(1.9)	3.2	1.7	(5.2)
less Imports	(2.4)	(0.6)	(6.4)	(1.6)	(5.8)	0.8	(2.8)
GFCF	7.1	9.7	1.2	(1.9)	(3.1)	4.9	3.9
GDP	**7.5**	**7.6**	**7.2**	**7.9**	**7.1**	**7.2**	**7.6**

*Source: Central Statistics Office ("**CSO**"); ICRA Research*

The slowdown in Q1 FY 2017 was led by the contraction in gross fixed capital formation ("**GFCF**") in Q1 FY 2017, which reflects the de-growth in the output of capital goods and the capital expenditure of the government of India (the "**Government**") in Q1 FY 2017, as well as the sluggish investment activity by the private sector. Additionally, the growth of private final consumption expenditure ("**PFCE**") eased in Q1 FY 2017. In contrast, the government final consumption expenditure ("**GFCE**") expanded by 18.8% in Q1 FY 2017 on account of 27.9% growth of the Government's non-interest revenue expenditure, a turnaround relative to the contraction of 0.2% in Q1 FY 2016. Additionally, the increase in exports and contraction of imports in Q1 FY 2017 further curtailed the drag exerted on the pace of GDP expansion. *(Source: ICRA Report)*

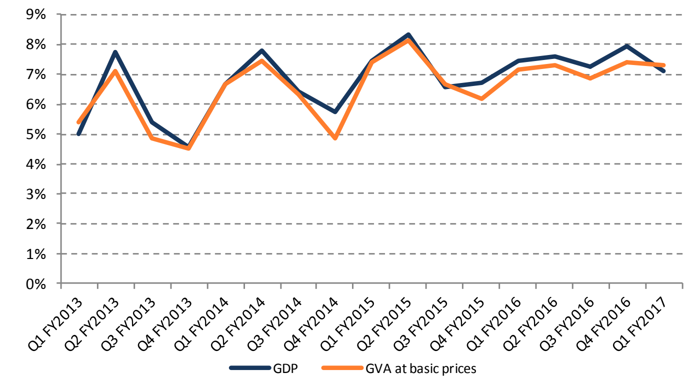
The table below sets forth the growth in India's real GDP per sector in percentage terms (at constant FY 2012 prices, YoY):

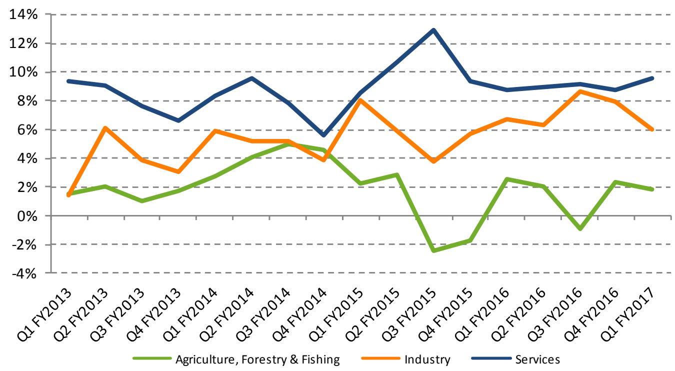
Components	**Q1 FY 2016**	**Q2 FY 2016**	**Q3 FY 2016**	**Q4 FY 2016**	**Q1 FY 2017**	**FY 2015**	**FY 2016**
				(in percentage)			
Agriculture, Forestry & Fishing	2.6	2.0	(1.0)	2.3	1.8	(0.2)	1.2
Industry................................	6.7	6.3	8.6	7.9	6.0	5.9	7.4
Services	8.8	9.0	9.1	8.7	9.6	10.3	8.9
GVA at basic prices	7.2	7.3	6.9	7.4	7.3	7.1	7.2
GVA ex-Agri	8.0	8.1	8.9	8.4	8.2	8.6	8.3

*Source: Central Statistics Office ("**CSO**"); ICRA Research*

- The growth of GVA at basic prices on YoY basis rose to 7.3% in Q1 FY 2017 from 7.2% in Q1 FY 2016, which was led by a pickup in growth in services to 9.6% from 8.8%, despite drop in growth in industry (to +6.0% from +6.7%) and agriculture, forestry and fishing (to +1.8% from +2.6%). The rise in service sector growth in Q1 FY 2017 compared to Q1 FY 2016 was led by the sharp growth in public administration, defence and other services and a marginal increase in growth of financial, real estate and professional services, which offset the correction in growth of trade, hotels, transport, communication and services related to broadcasting. The drop in industry sector growth was due to poor performance of mining and quarrying and construction, despite an uptick in growth of manufacturing and electricity, gas, water supply and other utility services. *(Source: ICRA Report)*

The charts below illustrate (i) the growth in GDP and GVA at basic prices (at constant FY 2012 prices, YoY) and (ii) the growth in agriculture, industry and services sectors (at constant FY 2012 prices, YoY), respectively:





(Source: CSO; ICRA Research)

Growth Trends among the States in India

Economic growth varied among states, with a number of states showing a rise in growth from FY 2013 to FY 2015. A few of the smaller states have displayed the fastest growth during the period, the five fastest growing states being Mizoram, Tripura, Gujarat, Jharkhand and Karnataka. Based on the early estimates for FY 2016, the following 8 states are expected to display growth greater than 8%: Andhra Pradesh, Arunachal Pradesh, Jharkhand, Madhya Pradesh, Meghalaya, Tamil Nadu, Telangana and Uttarakhand. *(Source: ICRA Report)* For more information relating to the states where the Projects are implemented, please see "*— Overview of Project States*".

- **Overview of the Road Sector in India**

Transportation sector accounts for around 6.5% of India's GDP. Road transportation, dominant of the transportation sector, accounts for approximately 4.7% of India's GDP and has deep linkages with the rest of the economy. *(Source: ICRA Report)*

Road Networks in India

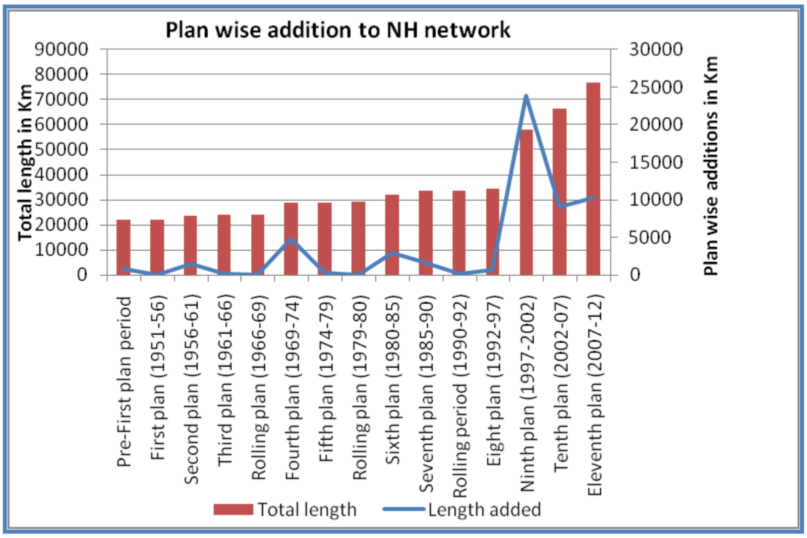
India has the second largest road networks in the world, with approximately 5.23 million km of roads comprising (i) national highways, (ii) state highways and (iii) major district roads and rural roads. *(Source: ICRA Report)* As at March 2016, the Indian road network by category is as set forth below:

Type of Road	Length (in km)	% of total Indian road network
National highways	100,475	1.9%
State highways	148,256	2.8%
Major district roads and rural roads	4,983,579	95.2%
Total	**5,232,310**	**100.0%**

*Source: Ministry of Road Transport and Highways ("**MoRTH**") Annual Report 2015-16*

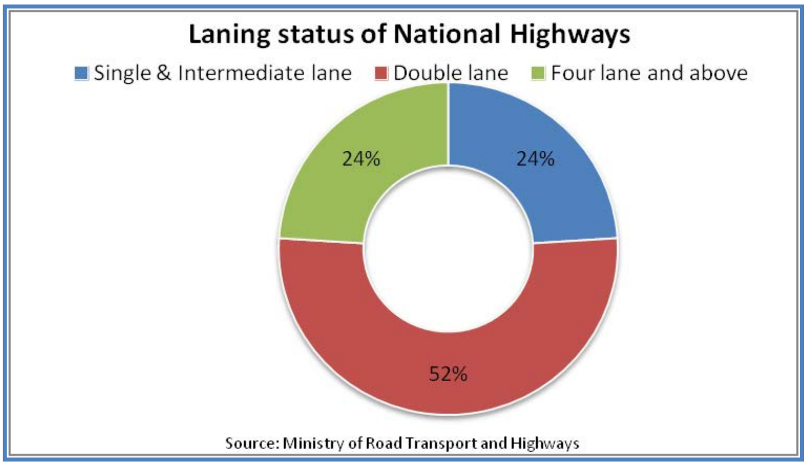
- ***National highways***: India's national highways carry approximately 40% of the total road-based traffic despite constituting only 1.9% of the total road network. *(Source: ICRA Report)* They have grown considerably to address rapid expansion of passenger and freight traffic under the national highways development programme ("**NHDP**"). *(Source: Twelfth Five Year Plan)* During the first 50-year period between 1947 and 1997, the network experienced a slow growth with a low CAGR of 0.99%. The largest expansion of the network was during the Ninth Five Year Plan period (1997 to 2002) at 23,814 km. Over the last 15 years, there has been considerable growth in the national highways network. *(Source: ICRA Report)*

  The table below sets forth the addition to the road network per plan:



(Source: MoRTH)

The laning status of the national highways in India as of March 2013 is as set below:



(Source: MoRTH)

As approximately 76% of India's national highways have less than four lanes which cause heavy congestion and poor riding quality, transporters continue bearing additional costs. *(Source: ICRA Report)*

- **State highways and major district roads**: India's state highways and major district roads together constitute a secondary system of road transportation and contribute significantly to the development of India's rural economy and industrial growth. *(Source: ICRA Report)* They carry about 40% of the total road traffic in India. (*Source: Twelfth Five Year Plan (2012-2017), Economic Sectors, Volume II (“**Twelfth Five Year Plan**“) and the NHAI website at* www.nhai.org/roadnetwork.htm) The state highways connect national highways, district headquarters of the states and major towns, tourist centres and minor ports. Approximately 65% of the state highways have less than two lanes. The major district roads connect to the national highways and state highways, the districts, areas of production with markets, and rural areas to the district headquarters. Approximately 90% of the major district roads have less than two lanes. *(Source: ICRA Report)*

Regulatory Framework

The Ministry of Road Transport and Highways (“**MoRTH**”) is generally responsible for construction and maintenance of national highways in India, with the National Highways Authority (“**NHAI**”) responsible for development, maintenance and management of certain national highways and related matters. Any roads in India other than national highways are governed by their respective state governments.

Ministry of Road Transport and Highways

The MoRTH (previously the Ministry of Shipping, Road Transport and Highways) is responsible for (i) construction and maintenance of national highways; (ii) administration of the Motor Vehicles Act, 1988 and the Central Motor Vehicles Rules, 1989; (iii) formulation of policies relating to road transport; and (iv) making arrangements for cross-border movement of vehicular traffic with neighbouring countries. *(Source: ICRA Report)*

A majority of the national highways projects are implemented under the NHDP, while the MoRTH also runs other programmes such as the National Highway Interconnectivity Improvement Programme. In addition, in order to assist the State Governments in the development of state roads, the MoRTH provides financial assistance out of the Central Road Fund and Inter State Connectivity and Economic Importance scheme. The MoRTH also runs programmes which cover national highways as well as certain state roads, such as the special accelerated road development programme for North-East ("**SARDP-NE**"), Arunachal Pradesh programme and Left Wing Extremism programme. *(Source: ICRA Report)*

- ***National Highways Authority of India***

Constituted by the National Highways Authority of India Act, 1988, the NHAI is responsible for the development, maintenance and management of national highways entrusted to it and for any related matters. NHAI is in charge of the implementation of the NHDP. *(Source: ICRA Report)*

- **National Highways Development Programme**

To address rapid expansion of passenger and freight traffic in India, the Government has launched the NHDP in 1998 as one of the initiatives to upgrade and strengthen national highways. *(Source: Twelfth Five Year Plan)*

The table below illustrates the details and the latest status of each phase under the NHDP and other NHAI projects as of July 31, 2016:

NHDP	**Total Length**	**Already 4 or 6-laned**	**Under Implementation**	**Contracts Under Implementation**	**Balance length for award**
	(km)	*(km)*	*(km)*	*(No.)*	*(km)*
Golden Quadrilateral (GQ)[1]	5,846	5,846	-	-	-
NS-EW Phases I & II[2]..................	7,142	6,465	420	35	257
Port Connectivity	435	379	56	6	-
NHDP Phase III	11,809	7,032	3,135	75	1,642
NHDP Phase IV[3]...........................	13,203	2,550	5,581	82	5,072
NHDP Phase V	6,500	2,439	721	24	3,340
NHDP Phase VI	1,000	0	165	8	835
NHDP Phase VII...........................	700	22	98	4	580
NHDP Total	46,200	24,354	10,120	228	11,726
Others NHs....................................	1,844	1,690	155	9	-
SARDP –NE	110	105	5	1	-
Total	**48,589**	**26,528**	**10,336**	**245**	**11,726**

*Source: National Highways Authority of India ("**NHAI**"), ICRA research, as of July 31, 2016*

Notes:

1 The Golden Quadrilateral connects four metropolitan cities Delhi, Mumbai, Chennai and Kolkata.

2 The North South corridor connects Srinagar to Kanniakumari whereas the East West corridor connects Porbandar to Silchar.

3 A total of 20,000 km was approved under NHDP Phase IV of which 14,799 km are assigned to NHAI with the remaining length with MoRTH.

The NHDP is implemented in the following seven phases with an estimated expenditure of Rs. 6,000 billion covering approximately 54,500 km:

- *NHDP Phase I (completed)*: With estimated cost of Rs. 303 billion (at 1999 prices), Phase I involves four-laning of 7,522 km in total of national highways in India, constituting 5,846 km of the Golden Quadrilateral ("**GQ**"), 981 km of NS-EW corridors, 380 km of Port Connectivity and 315 km of other national highways. Approximately 88% of the projects under Phase I have been awarded on a cash contract basis and the remaining 12% on Build-Operate-Transfer ("**BOT**") basis. Phase I was completed during FY 2014.

- *NHDP Phase II (90% complete, 6% under implementation, 4% (257km) to be awarded)*: With an estimated cost of Rs. 343 billion (at 2002 prices), Phase II involves a total length of 6,647 km of national highways in India, constituting mostly of North-South and East-West ("**NS-EW**") corridor (6,161 km) and other national highways of 486 km. Approximately 67% of the projects under phase II have been awarded on cash contract basis and remaining 33% on BOT basis.

- *NHDP Phase III (60% complete, 27% under implementation, 13% (1,642 km) to be awarded)*: With an estimated cost of Rs. 806 billion (at 2006 prices), Phase III aims to (i) provide connectivity of state capitals with NHDP Phase I and II and (ii) connect centres of tourism and places of economic importance. Phase III involves four- and six-laning of 11,809 km in total of national highways in India. Most of the projects under phase III have been awarded on BOT (toll) basis and to a less extent on BOT (annuity) and cash contracts basis. Specifically, 8,716 km (86%) were awarded on BOT basis, of which 7,198 km (83%) were on BOT (toll) basis, 1,364 km (16%) on BOT (annuity) basis and the remaining 154 km (1%) on a BOT (Hybrid Annuity Mode ("**HAM**")) basis.

- *NHDP Phase IV (19% complete, 42% under implementation, 39% (5,072 km) to be awarded)*: With an estimated cost of Rs. 278 billion (at 2006 prices), Phase IV involves two-laning of 20,000 km in total of national highways in India and aims to upgrade them with paved shoulders on public private partnership ("**PPP**") basis. The projects under phase IV are mostly awarded on BOT basis. Specifically, approximately 3,896 km (48%) out of 8,131 km awarded were on a BOT basis of which 2,794 km (72%) were on BOT (toll), 676 km (17%) on BOT (HAM) and remaining 426 km (11%) on BOT (annuity) basis. Due to lower traffic volumes, the projects under Phase IV are less attractive compared to those under Phase III and V.

- *NHDP Phase V (28% complete, 35% under implementation, 51% (3,340 km) to be awarded)*: With an estimated cost of Rs. 412 billion (at 2006 prices), Phase V involves six-laning of 6,500 km in total of national highways in India of existing four-lane highways, including 5,700km of GQ and 1,800 km of other national highways. Most of the projects under phase V have been awarded on a design, build, finance and operate ("**DBFO**") basis. As it covers high traffic density areas with tolling during construction, the projects under Phase V are the most attractive for developers.

- *NHDP Phase VI (0% complete, 16.5% under implementation, 83.5% (835 km) to be awarded)*: With an estimated cost of Rs. 167 billion (at 2006 prices), Phase VI involves development of 1,000 km fully access controlled expressways on PPP basis, including those connecting Valdodara-Mumbai (400 km), Bangalore-Chennai (334 km), Delhi-Meerut (66 km) and Kolkata-Dhanbad (277 km). Most projects under phase VI have been awarded on DBFO basis.

- *NHDP Phase VII (3% complete, 14% under implementation, 83% (580 km) to be awarded)*:With an estimated cost of Rs. 167 billion (at 2007 prices), Phase VII involves construction of standalone ring roads, bypasses, grade separators, flyovers, elevated roads, tunnels, road over-bridges, underpasses and service roads. Most projects under phase VII have been awarded on BOT (toll) basis.

(Source: ICRA Report)

- ***Financing of NHDP***

The NHDP is financed through various channels, such as by the following:

- Government of India's Gross Budgetary Support ("**GBS**") and Additional Budgetary Support ("**ABS**");

- Dedicated accruals under the Central Road Fund (share in the levy of cess on fuel) allocated through Union Budget;

- Toll revenue and premium, including toll collection, negative grant, premium and revenue share deposited by NHAI into Consolidated Fund of India and equivalent amount released to the NHAI for development, maintenance and management of the National Highways entrusted to it;
- Private financing under PPP frameworks via BOT (toll), BOT (annuity) or SPV, with equity participation by the NHAI;
- Market Borrowings by the NHAI as authorised by the GOI to bridge the gap between the available resources and funds required; and
- External Assistance in respect of international institutions (e.g., World Bank; ADB; JBIC) funded projects allocated through the Union Budget.

The total fund allocation to NHDP under the Twelfth Five Year Plan is estimated at Rs. 3,238 billion of which share of private sector is expected to be Rs. 1,667 billion (51%), with remaining Rs. 1,571 billion (49%) through budgetary allocations. *(Source: ICRA Report)*

Other Road Development Programmes

Investments in state highways and major district roads

During the Twelfth Five Year Plan, for the state highways, (i) 10,000 km are proposed to be upgraded to four or six lanes; (ii) 30,000 km to be upgraded to two lanes; and (iii) 35,000 km to undergo quality improvement and (iv) 8,500 km new state highways will be added. The total investment requirements towards development of the state highways during the period is estimated at Rs. 3,135 billion, of which Rs. 2,168 billion (69% of the total investment) is proposed to be funded through budgetary allocations and the remaining Rs. 967 billion (31%) through private sector participation. *(Source: ICRA Report)*

For the major district roads, at least 50% of the major district roads that have fewer than two lanes (approximately a total length of 238,049 km) are proposed to be widened to two lanes in the next 20 years. During the Twelfth Five Year Plan, for the major district roads, (i) 25,000 km are proposed to be upgraded to two lanes and (ii) 70,000 km to undergo quality improvement. The total investment requirements towards development of the major district roads during the period are estimated at Rs. 1,500 billion, all of which will be funded by budgetary allocations. *(Source: ICRA Report)*

The table below sets forth the investments in state highways and major district roads during the Twelfth Five Year Plan for the periods indicated:

Mode	**Investments between 2012 and 2017**
	(*in Rs. billions*)
Total (state highways)	**3,135**
Budgetary allocation	2,168
Private sector investment	967
Total (major district roads)	**1,500**
Budgetary allocation	1,500
Total (state highways and major district roads)	**4,635**
Total (budgetary allocation)	3,668 (79%)
Total (private sector investments)	967 (21%)

Source: Working group report, Planning commission; ICRA research

Pradhan Mantri Gram Sadak Yojana ("PMGSY")

During the Twelfth Five Year Plan, approximately Rs. 1,450 to 1,530 billion will be invested to complete the remaining projects under PMGSY. During the Tenth and Eleventh Five Year Plans, more than Rs. 1,000 billion was invested to expand the rural road network. During the Twelfth Five Year Plan, a total of 50,000 km has been approved for upgrades under the second phase of PMGSY ("**PMGSY-II**"), which aims to connect smaller habitations ranging from 100 to 250 in population. Unlike the first phase of PMGSY, which was sponsored by the Government in entirety, the investments under PMGSY-II will be sponsored by the Government and the state, each contributing 50%. *(Source: ICRA Report)*

Special Accelerated Road Development Programme ("SARDP-NE") for North-East and Arunachal Pradesh Package of Roads and Highways ("APPRH")

Road development initiatives in the Northeast region of India are covered under the SARDP-NE. The total length of the national highways in the Northeast region is 9,613 km. *(Source: ICRA Report)*

Phase A of SARDP-NE targets improvement of approximately 4,099 km of the roads in the region, including the national highways (2,041 km) and state highways and other roads (2,058 km), out of which 892 km (22%) was completed during the previous periods. Remaining 3,207 km is expected to be completed by March 2017. *(Source: ICRA Report)*

Phase B of SARDP-NE covers 3,723 km of the roads and will be implemented during the Twelfth Five Year Plan. The APPRH involves development of approximately 2,319 km of roads, including the national highways (1,472 km) and state highways and other roads (847 km). *(Source: ICRA Report)*

The funding requirement for the completion of 9,249 km as part of the above programmes from GBS (including estimated annuity payments to be made to the concessionaires) is estimated at Rs. 612.09 billion. A majority of the funding requirement will be through budgetary allocations, of which the public investments account for 92% and private sector investments account for the remaining 8%. *(Source: ICRA Report)*

The table below sets forth the investments in SARDP-NE (including APPRH) during the Twelfth Five Year Plan for the periods indicated:

Mode	**Investments between 2012 and 2017**
	(*in Rs. billions*)
Phase A (including Arunachal Pradesh)......................................	343.83
Phase B	269.26
Total Investments under SARDP-NE (including APPRH)	**612.09**
Private investments..	51.35 (8%)
Public investments...	560.74 (92%)

Source: ICRA research

Bharatmala Project

Under the Bharatmala project, the Government plans to construct approximately 23,000 km of roads. The project aims to connect coastal and border areas in India. The funding requirement under the Bharatmala project is expected to be over Rs. 2 trillion, the majority of which is expected to be funded by the Government. *(Source: ICRA Report)*

PPP Framework and Various Modes of National Highways Awards

The NHAI generally relies on outsourcing of developmental activities including design, construction, supervision, operation and maintenance of highways. The common modes of project implementation adopted by the NHAI are as follows:

- ***Engineering Procurement and Construction ("EPC") Mode***: Under EPC mode, the project activities, including design and construction, are awarded to private sector concessionaires for a lump sum price through competitive bidding process.

- ***BOT mode on toll basis ("BOT (toll)")***: Under BOT (toll) mode, the project activities are awarded to the private sector concessionaires through competitive bidding process on the basis that they construct and upgrade the project stretch and in return are entitled to collect and retain toll revenues for a certain concession period.

- ***BOT mode on Annuity basis ("BOT (annuity)")***: Under the BOT (annuity) mode, the project activities are awarded to the private sector concessionaires through competitive bidding process on the basis that they construct and upgrade the project stretch and in return are entitled to receive fixed periodic annuity payments, which are generally paid semi-annually.

- ***Operate, Maintain and Transfer ("OMT")***: Under the OMT mode, which was introduced by the NHAI in 2009 to address budgetary restraints for hiring separate agencies for (i) operation and management and (ii) tolling, the private sector concessionaires are responsible for (i) operation and maintenance of the project stretch; (ii) toll collection, (iii) construction of other project facilities (e.g., toll plaza); and (iv) any other major maintenance work on need basis.

- ***Hybrid Annuity Model ("BOT (HAM)")***: Under BOT (HAM) mode, which is a hybrid of BOT (annuity) and EPC mode, the private sector concessionaires will receive funding support in the form of 40% of the project cost during construction and subsequently in form of semi-annual annuities during the remaining tenure of the concession. The traffic risk will be borne by the Government.

(Source: ICRA Report)

The table below sets forth the risk allocation framework for various modes of the PPP:

Mode	Development Risk	Financing Risk	Traffic Risk	Burden on government
BOT (toll).........	Concessionaire	Concessionaire	Concessionaire	Yes (in case of grant-based projects); No (in case of premium-based projects)
BOT (annuity)..	Concessionaire	Concessionaire	Government	Yes[1]
OMT................	No development except for minor project facilities (e.g., toll plaza)	Concessionaire	Concessionaire	No
BOT (HAM).....	Concessionaire	Concessionaire	Government	Yes[2]

Source: ICRA research

Notes:

[1] Some of the stretches are tolled by NHAI, but annuity payments generally exceed the toll collections.
[2] 40% of the project cost determined by the developer.

Tolling Policy

In India, levying user fee on national highways was launched by the Government in 2000 expanding with the implementation of NHDP. Tolling in India differs from the other developed economies in the following points:

- Under the "closed system", toll is charged on the basis of the distance travelled with toll plaza at every entry and exit of the tolled road. India has adopted an "open system" instead whereby fee payable is a fixed amount, calculated for the entire stretch being tolled but not on the basis of the distance actually travelled.

- Alternative road (generally toll free) is oftentimes available in many countries whereas in India, such option is generally not available.

- The toll rates in India are relatively lower than those of other countries in terms of actual value (Rs./km) but higher when viewed in the context of per capita income.

(Source: ICRA Report)

At present, the user fee (toll) on national highways is being levied and collected in accordance with the provisions of the National Highways Act, 1956 and National Highway Fee Rules, 2008 ("**Fee Rules 2008**"). The first toll policy was announced in 1997 ("**Fee Rules 1997**") and after a decade, following a review, after which a new toll policy was announced in 2008. *(Source: ICRA Report)*

The comparison between these two toll policies is given below:

Mode	National Highway Fee Rules, 1997	National Highway Fee Rules, 2008
Tollable stretches	All sections of the National Highways having four or more lanes, bridges and newly constructed bypasses.	Two-lane highways[1] with paved shoulders, under NHDP Phase-IV were also classified under tollable stretches.
Vehicle classification	Type 1 Car/Jeep/Van Type 2 Light Commercial Vehicles Type 3 Truck or Bus Type 4 Heavy Construction Machinery ("**HCM**") and Earthmoving Equipment ("**EME**") Note: Multi axle vehicles were not separately classified. Instead, they were tolled under Type 3 in case of public funded projects and at rates higher than Type 3 in case of BOTs.	Type 1 Car/Jeep/Van Type 2 LCV/Mini Bus Type 3 Truck or Bus Type 4 HCM/EME/multi axle vehicles (three to six axles) Type 5 Oversized vehicles (seven or more axles)
Base rate of fee (in Rs./km)	Type 1 0.40 Type 2 0.70 Type 3 1.40 Type 4 3.00	Type 1 0.65 Type 2 1.05 Type 3 2.20 Type 4 3.45 Type 5 4.20 (For two-lane roads with paved shoulders on which investment for up-gradation exceeded Rs. 10,000,000 per km, the rate is fixed at 60% of base rate given above.)
Toll rate capping	A ceiling for fee rate per km has been prescribed (as given above) for public-funded projects giving rise to demand by various stakeholders to levy toll at a rate less than the capping rate resulting in differential rates for different stretches.	Instead of capping rates, the toll rate is fixed for each category.
Revision in toll rate	Linked to wholesale price index.	Fixed and variable components for revision were introduced. Base toll rate increased by 3% every year, without compounding. Additionally, to neutralise the impact of the variable cost of operation and maintenance, 40% of annual increase in wholesale price index ("**WPI**") has been provided.
Frequency of revision	Annually for BOT projects and once in five years for public-funded[2] projects.	Annual revision for both BOT and public-funded projects.
Variation between BOT and public-funded projects	High variation in rates, concessions and exemptions.	BOT and public funded projects were synchronised in terms of rates, concessions and exemptions.

Source: ICRA research

Notes:

[1] On which investment for up gradation exceeded Rs. 10,000,000 per km.
[2] Funded by NHAI.

Further in December 2013 and January 2014, the following key amendments were made to the Fee Rules 2008:

- In case of a section of a four-lane highway which has been taken up for an upgrade to six-laning, the increase in rate of fee shall be limited to 75% of the fee rate under the Fee Rules 2008, calculated on and from the date of commencement of the work relating to the upgrade, till the date of completion of the project according to the agreement entered into with the concessionaire without any annual revision. No user fee shall be levied for the delayed period between the date of completion as per the agreement entered into with the concessionaire and the date of actual completion of the project. For the purposes of this rule, any provisional completion of the project shall not be treated as completion of the project;

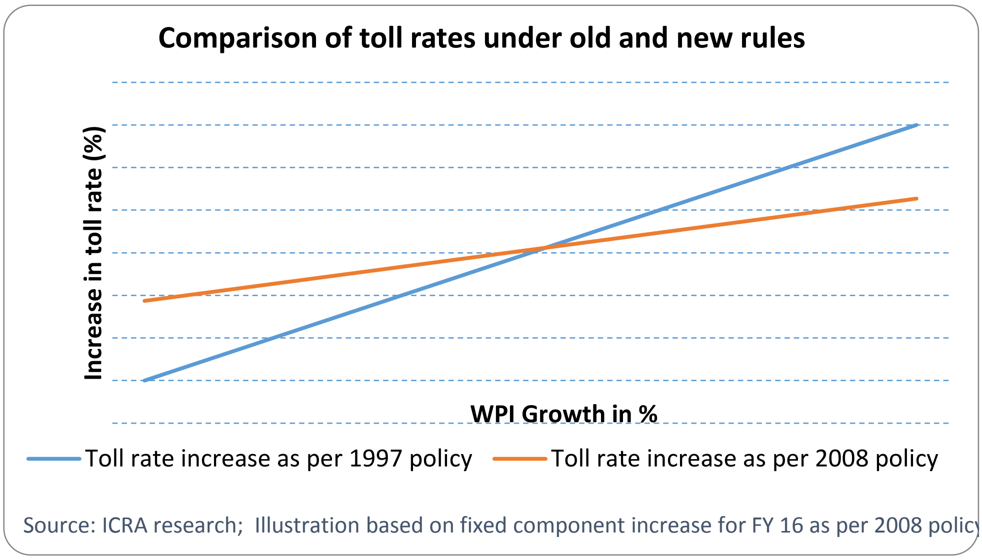
- The base rate of fee for use of an expressway shall be 1.25 times the base rate under the Fee Rules 2008;

- The rate of fee for use of standalone structure as well as any structure forming part of a linear highway or expressway shall be calculated by converting the length of structure into an equivalent length of highway or expressway by multiplying by ten. Provided the length of the structure is less than or equal to 60 metres, it will be considered as a part of the normal length of a highway or expressway; and

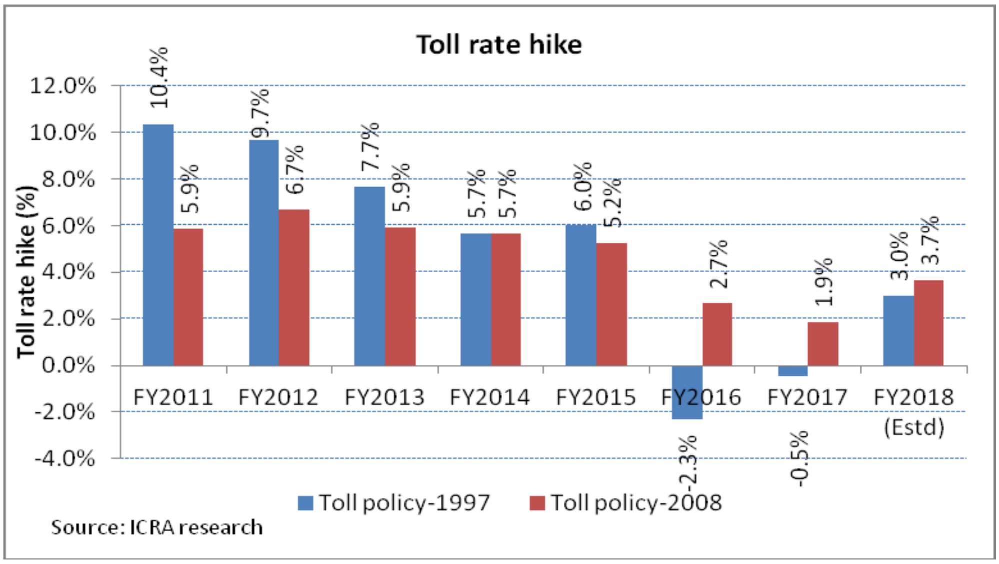
- The base rate of fee for use of a section of a national highway, having two lanes with paved shoulders and above but below four-lane on which substantial improvement has been made by widening carriageway by three metres or more, shall be 60% of the base rate under the Fee Rules 2008.

(Source: ICRA Report)

The chart below illustrates the comparison of the increase in toll rates under the Fee Rules 1997 and the Fee Rules 2008, respectively:



The chart below illustrates the comparison of toll rate hike under the Fee Rules 1997 and the Fee Rules 2008, respectively, for the periods indicated:



The toll fee payable by each category of vehicles is specified in the concession agreement between NHAI and the developer in line with the toll policy applicable at that point in time. The toll fees are revised annually to adjust for inflation, as determined by the movement in the WPI, which links the revenues of developers to movements in the WPI. *(Source: ICRA Report)*

The revision in the rate for projects that were bid prior to 2008 is fully linked with the WPI, whereas for the projects that were after post 2008, the rate hike is calculated as 3% (fixed increase every year on base toll rate) plus 40% of the WPI. While the benefit of high inflation are not fully reflected for the latter, in case of a low inflation (i.e., WPI growth less than 5%), such projects are better off due to the fixed rate of 3%. *(Source: ICRA Report)*

Negative WPI had an impact on the projects during FY 2016 and FY 2017. For the projects of which toll rates are linked fully with the WPI, the toll rates were revised downwards as a result. For other projects, the increases in the toll rates were 2.7% and 1.9% in FY 2016 and FY 2017, respectively. Under low inflation case, the profitability of the toll road projects is adversely affected. *(Source: ICRA Report)*

Modes of Funding for NHAI

The NHAI receives its funding from the Government in the form of capital base, cess fund, additional budgetary support, capital grant, maintenance grant and toll revenue. In addition, it also raises funds and loans from the Government, multilateral agencies and market borrowings by the following channels:

- ***GBS and ABS***;

- ***Dedicated accruals under the Central Road Fund***: The share from cess on fuel is one of the major contributors of funding for the NHAI. The Government has, under the Central Road Fund Act, 2000, created a non-lapsable dedicated fund for the NHDP by levying cess on high-speed diesel and petrol at the rate of Rs. 6.00 per litre (increased from Rs. 2.00 per litre in FY 2016 budget) out of which a part is allocated for national highways. However, the allocation from the Central Road Fund to the NHAI was at Rs. 121.53 billion in FY 2017 lower than Rs. 229.20 billion in FY 2016.

- ***Ploughing back of toll revenue and negative grant***: The NHAI has completed projects funded through toll revenues from the contractors. It also receives negative grant, i.e., an upfront payment payable by successful bidder to NHAI, and revenue share and premium in projects with higher traffic volumes. The revenues collected from projects are provided to the Government, which ploughs them back for the development and maintenance of the national highways. In FY 2016, the total amount ploughed back is estimated at approximately Rs. 65.00 billion.

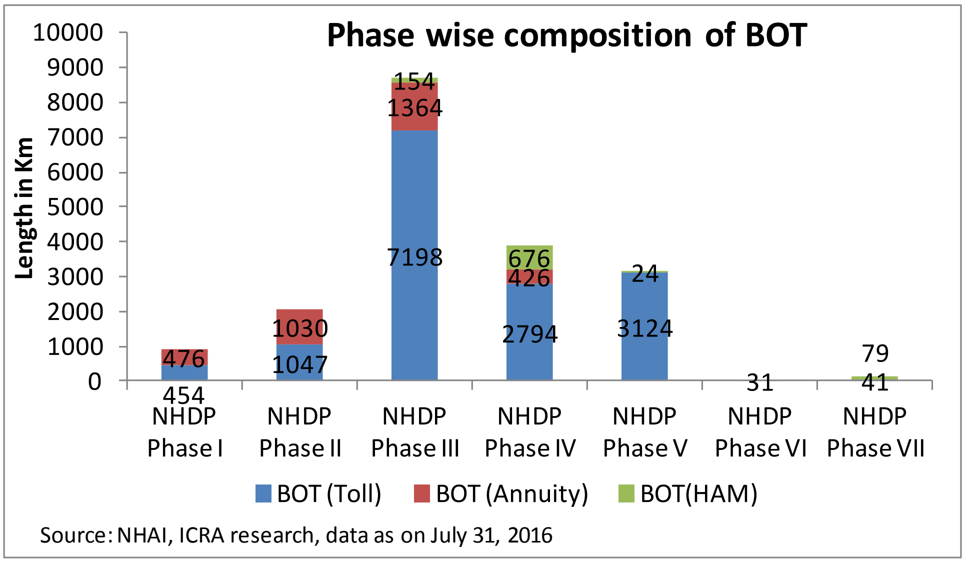
- ***Market borrowing, including (i) funds raised through capital gain tax exemption bonds under section 54EC and (ii) long-term tax free bonds***: In accordance with Section 54 EC of the Income-Tax Act, 1961, the NHAI is authorised to issue capital gain exemption bonds wherein eligible investors can claim exemption by investing the component of long term capital gains, either wholly or in part in these bonds, within six months of the transfer of the asset. The funds are mobilised on a tap basis, which have a maximum investment limit of Rs. 5 million in one financial year for each eligible investor with a lock-in of three years from the deemed date of allotment. Under this option, the NHAI can raise up to Rs. 50.00 billion every year. The NHAI is also authorised to issue long term tax-free bonds wherein eligible investors can claim exemption of coupon earned on the bonds. The NHAI had previously issued Rs. 100.00 billion worth of tax-free bonds in January 2012 and Rs. 50.00 billion in January 2014. The NHAI has recently received approval to raise funds of up to Rs. 240.00 billion through tax-free bonds in FY 2016.

- ***Lending by international institutions***: the NHAI may also raise funds by borrowing from international institutions such as World Bank, Asian Development Bank and Japan Bank for International Cooperation.

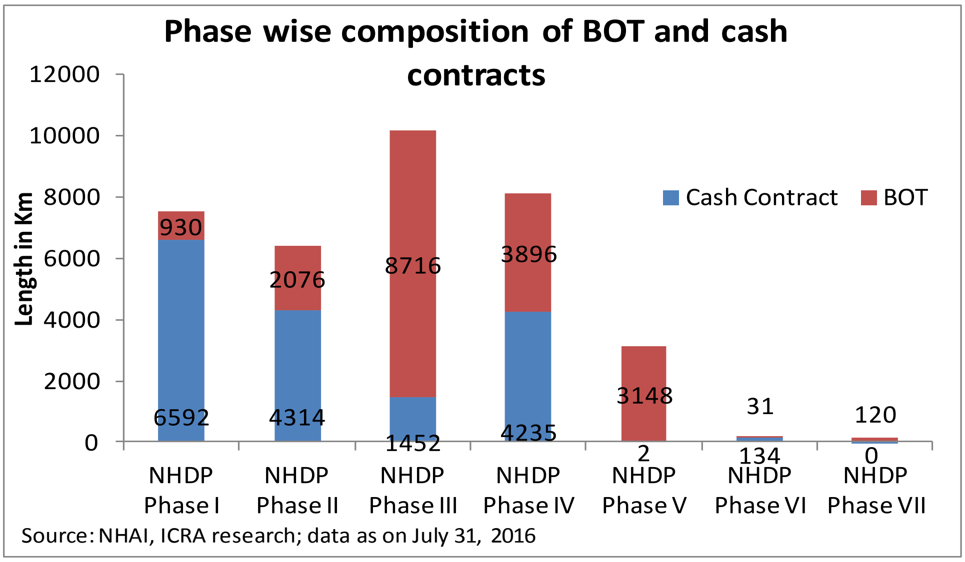
  (Source: ICRA Report)

NHAI Award Mix

The charts below set forth the distribution of the projects per phase by length (i) on BOT (toll), BOT (annuity) and BOT (HAM) basis and (ii) on BOT and cash contracts basis, respectively:

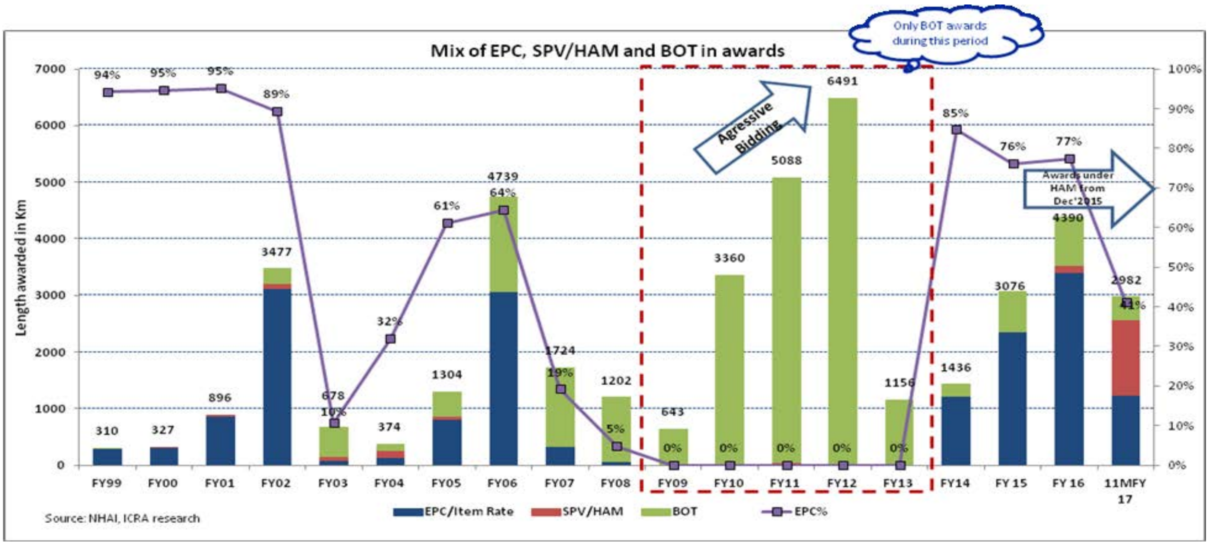


(Source: NHAI, ICRA research, as of July 31, 2016)



(Source: NHAI, ICRA research, as of July 31, 2016)

The chart below sets forth the distribution of the projects by length on EPC, BOT (HAM) or special purpose vehicle ("**SPV**") and BOT (toll and annuity) basis for the periods indicated:



(Source: NHAI, ICRA research)

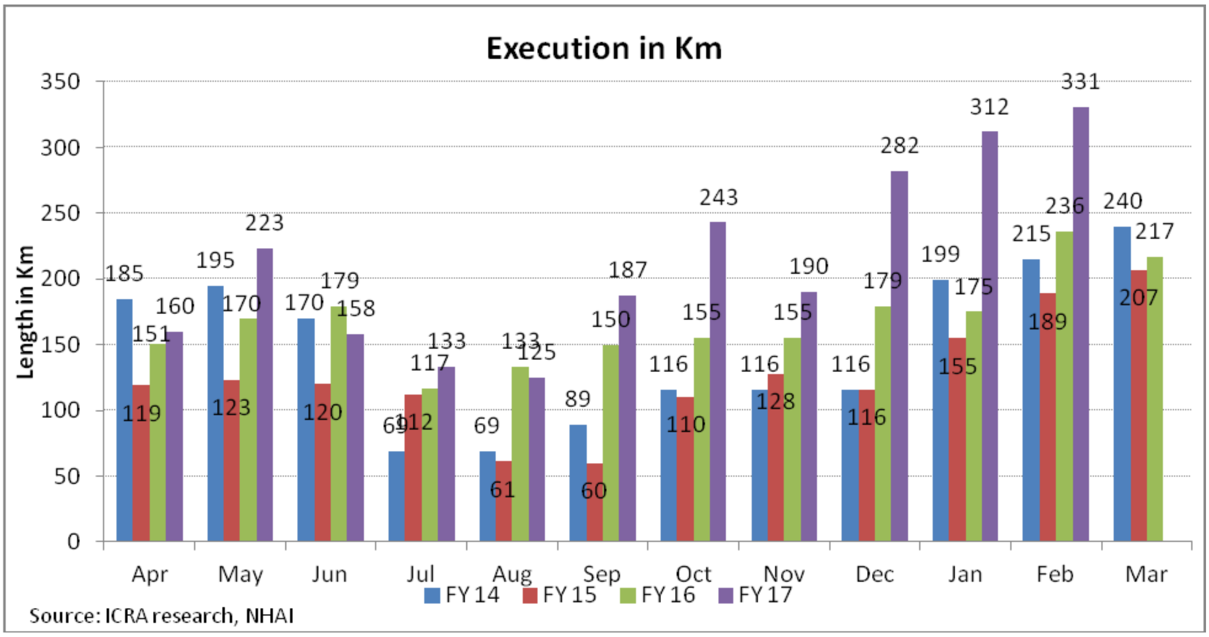
A majority of the projects awarded under the NHDP phase I and II were under the EPC mode with very few projects awarded under PPP. From FY 1998 to FY 2005, only 10% of the total awards were through BOT mode. Starting from phase III in FY 2006, a large number of projects were awarded under BOT mode. From FY 2009 to FY 2012, the projects under BOT mode in the road sector received aggressive participation by private players. However, the aggressive bidding, coupled with highly leveraged balance sheets and strained profitability of the road developers had made it difficult for the developers to achieve financial closure for them. Further, weak capital markets and stressed valuations had made raising equity capital extremely difficult for most of the developers. In addition, most of the awards were made without securing the requisite right of way, resulting in an inordinate delay in execution which adversely affected the execution and developers' profitability. As a result, participation in the BOT segment witnessed a significant slowdown. Consequently, the award rate declined from FY 2013 followed by an increase in projects awarded on EPC basis. More than 70% of the total awards by the NHAI between FY 2014 and FY 2016 were awarded on EPC basis. *(Source: ICRA Report)*

NHAI Award and Execution

Since 2014, the Government focused on addressing execution bottlenecks, such as: (i) awarding projects after securing 80% right of way; (ii) speedy resolution of stuck projects, (iii) delegating the powers for grant of forest clearances to the regional offices; (iii) allowing online filing for clearances to construct road over bridges (ROB) and road under bridges (RUB); and (iv) and increasing limits on sand mining. To make encumbrance-free land available more speedily, the NHAI has delegated powers to regional officers to demolish structures on right of way and shifting of utilities.

These efforts have yielded positive results, including an increase of 34% in the pace of the execution rate to 5.53 km per day in FY 2016 from 4.11 km per day in FY 2015. More recently, the pace of execution increased by 30% in 11M FY 2017 to 7.02 km per day from 5.39 km per day in 11M FY 2016. *(Source: ICRA Report)*

The chart below sets forth the pace of execution in km per day for the periods indicated:



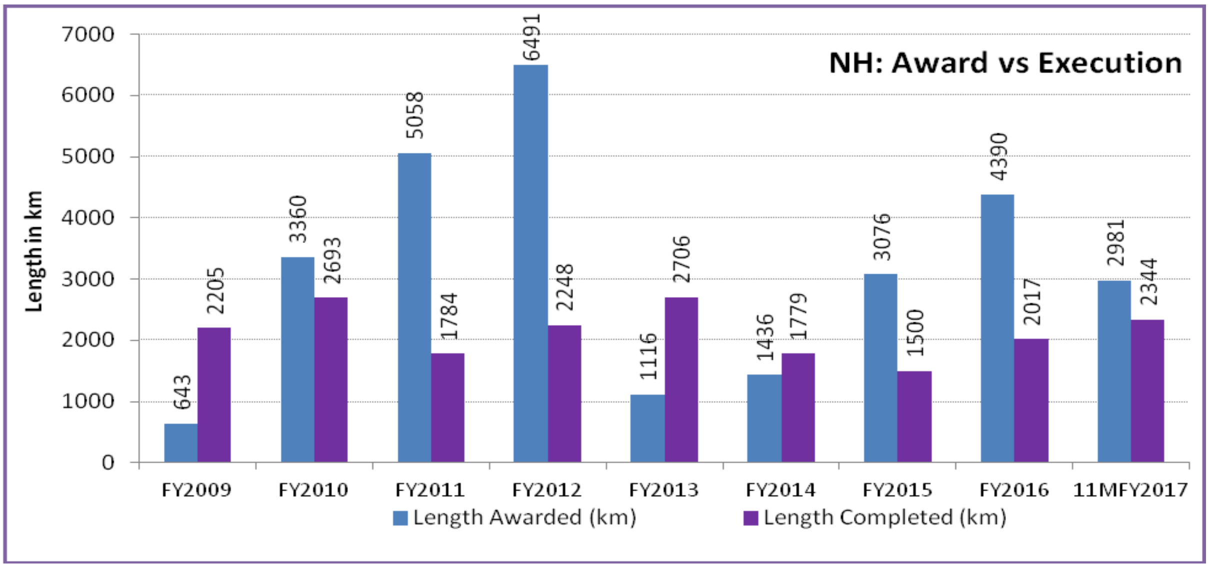
(Source: NHAI, ICRA research)

Until FY 2014, the mode of project award was determined based on the waterfall mechanism, at the sequence of the BOT (toll), followed by the BOT (annuity) and then the EPC, depending on the traffic density along the project stretch. This process slowed down the awards due to weak private sector participation. *(Source: ICRA Report)*

Currently, the committee headed by the Secretary of the MoRTH may decide on the mode of project awards. Further, upfront land acquisition and clearance from the Ministry of Environment and Forests and a larger proportion of EPC contracts have increased the interest of developers and contractors in road projects. As a result, the awards by the NHAI during FY 2016 have increased by 43% to 4,390 km from 3,076 km in FY 2015. *(Source: ICRA Report)*

During FY 2016, the percentages of awards on EPC, BOT (toll), BOT (HAM) and SPV basis were 77%, 20%, 2% and 1%, respectively. *(Source: ICRA Report)*

The chart below sets forth the comparison between the projects awarded by length and the projects completed by length for the periods indicated:



(Source: ICRA Report)

During FY 2016, the percentages of the awards on EPC, BOT (toll/annuity), BOT (HAM) and SPV basis were 77%, 20%, 2% and 1%, respectively. A sizeable portion of the awards in FY 2017 are expected to be made through the HAM mode, which could garner a favorable response from contractors and developers in the private sector. *(Source: ICRA Report)*

The table below sets forth the percentages of awards per mode for the periods indicated:

Mode	**FY 2014**	**FY 2015**	**FY 2016**
	(%)	*(%)*	*(%)*
EPC	85%	76%	77%
BOT (toll/annuity)..	15%	24%	20%
BOT (HAM)...	-	-	2%
Others (SPV)	-	-	1%

Source: ICRA research

During 11M FY 2017, 51 projects totalling 2,981 km were awarded, compared to 3,457 km during 11M FY 2016. Out of the 51, 20 projects totalling 1,337 km, which constitute 45% of the total awards, were awarded on BOT (HAM) basis, 26 projects totalling 1,222 km (41% of the total awards) were awarded on EPC basis and the remaining five projects totalling 422 km (14% of total awards) were awarded on BOT (toll/annuity) basis**.** As of February 2017, 28 projects worth Rs. 257.45 billion and totaling 1,659 km were awarded through the BOT (HAM) mode. *(Source: ICRA Report)*

The table below sets forth the number of projects, length and costs per mode as of July 31, 2016:

Mode	**Length in km**	**Number of projects**	**Costs in billion Rs.**
EPC	2,485	39	231.31
BOT (toll)...	1,003	10	109.02
BOT (HAM)...	3,127	47	489.08
Total	**6,615**	**96**	**829.41**

Source: ICRA research

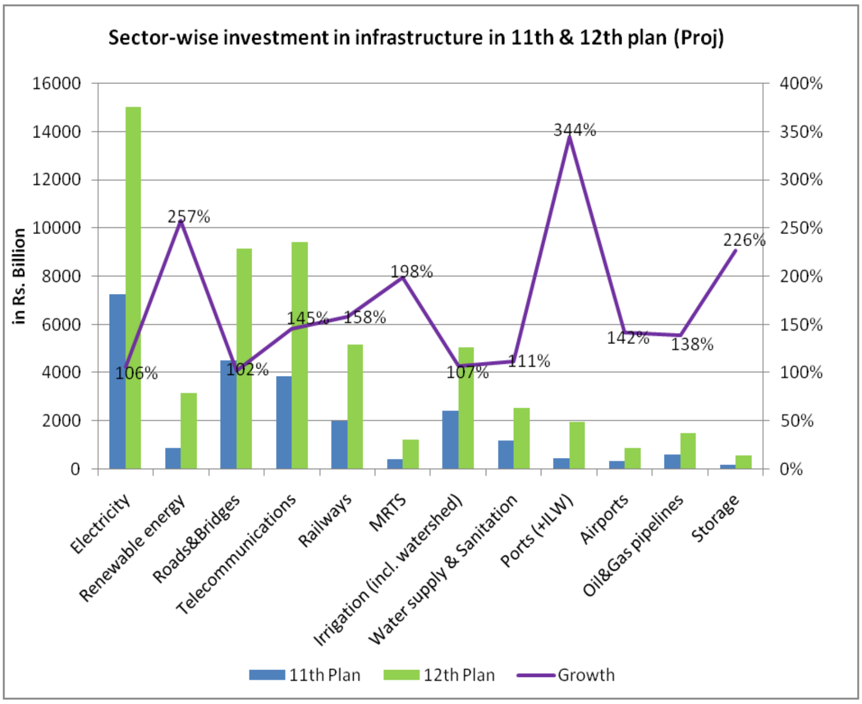
The Twelfth Five Year Plan

With regard to the road sector, the main targets of the Twelfth Five Year Plan include (i) completing (x) Phase III of the NHDP for inter-district roads and other roads under the programme and (y) Phase IV of the NHDP that aims to convert single-lane roads to double lane roads; (ii) setting specific targets for Phase V of the NHDP, which involves the conversion of the Golden Quadrilateral to a six-lane road; (iii) upgrading the national and state highways to a minimum two-lane standard; and (iv) connecting all villages by all-weather roads. *(Source: Twelve Five Year Plan)*

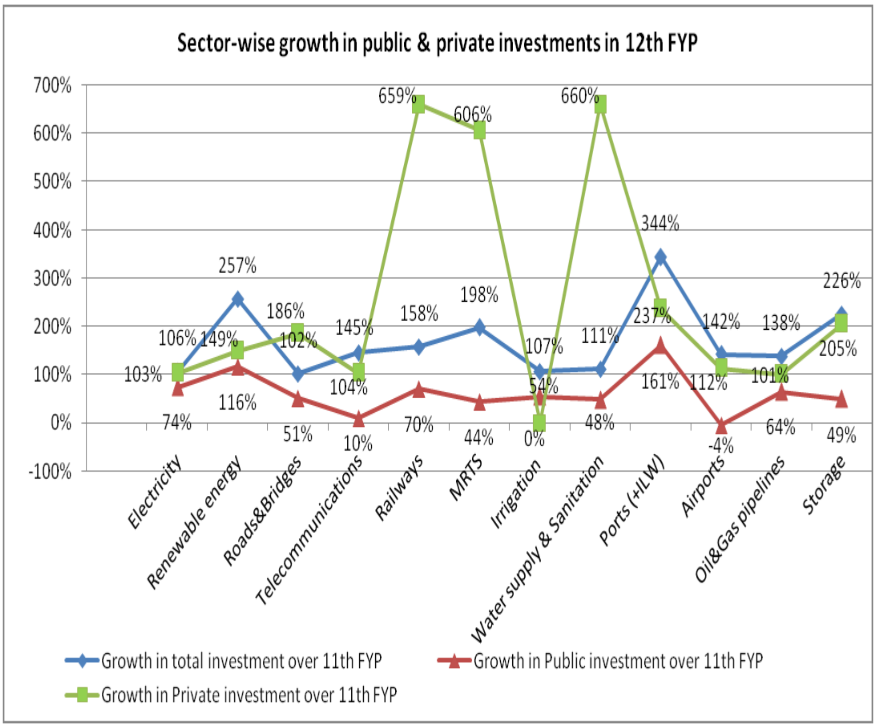
The total investments in infrastructure during the Twelfth Five Year Plan are targeted at Rs. 55,750 billion, which are more than twice the size of investments made during the Eleventh Five Year Plan. The investments in roads and bridges during the Twelfth Five Year Plan (16%) are the third largest only after electricity and telecommunications, which constitute 27% and 17% of the total investments, respectively. Although the share of the investments in the road and bridges sector has a percentage of total infrastructure has decreased to 16% as against 19% in the Eleventh Five Year Plan, the size of the investments nearly doubled during the Twelfth Five Year Plan. *(Source: ICRA Report)*

The total investment in roads and bridges under the Twelfth Five Year Plan is expected at Rs. 9,200 billion, of which public sector and private sector contributions are expected at approximately 68% and 32%, respectively. *(Source: ICRA Report)*

The amounts and percentages of the investments in infrastructure per sector in the Eleventh and Twelfth Five Year Plan and the growth in public and private investments in infrastructure per sector in the Twelfth Five Year Plan are as set forth below, respectively:



(Source: ICRA Report)



(Source: ICRA Report)

Distribution of Investments in the Road Sector

The total planned investments during the Twelfth Five Year Plan for national highways, state highways, major district roads and village roads (to be developed under the PMGSY) are approximately 36%, 34%, 16% and 14%, respectively. *(Source: ICRA Report)*

For private sector investments, PPP for national highways is expected to be high, which is expected to constitute approximately 51% of the total investment. For state highways, PPP is estimated to be approximately 31%. There is no PPP for major district roads and PMGSY. *(Source: ICRA Report)*

For government investments, national highways are predominantly funded by the Centre. Major district roads and state highways are proposed to be funded by the respective state governments. PMGSY is solely funded by the Centre. *(Source: ICRA Report)*

Key policy Changes and Recent Initiatives

In the recent years, the Government has enacted several policy reforms to boost investment in the infrastructure by addressing execution delays, project cancellations, stuck projects, loss of lenders' confidence, leveraged balance sheets of developers and sluggish traffic growth. In addition, the Government has taken initiatives to further revive languishing projects. *(Source: ICRA Report)*

For example, in November 2015, the Cabinet Committee on Economic Affairs ("**CCEA**") authorised NHAI to pay compensation to concessionaires in cases of delays not attributable to them which aimed to revive certain languishing BOT toll and annuity projects. Also, CCEA allowed segregation of civil construction cost from capital cost of national highways projects for appraisal and approval, allowing MoRTH to clear a number of projects without having to seek approval of the CCEA. In October 2015, the NHAI made approximately Rs. 37 billion of one-time funding available, for which 18 projects covering 1,428 km were eligible. In September 2015, the NHAI modified Circular No. NHAI/11033/CGM (FA)/4/2015 to permit 100% equity divestment after two years of construction completion for all BOT projects, irrespective of the year of award. During the same period, certain clauses of the Model Concession Agreement have been amended to promote BOT and EPC projects. *(Source: ICRA Report)*

Overview of Project States

Detailed information in relation to the economy and road sector of the states where the Projects are located is set out as below:

States	Economy and Road Sector Information
Haryana	Haryana's economy[1] grew at a CAGR of 13.4% from FY 2005 to FY 2015, exceeding the national average of 12.6%. The average contributions of the industry, services and agriculture sectors to the Haryana economy[1] from FY 2005 to FY 2015 were approximately 31%, 49% and 20%, respectively. Motor vehicles registered in Haryana increased at a CAGR of 11.5% from FY 2006 to FY 2013, higher than the national average of 10.7%. Total road length in Haryana grew by 61.5% which was in line with the national average of 60.9%. The proportion of surfaced roads was 93.4% in 2015, improving from 90.5% in 2005. The road density in FY 2012 (964.4 km per 1,000 square km) remained lower than the national average (1,480.1 km per 1,000 square km), on account of large tracts of farmland in Haryana.
Rajasthan	Rajasthan being the largest state in India, Rajasthan's economy[1] grew at a CAGR of 14.3% from FY 2005 to FY 2015, exceeding the national average of 12.6%. The average contributions of the industry, services and agriculture sectors to the Rajasthan economy[1] from FY 2005 to FY 2015 were approximately 31%, 45% and 24%, with a relatively higher share of agriculture and lower contribution of services sector than national average, respectively. Motor vehicles registered in Rajasthan increased at a CAGR of 11.3% from FY 2006 to FY 2013, higher than the national average of 10.7%. Total road length in Rajasthan grew by 65.7% between 2005 and 2015, which exceeds the national average of 60.9%. The proportion of surfaced roads was 78.5% in 2015, enhanced from 67.3% in 2005. The road density in FY 2012 (726.4 km per 1,000 square km) remained lower than the national average (1,480.1 km per 1,000 square km) on account of the large stretches of desert and low population density in Rajasthan.
Tamil Nadu.............................	Tamil Nadu's economy[1] grew at a CAGR of 14.7% from FY 2005 to FY 2015, exceeding the national average of 12.6%. The average contributions of the industry, services and agriculture sectors to the Tamil Nadu economy[1] from FY 2005 to FY 2015 were 32%, 58% and 10%. Motor vehicles registered in Tamil Nadu increased at a CAGR of 9.7% from FY 2006 to FY 2013, lower than the national average of 10.7%. Total road length in Tamil Nadu grew by 48.2% between 2005 and 2015, which was less than the national average of 60.9%. The proportion of surfaced roads was 80.5% in 2015, enhanced from 78.7% in 2005. The road density in FY 2012 (1,770.0 km per 1,000 square km) was significantly higher than the national average (1,480.1 km per 1,000 square km).

Source: NHAI website at www.nhai.org/roadnetwork.htm

- Note:

[1] Economic growth is measured in terms of gross state domestic product divided by the gross domestic product at factor cost for FY 2005 to FY 2012 and gross state value added divided by gross value added at basic prices for FY 2013 to FY 2015.

THE TRUST'S BUSINESS

This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us, our Financial Information, including the notes thereto, in the chapters "Risk Factors", "Financial Statements", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" on pages 17, 313, 142 and 372, respectively.

Overview

We are a registered infrastructure investment trust under the InvIT Regulations. We primarily intend to own, operate and maintain a portfolio of seven toll-road assets in the Indian states of Tamil Nadu, Rajasthan and Haryana. These toll roads are operated and maintained pursuant to concessions granted by either the NHAI or, in the case of the Gurgaon Faridabad Project, the HPWD.

Our Sponsor is Reliance Infrastructure Limited, a private sector infrastructure development and construction company with a market capitalization of over Rs. 149,000 million as of March 31, 2017 (*Source: www.bseindia.com*). The Sponsor has been listed on the Stock Exchanges since 1995. Excluding the toll-road assets that are being transferred by the Sponsor to us pursuant to the Formation Transactions (as described below), the Sponsor has four more toll-road assets, two of which are currently under construction (DA and PS), one of which is partially complete (KM) and one of which is complete (HK). For more information, please see the section headed "– *The ROFO/ROFR Assets* "and "*Parties to the Trust – The Sponsor*" in this Draft Offer Document.

We will acquire an initial portfolio comprising the Project SPVs, all of which are currently wholly owned by the Sponsor, subject to the receipt of requisite approvals.

The Formation Transactions

The Trustee (on behalf of the Trust) intends to acquire the equity shares of the Project SPVs after the Bid/Issue Closing Date and prior to the Allotment in the Issue (for each such Project SPV, the "**Acquisition Date**"). Subject to the receipt of requisite approvals, the Trust intends to acquire 100% of the equity shares in each of DS, JR, NK, SU, TD and TK and 74% of the equity shares in GF.

As consideration for the acquisition of the equity shares of the Project SPVs and a portion of the subordinate debt certificates issued by the Project SPVs to the Sponsor, the Trust will issue Units to the Sponsor on or around the Acquisition Date. The Securities Purchase Agreements for each Project SPV will be executed after the Bid/Issue Closing Date and prior to the Acquisition Date. Pursuant to the Securities Purchase Agreements, the Sponsor has undertaken to complete the construction works remaining in respect of certain Project SPVs. For additional information about the Formation Transactions, please see the section headed "*About the Trust – Background and Structure of the Trust – Formation Transactions*" in this Draft Offer Document.

There are certain other agreements that the Trustee (on behalf of the Trust) intends to enter into with the Sponsor and other parties, such as the ROFO and Future Assets Agreement. These will be executed on or about the Acquisition Date. For further information on the ROFO and Future Assets Agreement, see the sections headed "*The ROFO/ROFR Assets*" and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken - Right of First Offer and Future Assets Agreement*" in this Draft Offer Document.

As of March 31, 2017, the Project SPVs owned, operated and maintained the following toll road assets comprising 497.43 km of constructed and operational roads:

- the Dindigul Samayanallore Project: an approximately 53.05 km section of NH 7 between Dindigul and Samayanallore in Tamil Nadu, which is held by DS;
- the Namakkal Karur Project: an approximately 41.37 km section of NH 7 between Namakkal and Karur in Tamil Nadu, which is held by NK;
- the Salem Ulundurpet Project: an approximately 136.36 km section of NH 68 between Salem and Ulundurpet in Tamil Nadu, which is held by SU;
- the Trichy Dindigul Project: an approximately 87.27 km section of NH 45 between Trichy and Dindigul in Tamil Nadu, which is held by TD;

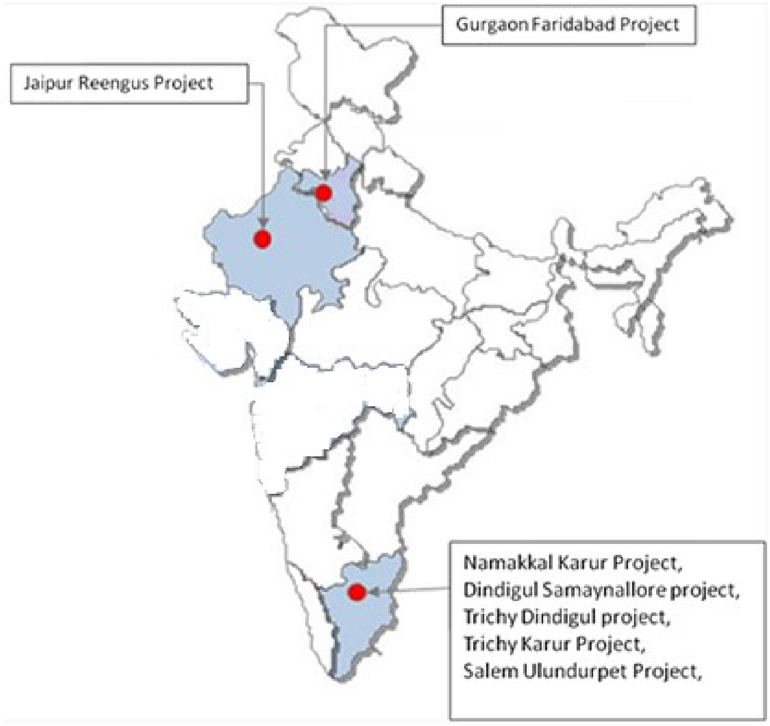
- the Trichy Karur Project: an approximately 61.35 km section of NH 67 between Trichy and Karur in Tamil Nadu, which is held by TK;

- the Jaipur Reengus Project: an approximately 51.84 km section of NH 11 between Jaipur and Reengus in Rajasthan, which is held by JR; and

- the Gurgaon Faridabad Project: an approximately 66.19 km section in Gurgaon and Faridabad in Haryana, including stretches of Crusher Zone Road, Pali-Bhakri Road, Ballabgarh-Lukhawas junction Road and MCF road, which is held by GF.

The Project SPVs' total income on a combined historical basis for the financial years 2015, 2016 and 2017 was Rs. 4,260.75 million, Rs. 3,824.31 million, and Rs. 4,017.55 million, respectively. For more information about the Combined Financial Statements of the Project SPVs, please see the sections headed "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in this Draft Offer Document.

The following map depicts the location of the Initial Road Assets:



Our Investment Manager is Reliance Nippon Life Asset Management Limited, a subsidiary of Reliance Capital Limited. The Investment Manager meets the prerequisite experience under the InvIT Regulations. The Investment Manager's investment strategy for the Trust Group is to maintain and operate the Initial Road Assets, generate returns to unit holders on a regular and long term basis, achieve long-term growth in the net asset value per Unit and diversify the risk across different geographies and assets. For more information about the Investment Manager, please see the section headed "*Parties to the Trust – The Investment Manager*" in this Draft Offer Document.

The Trustee, the Investment Manager and the respective Project SPVs have appointed the Sponsor to act as the Project Manager for each Project SPV. The Sponsor has experience in constructing, operating and maintaining road projects in accordance with the terms of concession agreements. For more information about the Project Manager, please see the section headed "*Parties to the Trust – The Project Manager*" in this Draft Offer Document.

The Sponsor has appointed IDBI Trusteeship Services Limited to act as the sole trustee of the Trust. The Trustee is registered with the SEBI as a debenture trustee under the Securities and Exchange Board of India (Debenture

Trustees) Regulations, 1993. For more information about the Trustee, please see the section headed "*Parties to the Trust – The Trustee*" in this Draft Offer Document.

In addition to the Initial Road Assets that are being transferred by the Sponsor to the Trust pursuant to the Formation Transactions, the Sponsor (through its subsidiaries) also operates the Delhi-Agra Project, the Hosur Krishnagiri Project, the Kandla Mundra Project and the Pune Satara Project. The Trust (acting through the Trustee) will enter into the ROFO and Future Assets Agreement with the Sponsor to enable the Trust to acquire the Delhi-Agra Project, the Hosur Krishnagiri Project, the Kandla Mundra Project and the Pune Satara Project upon the completion of certain milestones, which includes the completion of two years of operations post construction of these projects, as per the concession agreements for these projects. The agreement also requires the Sponsor to transfer the remaining 26% of equity share capital of GF once it is eligible to do so under the relevant concession agreement. For further information on the ROFO and Future Assets Agreement, see the section headed "*The ROFO/ROFR Assets*" and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken - Right of First Offer and Future Assets Agreement*" on pages 203 and 271, respectively, in this Draft Offer Document.

Further, pursuant to the ROFO and Future Assets Agreement, the Sponsor has agreed to provide us with a right of first offer with respect to Future Assets and a right of first refusal with respect to Future Mature Assets located in India which may be set up, acquired or developed by the Sponsor or its existing or future subsidiaries, limited liability partnerships or other entities that are controlled by or under common control with the Sponsor. For a more detailed description of these rights, please see the section headed "*Related Party Transactions*" in this Draft Offer Document.

In addition, the Trust (acting through the Trustee) intends to enter into the Debt Documentation with the Project SPVs after the Bid/Issue Closing Date and prior to Allotment. For more information, please see the section headed "*Use of Proceeds*" on page 87 in this Draft Offer Document.

Competitive Strengths

We believe that our competitive strengths are as follows:

Portfolio of income generating assets in key growth markets

Upon completion of the Formation Transactions, we will own 100% of the equity shareholding of DS, JR, NK, SU, TK and TD and a 74% shareholding in GF. Each of these Project SPVs owns, operates and maintains a toll-road project in India.

The following table sets forth the Project SPVs' income from toll collection on historical basis for the periods indicated:

	For the financial year ended March 31,		
Project	**2015**	**2016**	**2017[(1)]**
		(Rs. millions)	
Dindigul Samayanallore Project	568.94	586.78	587.37
Namakkal Karur Project	324.45	319.60	308.47
Salem Ulundurpet Project	772.60	824.65	826.91
Trichy Dindigul Project	285.70	290.14	307.02
Trichy Karur Project	460.44	506.42	481.57
Jaipur Reengus Project	410.57	438.54	415.90
Gurgaon Faridabad Project	507.08	604.07	636.11

Note:

*(1) During financial year 2017, for the period from November 9, 2016 to December 2, 2016, toll collection was suspended at all our toll roads, other than at GF, where toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant), pursuant to notifications by the NHAI and the HPWD (in connection with the Government's decision to "demonetize" Rs. 500 and Rs. 1,000 currency denominations ("**Demonetization**")), which impacted our income from toll collections for financial year 2017 (for details, see "– Results of Operations – Financial Year 2017 Compared to Financial Year 2016"). For financial year 2017, we also recognized other operating income in the form of compensation towards expenses incurred during the period of toll suspension.*

We believe that the Initial Road Assets have growth potential due to expected growth in traffic volumes as a result of regional growth and expected increases in toll fees as a result of inflation adjustments. For more information, please see the "*Traffic Reports*" included in Annex C and the "*Revenue, Profit and Cash Flow Projections*" included in Annex A to this Draft Offer Document. For a discussion of the historic financial performance of each of the Initial Road Assets, please see the section headed "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 372 in this Draft Offer Document.

Diversified, urban-focused road project portfolio and revenue base

The Initial Road Assets consist of a mix of operational road projects that connect urban areas. We believe that the diversity of the Initial Road Assets will play a significant role in developing our experience and expertise, including our ability to evaluate, acquire, operate and maintain new projects.

The Project SPVs' concession agreements are also temporally diverse in that they commenced and are expected to expire at different times. The concession agreements' residual terms range between approximately eight and 20 years as of March 31, 2017.

We believe that our temporally diverse project portfolio and our expertise leveraged from existing projects provides us with an advantage in capitalizing on new opportunities available in the roads and highways sector. We believe that this diversification strengthens our business by reducing our reliance on any specific project and reducing the potential impact on our business of any economic slowdown or force majeure event or with respect to any particular project.

Further, all of our projects are located near or connect cities and urban areas. The expected economic growth in various states in India, particularly where our projects are located is expected to increase traffic volumes in these areas. Further, the NHAI has launched initiatives to upgrade and improve the quality of and upgrade national highways in order to address the expansion of passenger and freight traffic in India. The Investment Manager expects that these increases in traffic volume will provide us with a stable toll income base going forward. For more information, please see "*Traffic Reports*" included in Annex C and "*Revenue, Profit and Cash Flow Projections*" included in Annex A and the section "*Industry Overview*" on page 142 in this Draft Offer Document.

Experienced Sponsor, Investment Manager and Project Manager with consistent track records in operating and maintaining projects in the roads and highways sector in India

Our Sponsor is an infrastructure development and construction company in India with a market capitalization of over Rs. 149,000 million as of March 31, 2017 (*Source: www.bseindia.com*). Our Sponsor has interests in energy, metro rail, infrastructure, EPC and defence projects. In the energy sector, our Sponsor, along with its associates and subsidiaries, engages in power generation, transmission, trading and distribution. Our Sponsor, along with its subsidiary, also bids for and implements airport projects and has won lease rights to develop and operate five brown-field regional airports in Maharashtra. Our Sponsor has received various industry recognitions, such as the "Best Infrastructure Brand" in 2016 by the Economic Times and the "Best Metro of India" for Mumbai metro in 2016 by the Indian Merchant Chambers.

The Investment Manager is a subsidiary of Reliance Capital Limited, which is an Associate of the Sponsor. The Investment Manager is one of the largest asset managers in India. The Investment Manager's average assets under management for the quarter ended March 31, 2017 was Rs. 2,117,383 million, according to the website of the Association of Mutual Funds in India *(Source: https://www.amfiindia.com/research-information/aum-data/average-aum)*. The Investment Manager possesses more than 20 years of experience in fund management and advisory services, where it has a diversified business that includes mutual funds, portfolio management services and investment advisory services. Its clients include retail investors and large institutional clients.

Our Sponsor is also our Project Manager. It has experience in the execution of construction work for roads, highways, and other relevant structures. Our Sponsor had a team of 40 persons to support its roads operations as of March 31, 2017.

Low leverage upon Listing, providing debt capacity to finance future growth

We expect to use the Net Proceeds to repay and replace a portion of the Project SPVs' existing indebtedness. We believe that the resulting low leverage will provide us with debt capacity to grow our business, including by financing future acquisitions. We intend to finance future development and acquisitions through the issuance of additional Units, as well as through bank borrowings and other indebtedness, subject to the borrowing limits contained in the InvIT Regulations. We believe that our low leverage will provide us with a significant advantage over our competitors in developing and acquiring projects that meet our investment objectives.

Experienced management team with industry experience

We will be managed by qualified personnel of the Investment Manager who have management and operational experience in the fund management or advisory services, as well as personnel with experience in the roads and highways sector. In addition, our projects will be managed by qualified personnel of the Project Manager. For further details, see the sections headed "*Parties to the Trust – The Investment Manager*" and "*Parties to the Trust – The Project Manager*" in this Draft Offer Document. We believe that the experience and leadership of these teams will contribute to our growth and success and will position the Initial Road Assets to be operated and managed in an efficient manner.

Growth opportunities and access to Sponsor's portfolio

Through our relationship with the Sponsor, we will have access to a pipeline of potential acquisitions. In addition to the toll-road assets that are being transferred by the Sponsor to the Trust pursuant to the Formation Transactions, the Sponsor (through its subsidiaries) also operates the Hosur Krishnagiri Project ("**HK**"), the Kandla Mundra Project ("**KM**"), the Pune Satara Project ("**PS**") and the Delhi Agra Project ("**DA**"). Set forth below are some key details in relation to these projects:

Project	**Lane kms**	**Commencement of concession period**	**Commencement of toll collection**	**End of concession period with no reduction or extension**
Hosur Krishnagiri	59.87	June 7, 2011	June 7, 2011	June 6, 2035
Kandla Mundra	71.40	January 19, 2011	November 7, 2015	January 18, 2023(1)
Pune Satara	140.35	October 1, 2010	October 1, 2010	September 30, 2034
Delhi Agra	179.50	October 16, 2012	October 16, 2012	October 15, 2038

Note:

(1) A part of Phase I of the Kandla-Mundra Port Project, which involved the construction of a four-lane highway was completed to the extent of 55.80 kms in November 2015, while the remainder of Phase I is currently under construction. Phase II of the project involves converting the four-lane project to a six-lane project. Under the terms of the concession agreement for this project, the decision relating to converting the project to a six-lane project may be decided by KM and NHAI in January 2019 and if the Kandla Mundra Port Project is limited to four-laning, the concession period will be restricted to 12 years (i.e., January 18, 2023) and not extended to 25 years (January 18, 2036).

(2) These projects are also subject to various disputes, litigation and arbitration proceedings, including with the NHAI. For further details, please see the section "Material Litigation and Regulatory Action" on page 421.

The Trust will enter into the ROFO and Future Assets Agreement with the Sponsor to enable the Trust to acquire the Hosur Krishnagiri Project, the Kandla Mundra Project, the Pune Satara Project and the Delhi Agra Project upon the completion of certain milestones, which includes the completion of two years of operations post the completion of construction of these projects, as per the concession agreements for these projects. The agreement also requires the Sponsor to transfer the remaining 26% of equity share capital of GF once it is eligible to do so under the relevant concession agreement. For further information on the ROFO and Future Assets Agreement, see the sections headed "*– ROFO/ROFR Assets*" and "*Related Party Transactions – Details of Related Party*

Transactions Proposed to be Undertaken – Right of First Offer and Future Assets Agreement" in this Draft Offer Document. Further, pursuant to the ROFO and Future Assets Agreement, the Sponsor has also agreed to provide us with a right of first offer in relation to Future Assets and a right of first refusal with respect to Future Mature Assets located in India which are acquired or developed by the Sponsor or its existing or future subsidiaries, limited liability partnerships or other entities that are controlled by or under common control with the Sponsor. The valuation for the toll-road assets under the Future Assets Agreement will be based on the valuations provided by the Valuer in accordance with the terms of the ROFO and Future Assets Agreement. The valuation to acquire the remaining 26% stake in GF will be on mutually agreed terms.

Attractive sector with strong underlying fundamentals

Roads are the dominant mode of transportation within India. The road transport sector alone accounted for 4.7% of India's GDP in 2010-2011. Road transport has gained importance over the years despite significant barriers to inter-state freight and passenger movement compared to inland waterways, railways and air, which do not face the same rigorous en route checks and barriers *(Source: ICRA Report, Twelfth Five Year Plan (2012-2017), Economic Sectors, Volume II* and *Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15 available at morth.nic.in/showfile.asp?lid=1634&key=outcome%20budget&n=1 as of December 7, 2016)*.

Over the last five years, the number of vehicles on Indian roads has grown at an average rate of approximately 10.2% per year *(Source: National Highways Authority of India, available at: http://www.nhai.org/roadnetwork.htm)*. The share of road traffic in total traffic movement by roads and railways has grown from 13.8% of freight traffic and 15.4% of passenger traffic in the financial year 1951 to an estimated 65% of freight and 90% of passenger traffic in the financial year 2014, according to the National Transport Development Policy Committee *(Source: Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15)*. In the financial year 2014, India transported approximately 57% of all goods by road, as compared to 22% in China and 37% in the United States of America *(Source: Twelfth Five Year Plan).*

India has the second largest road networks in the world, with approximately 5.47 million km of roads comprising (i) national highways, (ii) state highways and (iii) major district roads and rural roads. *(Source: ICRA Report)* There are currently approximately 103,933 kilometres of national highways in India, constituting less than 1.7% of India's entire road network but carrying approximately 40% of India's total road traffic *(Source: Ministry of Road Transport and Highways Annual Report 2016-17. National Highways Authority of India, available at: http://www.nhai.org/roadnetwork.htm).* Going forward, an increase in traffic is expected to drive investment in the roads and highways sector. Increases in two wheeler and four wheeler vehicles, freight traffic, trade and interstate tourism are all expected to drive growth *(Source: Make In India, available at: http://www.makeinindia.com/sector/roads-and-highways).*

India's National Transport Development Policy Committee estimates that road freight traffic in India will grow at approximately 9% per annum and road passenger traffic will grow at approximately 17% per annum over the next 20 years *(Source: National Transport Development Policy Committee, India Transport Report: Moving India to 2032 available at http://planningcommission.nic.in/sectors/NTDPC/volume3_p1/roads_v3_p1.pdf)*. The rapid expansion and strengthening of the road network, therefore, is imperative, for managing both present and future traffic *(Source: Ministry of Road Transport and Highways, Government of India, Outcome Budget 2014-15).*

Investment Strategy and Risk and Capital Management Strategy

Our principal business strategies (implemented by the Investment Manager) are set out below:

Organic growth through proactive management

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

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

Acquisition and opportunistic divestment of toll road projects

The Investment Manager intends to expand our initial portfolio by identifying and selectively acquiring additional toll road projects that meet our investment criteria described below. Through our relationship with the Sponsor, we will have access to a pipeline of potential acquisitions. For details, see "– *Competitive Strengths – Growth opportunities and access to Sponsor's portfolio*", "*The ROFO-ROFR Assets*" and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken – Right of First Offer and Future Assets Agreement*". In addition, Investment Manager intends to capitalize on opportunities to acquire road projects in India that provide attractive cash flows and yields. While evaluating acquisition opportunities, the Investment Manager intends to focus on, among other things, the following investment criteria in order to make asset selections:

- *Yield thresholds.* The Investment Manager will seek to acquire assets with yields that are estimated to be above our cost of capital so as to maintain or enhance returns to the Unitholders;

- *Traffic characteristics*. The Investment Manager will seek to acquire assets with potential for traffic growth;

- *Residual concession period*. The Investment Manager will actively seek projects with residual concession periods of sufficient duration to meet the investment objectives of the Trust to generate stable returns and ensure long-term growth;

- *Geographic diversity*. The Investment Manager will seek projects in a variety of geographical locations in India to mitigate concentration risk and to take advantage of regional growth; and

- *Other*. In addition, the Investment Manager will also take into account factors such as estimated maintenance costs based on technical assessments of projects under evaluation, the impact of acquisitions on our expected distributions, and the requirements under the InvIT Regulations that with respect to the proportion of completed and revenue generating projects and under-construction projects.

On an opportunistic basis and with a view to providing increased returns to unitholders, the Investment Manager may also consider divestment of certain toll road assets, depending on the maturity and profile of the relevant asset.

Optimization of capital structure

The Investment Manager will seek to employ appropriate financing policies and diversify its sources of financing with the objective of minimizing our overall cost of capital. The Investment Manager will operate within the InvIT Regulations for borrowing, whereby the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents shall never exceed 49% of the value of the Trust Assets. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units.

Description of the Project SPVs and the Initial Road Assets

The Project SPVs have undertaken or are undertaking their respective projects on a BOT or DBFOT basis, pursuant to which they design, build, finance, operate and maintain the Initial Road Assets pursuant to concession agreements with the NHAI or the HPWD, as the case may be. After provisional certificates with respect to construction of either the entire or a partial stretch of the relevant toll roads were issued, certain of the Project SPVs, began operating these roads for the time periods specified in the respective concession agreements and collecting tolls from users of their respective toll roads.

BOT and DBFOT project model

Each of the Project SPVs (other than GF) operates under a BOT or DBFOT concession agreement with the NHAI. GF operates under a BOT concession agreement with the HPWD. Government authorities in India typically award highway infrastructure development projects under BOT concessions, which are characterized by three distinct phases:

- *Build*: upon successfully securing a project concession through a competitive bid, a concessionaire secures financing for, and completes construction and/or improvement, of a road;

- *Operate*: during the agreed concession period, the concessionaire operates, manages and maintains the road at its own expense and earns revenues by collecting tolls, either itself or through a tolling contractor, from vehicles using the road; and

- *Transfer*: at the end of the agreed concession period, the ownership of the road, the obligation to maintain the road and the right to collect tolls from the vehicles using the road reverts to the government entity that granted the concession.

DBFOT infrastructure development projects, a category of BOT projects, have become increasingly prevalent in India. A DBFOT project involves, in addition to the activities required under a BOT project, the provision of engineering design and financing for such project.

Selection criteria for our initial portfolio

Our investment objectives are to increase our margins and achieve long-term growth of the Trust.

Our initial portfolio of assets will comprise the seven Project SPVs, each of which operates and maintains a toll-road asset. The following selection criteria were applied to each road asset of the Sponsor to determine their suitability for inclusion in our initial portfolio:

- assets that have already achieved COD, as per the terms of the relevant concession agreements and are generating toll revenue;

- assets with a concession period of sufficient duration to meet the investment objectives of the Trust to generate returns and to ensure long-term growth outstanding;

- assets that have potential for traffic growth; and

- assets which will be wholly or majority owned or are capable of being wholly or majority owned by the Trust, subject to applicable law and consents from the relevant regulatory authorities, including the InvIT Regulations. Each of the Initial Road Assets is "completed and revenue generating" within the meaning of Regulation 2(1)(i) of the InvIT Regulations, meaning that each of the Project SPVs has achieved COD as defined under the relevant concession agreement and each of the Project SPVs has been generating revenue from operations for a period of not less than one year. Further, provisional completion certificate has been issued by the relevant concessioning authority and/or the relevant Project SPV has begun realizing toll revenue. For all seven projects, provisional completion certificates have been issued, for all their respective project lengths.

Summary of the Project SPVs' concession agreements

Each of the Project SPVs has entered into a concession agreement with the NHAI (or the HPWD in the case of GF) with respect to its Initial Road Asset. The Project SPVs build, finance, operate and maintain their respective Initial Road Assets pursuant to the requirements set forth in their respective concession agreements. For details of such agreements, please see the section headed "*Summary of the Concession Agreements*" on page 204 in this Draft Offer Document.

General

Bids for projects are invited and evaluated by the concessioning authority on the basis of the lowest financial grant required for implementing the project or the highest premium / negative grant offered to be paid in the form of an annual concession fee, revenue share or upfront payment, as the case may be, to the concessioning authority. A bidder must meet the conditions precedent under the concession agreements, including, among other things, obtaining the necessary government approvals and providing bid security.

Under the concession agreements, during the construction phase of a project, contract revenue associated with the construction of roads is recognized by the relevant Project SPV as revenue, by reference to the stage of completion of the project at the balance sheet date. For further details, please see the section headed "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in this Draft Offer Document. The Project SPVs are entitled to receive tolls from the users of their respective toll road during the concession period. The Project SPVs are required to operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement. Further, they are required to maintain an escrow account and requisite insurance during the concession period. In the event of any deviations or non-compliance in relation to the concession agreements, the concessioning authority may enforce its rights under the agreement, including suspension or termination of the agreement. The Project SPVs may need to take remedial measures within the cure periods referred to in the respective concession agreements at their cost and may be obligated to pay a percentage of the cost additionally as penalties. For more information, see the section headed "*Risk Factors – Risks Related to Our Business and Industry – The Project SPVs' toll-road concessions may be terminated prematurely under certain circumstances*" in this Draft Offer Document.

During the concession period, the Project SPVs build, operate and maintain the road asset and earn revenues through charges, fees or tolls generated from the asset. The amount of charges, fees or tolls that they may collect are notified by the relevant government agency, which are usually revised annually as specified in the relevant concessions and toll notifications. The revision typically is linked to the extent of variation in the Wholesale Price Index for all commodities as published by the Ministry of Industry (the "**WPI**") or, in the case of JR, comprises a fixed component, which is three percent and a component linked to variation in the WPI, which is fixed at 40% of the variation in the WPI. However, in the case of GF, the revision is at predetermined rates once every three years, in accordance with its concession agreement. As a result, the prevailing toll rates may not reflect changes in the operational environment from the time that the Project SPVs start to operate the project.

The scope of the Project SPV's responsibilities is usually set out in the relevant concession agreement, where they are required to undertake routine maintenance, periodic preventive maintenance and major maintenance of the project road, maintain and comply with safety standards to ensure traffic worthiness and safety of the project road, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site and prevent any unauthorized use and encroachment with the assistance of the concerned law enforcement agencies. The concessioning authority may use one or more firms of engineers to carry out periodic tests to assess the quality of the road and related maintenance. If the Project SPV is determined to have failed to carry out its maintenance obligations, the concessioning authority may, following the issuance of notices and the expiry of cure periods, terminate the relevant concession agreement. Certain of the concession agreements also provide for award of penalty points in the event of notified breaches of safety standards specified in the concession agreements in the event that the concessionaire is unable to cure the breach within the prescribed time period and or total of fine penalty points in any continuous period of 365 days would constitute a material breach under the concession agreement.

Escrow arrangements

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

Suspension and termination

The concessioning authority may suspend the rights of the Project SPV, including its right to collect toll, or terminate the concession agreement with a Project SPV upon the occurrence of a default by such Project SPV, which includes, but is not limited to, the following:

- the Project SPV is in breach of its maintenance or safety requirements;
- the Project SPV has failed to make any payment to the concessioning authority within the specified period;
- the Project SPV commits a default under the escrow arrangement and fails to cure such defaults within the cure period under the relevant escrow agreement;
- the Project SPV creates an encumbrance on its Initial Road Asset in breach of the concession agreement;
- the Project SPV repudiates the concession agreement;
- the Project SPV undertakes or permits a change in ownership without the prior approval of the concessioning authority;
- the Project SPV materially breaches the representations and warranties contained in the concession agreement;
- the Project SPV fails to fulfil any obligation, for which failure termination is a remedy under the concession agreement;
- any act or event which has a material adverse effect on the ability of either the concessioning authority or the Project SPV to perform their obligations under the concession agreement and which causes a material financial burden or loss to either party to the concession agreement; and
- certain insolvency events including liquidation, winding-up or bankruptcy of the Project SPV.

In the event of a concessionaire default, the concessionaire is given a cure period to remedy the default, which varies depending on the event of default.

If a concession agreement is terminated by the concessioning authority due to a default by a Project SPV or a default by the concessioning authority, such Project SPV is entitled to termination payments (only payable post the appointed date) from the concessioning authority in accordance with the terms of the relevant concession agreement. The termination payment is linked to the total debt raised for the project and adjusted equity, as applicable. In case of termination on account of the default by a Project SPV, such Project SPV is entitled to a certain percentage of the debt due, while in the case of a termination on account of a default by the concessioning authority, such Project SPV is typically entitled to the entire extent of the debt due, a percentage of the subordinate debt and a percentage of the adjusted equity/equity support.

The concession agreements contain provisions that mandate substitution clauses in the project agreements. The concession agreements provide that the senior lenders to a Project SPV may substitute the Project SPV with new concessionaires approved by the concessioning authority in the event of a default by the Project SPV under the relevant concession agreement, financing agreements or other project agreements.

In case of a force majeure event (as defined under the relevant concession agreement) subsisting for such period as prescribed under the concession agreement, either party may terminate the concession agreement by giving a written notice to the other. In such cases, the concessioning authority will make a termination payment to the Project SPV in varying amounts, depending on the type of force majeure event.

Prior approval of the concessioning authority

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

- amendment, modification or replacement by the Project SPV of any financing agreements relating to the operation of the Initial Road Assets to which the Project SPV is a party if the amendment, modification or replacement of such agreement has or may have the effect of increasing or imposing any financial liability or obligation on the concessioning authority. In the event that such amendment, modification or replacement is effected without the necessary consent, the Project SPV will not enforce or permit the enforcement of the modification, replacement or amendment against the concessioning authority;

- the creation of any encumbrance or security interest over, or transfer of all or any rights and benefits of the Project SPVs under, the concession agreements or any project agreements;

- the selection or replacement of any operation and maintenance contractor and execution of the operation and maintenance agreements;

- any change in ownership, as defined under the relevant concession agreement of any Project SPV during the construction and operation of the concession agreement. The Sponsor, together with its associates, is required to hold a minimum of 26% of the equity share capital of the Project SPVs for the remainder of the concession period, pursuant to their respective concession agreements. The Sponsor, together with its associates, is required to hold at least 33% of the equity share capital of JR for a period of three years after COD and 26% of the equity share capital of JR during the remaining concession period. We have applied for and received the approval dated March 27, 2017 from the NHAI permitting the transfer of 100% of the shareholding of the Sponsor in the Project SPVs (other than GF) to the Trust, subject to certain conditions, including the NHAI's exit policy, as applicable. Accordingly 100% of the shareholding of the Sponsor in the Project SPVs (other than GF) and 74% of GF is proposed to be transferred to the Trust. The transfer of the remaining 26% of GF is subject to the terms of its concession agreement and the approval of the HPWD (which does not currently have an exit policy similar to the NHAI). For details, please see "*Government and Other Approvals – Approvals in Relation to the Project SPV*"; and

- any replacement of the Project Manager. Additionally, any change to the Project Manager will only be to an entity which is equal or better in terms of prescribed O&M capacity requirements.

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

Furthermore, any change in ownership of the Project SPVs during the operation of the concession agreement would be subject to the prior approval of the concessioning authority.

Limited development

In the event the government decides to augment the capacity of the road assets of NK, DS, TD, TK, SU or GF, it may do so, at any time after eight years following COD, by inviting proposals from eligible persons. In the event that these Project SPVs do not qualify as the lowest bidder, it shall be entitled to match the price quoted by the lowest bidder and enter into suitable contractual arrangements for the revised scope of the project. In the event that these Project SPVs do not or fail to bid for the revised scope of the project or match the price quoted by the lowest bidder, the relevant authority may terminate their concession agreement after paying a termination payment as specified in the concession agreement. Additionally, payment of Rs. 1 million is required by the concessionaire, made to the lowest bidder, in the event of participation in the bidding by the Project SPVs but a failure to make the lowest offer and upon deciding to match that lowest offer. If the Project SPVs refuse to or fail to undertake such capacity augmentation on the due date intimated by the concessioning authority, the concessioning authority may terminate the concession agreement at its discretion by serving notice and making termination payments on account of an indirect political event having occurred under the relevant concession agreement. For the JR project, if the average daily traffic of PCUs in any financial year shall exceed the designed capacity of the project highway and shall continue to exceed the designed capacity for three financial years following thereafter, an Indirect Political Event shall be deemed to have occurred and the concessioning authority may in its discretion terminate the concession agreement with a prior cure period of 180 days granted to the Concessionaire. The Concessionaire may opt to undertake capacity augmentation to cure the situation such that the capacity of the JR Project Road shall have increased sufficiently for carrying the then current traffic, prior to issue of termination notice.

Additional roads

Under the terms of the concession agreements entered into by each of the Project SPVs and the concessioning authority, the central and state governments have the right to construct and open additional roads which may serve as alternate routes to the Initial Road Assets after the expiry of between eight and fifteen years from the commencement of the concession period, depending on terms of the concession. Upon the commissioning of an additional toll road, the Additional Tollway is required to levy and collect the regular fee, and in the case of JR, the concessioning authority is required to ensure that the fee levied and collected on the additional tollway will be at least 25% higher than the regular fee levied and collected from similar vehicles using their Initial Road Asset. The concession agreements also provide for an increase in the concession period by the specified time period in the event such an additional tollway is constructed. For further details on the risks associated with the construction of a competing road, see the section headed "*Risk Factors – Risks Related to the Trust Group's Business and Industry – The concession agreements contain certain other restrictive terms and conditions which may be subject to varying interpretations*" in this Draft Offer Document.

Completion certificates

Under the terms of the concession agreements, the concessioning authority issues a completion certificate upon the completion of all the construction work and the Independent Engineer determining the tests to be successful for the project set out in the concession agreement and any supplemental agreement (if relevant).

The concessioning authority may also issue a provisional completion certificate if a toll road can be safely and reliably be placed in operation, even though certain works have not yet been completed, which will allow the concessionaire to carry out tolling operations. In such situations, the concessioning authority typically provides a 'punch list' of items which are to be completed within a specified period. For details of the punch list items for our projects, please see the section headed "*Government and Other Approvals – Approvals in Relation to the Project SPVs*".

Treatment of future claims against the Concessioning Authority

The Project SPVs have subcontracted construction work at their respective projects to EPC contractors (such contracts, the "**EPC Contracts**").

For all of our projects, there have been delays in construction because of reasons such as the failure of the concessioning authority to provide land for the construction of toll roads, floods and other reasons attributable to the concessionaire as well as the concessioning authority. On account of such delays, there has been an increase in the cost of construction of the relevant projects. The relevant EPC contractor has borne these increased costs and is entitled to claim such increased costs from the relevant Project SPV.

As permitted by the respective concession agreements, the Project SPVs may initiate claims against the concessioning authority to recover the increased costs, which may lead to arbitration and/or litigation proceedings. In addition, the Project SPVs may initiate other proceedings against the concessioning authorities.

Any payments received in cash in a full and final settlement (with no further appeals) of any claims made or intended to be made by a Project SPV against the relevant Concessioning Authority in relation to events pertaining to the period prior to the Reference Date (the "**Sponsor Claims**") will be to the account of the Sponsor. The Project SPV and/or the Trust shall provide such authorisations as may be necessary for the Sponsor to take actions in relation to the Sponsor Claims.

The above arrangement applies to all the Project SPVs except for TK, where any amounts received in a settlement of claims made or intended to be made in relation to events pertaining to the period, after the Reference Date are intended to be utilised by TK for the remaining construction at that project.

The Sponsor will fully indemnify and hold harmless the Trust and the Project SPV in connection with such Sponsor Claims. Upon the Trust and/or Project SPV receiving any amounts as aforementioned, the Sponsor would obtain all approvals and authorisations required from NHAI/HPWD and/or any of the senior lenders of the Project SPV only if such approvals are required or are applicable, prior to any such payment of the Sponsor Claims to the Sponsor. Any such transfer will be strictly in accordance with the terms of such approvals and in the event such approvals are not required or are not applicable, such transfers will be made in accordance with the escrow waterfall mechanism.

The Sponsor (on behalf of itself and its affiliates) will also expressly waive the right to make any further claims or initiate any action against the Trust and/or the Project SPV with respect to any matter (known or unknown, whether in law, equity or any agreement or document) in relation to the Sponsor Claims arising prior to the Reference Date.

Above, "**Reference Date**" means:

(i) the Closing Date for Sponsor Claims that are not related to or arising out of the EPC Contracts; and

(ii) as follows, for Sponsor Claims arising out of or in relation to the EPC Contracts

(a) if Project SPV which has received a provisional completion certificate, then the Closing Date; or

(b) if the Project SPV has received a provisional completion certificate, however certain additional construction is required to be undertaken post the Closing Date: (i) the Closing Date, in relation to the Sponsor Claims relating to the part of the Project with respect to which a provisional completion certificate has been issued; and (ii) the date of the receipt of the provisional completion certificate with respect to of the additional part of the Project, in relation to the Sponsor Claims for the additional part of the Project which is yet to be completed.

Details of the Project SPVs and the Initial Road Assets

The Initial Road Assets comprise seven toll roads in the states of Rajasthan, Haryana and Tamil Nadu that the Project SPVs operate and maintain pursuant to concessions granted by the concessioning authority. The Sponsor will transfer its ownership interests in the Project SPVs to us pursuant to the Formation Transactions.

The table below sets forth details of the Project SPVs:

Project SPV	Project	Lane Kms(1)	Commencement of concession period	Commencement of toll collection	End of concession period with no reduction or extension	Trust's equity interest upon the listing of the Units	Income from toll collection in FY 2017 (Rs. in millions)(4)
DS	Dindigul Samayanallore	212.20	July 29, 2006	September 28, 2009	July 28, 2026	100%	587.37
NK	Namakkal Karur	165.48	July 29, 2006	August 22, 2009	July 28, 2026	100%	308.47
SU	Salem Ulundurpet	468.66	January 15, 2008	July 26, 2012	January 14, 2033	100%	826.91
TD	Trichy Dindigul	349.08	January 15, 2008	January 10, 2012	January 14, 2038	100%	307.02
TK	Trichy Karur(2)	166.00	January 15, 2008	February 22, 2014	January 14, 2038	100%	481.57
JR	Jaipur Reengus	207.36	August 14, 2010	July 15, 2013(3)	August 13, 2028	100%	415.90

GF	Gurgaon Faridabad	187.19	May 31, 2009	June 29, 2012	May 30, 2026	74%	636.11

Notes:

(1) The above lane kms exclude service road lanes aggregating 313 kms.

(2) Pursuant to an order of the Madras High Court, an 18.6 km stretch that formed part of the original scope for this project has been descoped for the purposes of the issue of the provisional completion certificate for the completed portion of the Project and an additional 2.28 km stretch has been added.

(3) JR received a second provisional completion certificate on October 16, 2015.

(4) During financial year 2017, for the period from November 9, 2016 to December 2, 2016, toll collection was suspended at all our toll roads, other than at GF, where toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant), pursuant to notifications by the NHAI and HPWD (in connection with Demonetization), which impacted our income from toll collections for the period (for details, see "– Results of Operations – Financial Year 2017 Compared to Financial Year 2016"). For financial year 2017, we also recognized other operating income in the form of compensation towards expenses incurred during the period of toll suspension.

1. Dindigul Samyanallore Project

On January 30, 2006, the NHAI and DS entered into a concession agreement in respect of the Dindigul Samyanallore Project. DS was engaged to widen a portion of the NH-7 in Tamil Nadu from Km 373.28 to Km 426.60, from the existing two lanes to four, on a BOT basis. A capex grant of Rs. 310 million was provided for the project. The concession period commenced on July 29, 2006 and the collection of tolls commenced on September 28, 2009. A provisional certificate of completion was issued on September 27, 2009.

Corridor description and competing roads

The DS Project is part of the "golden quadrilateral" on NH 7. Samyanallore is located 13 km west of Madurai and is also the location of the Samyanallore thermal power station, one of the biggest power plants in Tamil Nadu. Traffic on this stretch primarily comprises of raw material and finished goods for the automobile, rubber, chemical and granite manufacturing industries in Madurai. NH 7 is a major North-South National Highway in India that runs through a number of states and connects several important cities such as Jabalpur, Varanasi, Rewa, Nagpur, Adilabad, Nidmal and Armoor (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bengalaru, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari. Furthermore, pilgrims and tourists frequent this road to visit the Meenakshi Amman Temple and the Kazimar big mosque of Madurai.

The project stretch forms part of the main connectivity network joining the commercial hubs of Hyderabad, Bengaluru and Kanyakumari.

According to the DS Traffic Report, developments around the Dindigul and Madurai areas will also stimulate growth, where for example, the expected investments in knowledge hubs along the Madurai-Thoothukudi industrial corridor and Coimbatore-Madurai industrial corridor would promote knowledge, education and manufacturing hubs spread over 5,000 hectares each.

The DS Project runs through the centre of the corridor between Dindigul and Samayanallore. There are several local roads and state highways in areas surrounding the project road, which, if integrated, can form a competing road network. However, the roads surrounding the project road are not integrated and overall cover longer distances than the project road. In addition, according to the DS Traffic Report the competing road networks are of inferior quality and geometry in comparison to the project road with sharp turns, bottlenecks and patches of damaged pavements, adding to travel time and consequently costs.

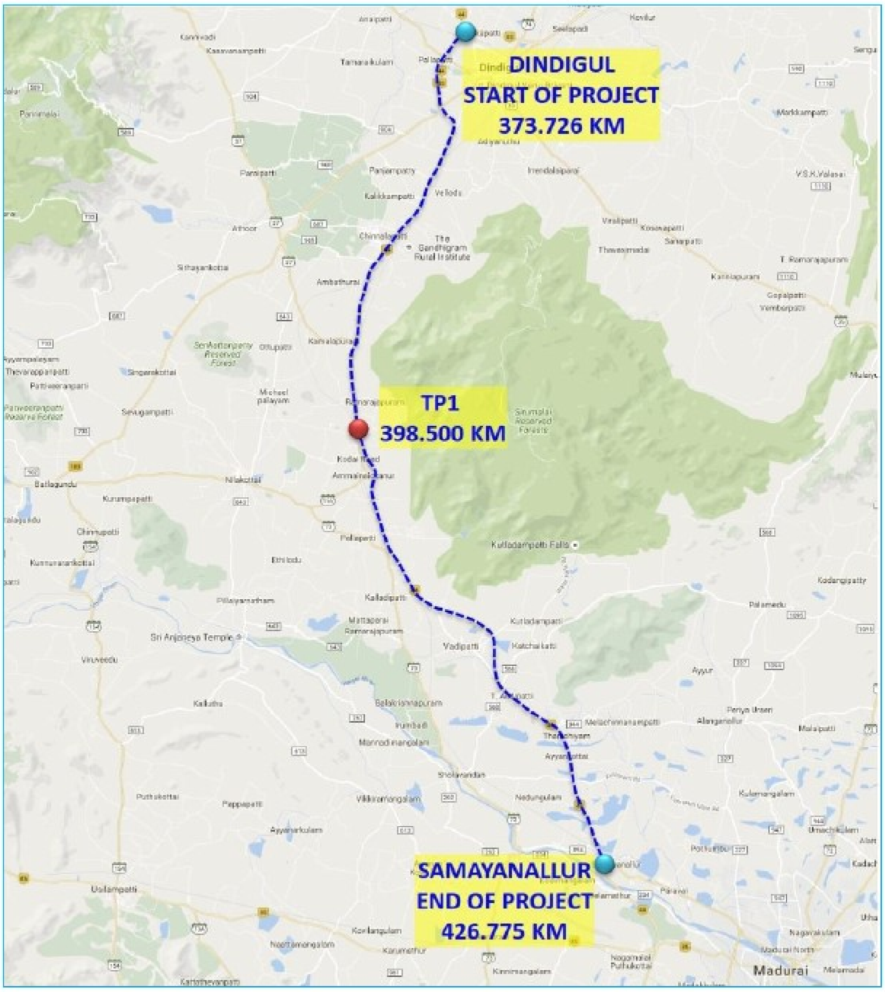


Figure 1: Map of the Dindigul Samyanallore Project

Concession period

The NHAI granted DS a concession for a period of 20 years for this project. The concession period commenced on July 29, 2006 and is expected to expire on July 28, 2026. DS began collecting tolls with respect to this project on September 28, 2009.

Traffic volume

At the toll plaza, total traffic comprises 53% car traffic, 11% LCVs/minibuses, 19% buses/trucks and 17% multi-axle vehicles. Overall, approximately 47% of total traffic is commercial in nature. The majority of the traffic is urban traffic because both ends of the stretch near the toll plaza originate in the developing urban centres of Dindigul and Madurai. There is a higher proportion of return journeys for cars and LCVs/minibuses, where 54.1% of cars and 54.1% of LCVs/minibuses prefer return journey passes. Traffic volume also decreases during the rainy season from August to November and then picks up again after November.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015 and 2016 and 2017:

	For the FY ended March 31,			
	2015	**2016[5]**	**2017[6]**	**CAGR FY15 –FY17 (%)**
Car[1]	2,560,124	2,783,244	2,904,192	7
LCV[2]	598,765	627,604	615,668	1
Bus/Truck[3]	1,103,814	1,089,608	1,041,457	(3)
Multi-axle[4]	879,929	878,110	913,568	2

Total..	**5,142,632**	**5,378,566**	**5,474,885**	**3**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 15 days due to floods in December 2015.
(6) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

The tollable annual average daily traffic for the project increased to 32,348 PCUs in 2017 from 29,396 PCUs in 2015, representing a CAGR of 5%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017

	For the FY ended March 31,			CAGR FY15 – FY17
	2015	**2016**	**2017[(6)]**	**(%)**
Car[(1)]	7,014	7,952	8,492	10
LCV[(2)]	1,640	1,793	1,800	5
Bus/Truck[(3)]	3,024	3,113	3,045	0
Multi-axle[(4)]	2,411	2,509	2,671	5
Total	**14,089**	**15,367**	**16,008**	7
Total PCUs[(5)]	**29,396**	**31,271**	**32,348**	5

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) PCU is defined as "Passenger Car Units" and the PCU factors recommended by the Indian Roads Congress in the "Guidelines for Capacity of Roads in Rural Areas (IRC:64-1990")) were used pursuant to the table below:

Vehicle Type	***PCU Factor***	***Vehicle Type***	***PCU Factor***
Car/Jeep	*1.00*	*LCV*	*1.50*
Van/Tempo (passenger)	*1.00*	*2-Axle Truck*	*3.00*
Mini Bus	*1.50*	*3-Axle Rigid Truck*	*3.00*
Standard Bus	*3.00*	*MAV*	*4.50*

(Source: Guidelines for Capacity of Roads in Rural Areas (IRC:64-1990))

(6) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the DS' total traffic mix, 52%, 11%, 20% and 17% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 53%, 11%, 19% and 17% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of DS' operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the DS Project by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 – FY17
	2015	**2016**	**2017[(5)]**	**(%)**
Car[(1)]	117.4	128.4	133.4	7

	For the FY ended March 31,			CAGR FY15 – FY17
	2015	2016	2017[5]	
LCV[2]	47.5	50.4	49.3	2
Bus/Truck[3]	154.0	156.4	148.8	(2)
Multi-axle[4]	248.9	251.6	255.8	1
Total	**567.8**	**586.8**	**587.3**	2

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

Maintenance

The DS Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, DS is required to comply with detailed operating and maintenance standards.

Under the concession agreement, DS is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in financial year 2021 to 2022.

The following table sets forth DS' operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	2016	2017
	(Rs. In Millions)		
Operation and maintenance expenditure	45.44	53.97	121.41
Periodic maintenance..	28.56	30.95	36.71
Total expenditure..	**74.00**	**84.92**	**158.12**

Project cost and financing

The cost of this project was approximately Rs. 4,280 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 3,072.50 million.

Land

The NHAI owns the land that underlies the DS Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

2. Namakkal Karur Project

On January 30, 2006, the NHAI and NK entered into a concession agreement in respect of the Namakkal Karur Project. NK was engaged for the widening of the existing two lane portion from Km 258.65 (End of Namakkal Bypass) to Km 292.60 (Start of Karur Bypass), covering 33.48 kms on the NH 7 in the state of Tamil Nadu to four lanes, and the improvement, operation and maintenance of Km 248.63 (start of the proposed flyover on Namakkal Bypass) to Km 258.65 (end of Namakkal Bypass) on the NH 7, on a BOT basis. A capex grant of Rs.

240 million was provided for the project. The concession period commenced on July 29, 2006 and the collection of tolls commenced on August 22, 2009. A provisional certificate of completion was issued on August 21, 2009.

Corridor description and competing roads

The NK Project on the NH 7 is a part of the "golden quadrilateral" of national highways. The NH 7 is one of the busiest sections of the North-South corridor of South India and carries a large amount of private and commercial passenger traffic as well as a regular stream of freight traffic. The road forms part of the main connectivity network joining the major commercial hubs like Hyderabad, Bengaluru and down south up till Kanyakumari, and also passes through the major settlements of Paramatty and Pugaloor Veleyudampalayam. The project road is through plain terrain for the majority of its length except for a few locations where terrain conditions are more undulating. Exposed rock has also been observed in several places along the project road. The land surrounding the project road is a mixture of agricultural, urban and semi-urban land use whereas both ends of the project road start and finish in the urban areas of Namakkal and Karur.

According to the NK Traffic Report, approximately 40% of the trucks operating in the state are from Namakkal. Karur is a city known for its home textiles and hand-loom exporters where products are supplied to world leading chain stores such as WalMart, Target, IKEA, JC Penny and Ahlens, which generates high volumes of traffic to nearby ports.

The areas surrounding the project road include local roads and state highways, which, if integrated, can form a competing road network such as State Highway SH-95, especially following the construction of the bridge across the Cauvery river at Mohanur in 2015, which provides direct connectivity between Karur and Namakkal. However, according to the NK Traffic Report, the capacity of the bridge is limited as it only has two lanes, and the adjoining road network passes through several villages, which can cause bottlenecks in the traffic, particularly for trucks and MAV movement. The geometry and quality of the competing road is inferior in comparison to the project road, including sharp turns, bottlenecks and patches where the road passes through dense built up sections. Such conditions result in added travel time and consequently costs. The average speed is 40 km per hour and 70 km per hour on the competing road and on the project road respectively, and total journey time is 45 minutes on the competing road and 39 minutes on the project road. Given that time and fuel savings are a major criterion for the selection of routes, particularly by commercial vehicles, it is unlikely that a significant proportion of commercial traffic will be diverted into using the competing road. In addition, the project road has already been completed and traffic is already using the project road, such that the current traffic traversing the project road already factors any traffic diversion that may have taken place.

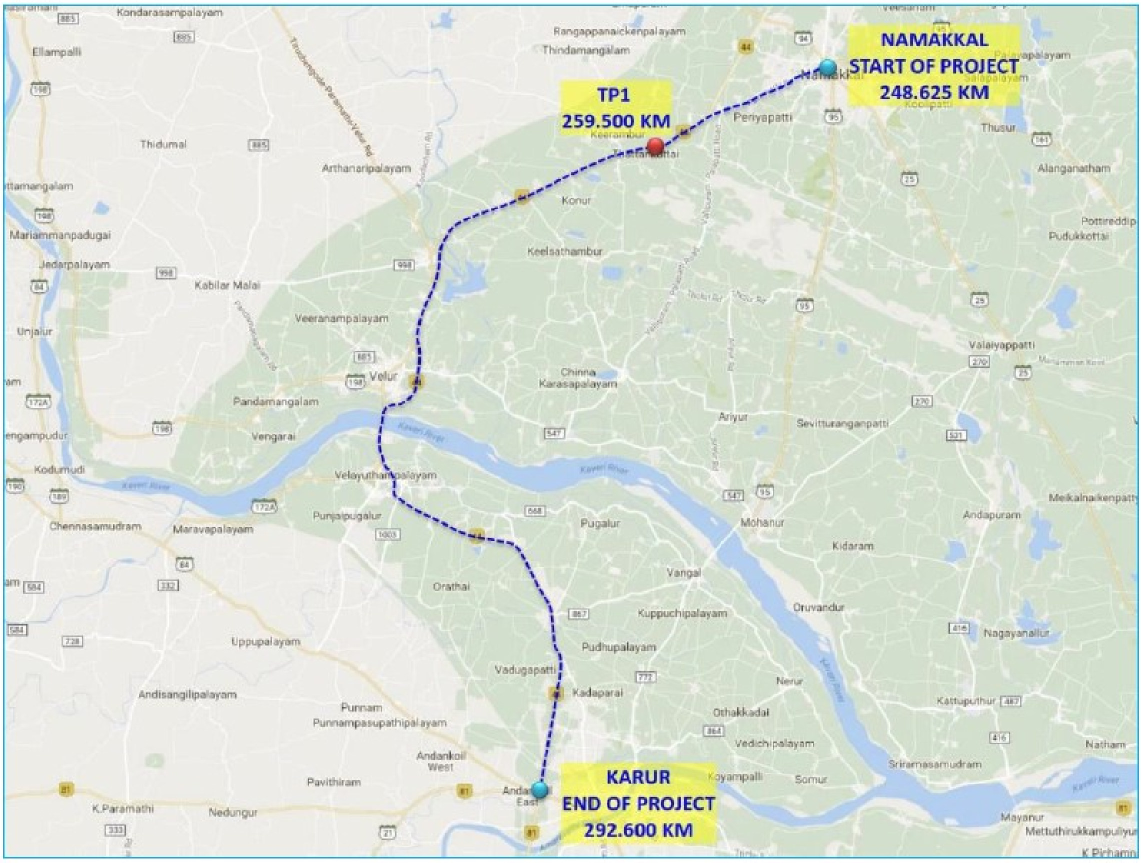


Figure 2: Map of the Namakkal Karur Project

Concession period

The NHAI granted NK a concession for a period of 20 years for this project. The concession period commenced on July 29, 2006 and is expected to expire on July 28, 2026. NK began collecting tolls with respect to this project on August 22, 2009.

Traffic volume

At the toll plaza, total traffic comprises 50% car traffic, 16% LCV/minibuses, 16% trucks/buses and 18% multi-axle vehicles. Overall, approximately 50% of total traffic is commercial in nature and the higher percentage of urban traffic can be attributed to the fact that both ends of the project road are located in the urban centres of Namakkal and Karur. Overall, return journey for vehicles represents 44% of total traffic. The high percentage of return journeys is reflective of the two commercial centres at either end of the project road. The traffic volume is not uniform throughout the year, due to seasonal variations attributable to festivals, holidays and weather. Traffic volume reduces in the rainy season in the period from August to November and then picks up after November.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015 ,2016 and 2017:

	For the FY ended March 31,			CAGR FY15 – FY17
	2015	**2016**(5)	**2017**(6)	**(%)**
Car(1)	1,614,709	1,747, 484	1,774,420	5
LCV(2)	592,429	594,005	566,913	(2)
Bus/Truck(3)	635,292	616,189	561,370	(6)
Multi-axle(4)	741,324	675,429	659,998	(6)
Total	**3,583,754**	**3,633,107**	**3,562,701**	0

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 15 days due to floods in December 2015.
(6) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

The tollable annual average daily traffic for the project increased to 21,283 PCUs in 2017 from 21,220 PCUs in 2015, representing a CAGR of 0.15%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			**CAGR FY15 – FY17**
	2015	**2016**	**2017[5]**	**(%)**
Car[1]	4,424	4,993	5,188	8
LCV[2]	1,623	1,697	1,658	1
Bus/Truck[3]	1,741	1,761	1,641	(3)
Multi-axle[4]	2,031	1,930	1,930	(3)
Total	**9,819**	**10,381**	10,417	3
Total PCUs	**21,220**	**21,504**	21,283	0

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses/trucks and multi-axle vehicles accounted for, in terms of the NK Project's total traffic mix, 48%, 16%, 17% and 19% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 50%, 16%, 16%, and 18% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of NK's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the NK Project by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			**CAGR FY15 –FY17**
	2015	**2016**	**2017[5]**	
		(Rs. In Millions)		**(%)**
	56.0	61.6	61.0	4
Car[1]	36.2	36.6	34.8	(2)
LCV[2]	75.3	72.9	66.1	(6)
Bus/Truck[3]	156.9	148.3	146.5	(3)
Multi-axle[4]	**324.4**	**319.4**	**308.4**	**(2)**

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

Maintenance

The NK project operates 24 hours a day, 365 days a year. In operating and maintaining the project, NK is required to comply with detailed operating and maintenance standards.

Under the concession agreement, NK is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in financial year 2021 to 2022.

The following table sets forth the NK's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	**2016**	**2017**
		(Rs. In Millions)	
Operation and maintenance expenditure	34.37	12.02	40.11
Periodic maintenance	44.71	42.06	24.49
Total expenditure	**79.08**	**54.08**	**64.60**

Project cost and financing

The cost of this project was approximately Rs. 3,520 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 2,608.07 million.

Land

The NHAI owns the land that underlies the NK Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

3. Salem Ulundurpet Project

On July 19, 2007, the NHAI and SU entered into a concession agreement in respect of the Salem Ulundurpet Project. SU was engaged to strengthen and maintain the existing carriageway from Km 0.31 to Km 136.67, on the Salem – Ulundurpet section of NH 68 in the state of Tamil Nadu and widen the roads from two to four lanes, on a BOT basis. A capex grant of Rs. 2,122.6 million and opex grant of Rs. 1,537.9 million has been provided towards the project of which Rs. 92.81 million of the opex grant is still to be received by SU. The concession period commenced on January 15, 2008 and the collection of tolls commenced on July 26, 2012. A provisional certificate of completion was issued on July 26, 2012 and a second provisional completion certificate was issued on August 30, 2013. The project also includes approximately 38 Km of bypass length, which will be converted to a four lane road after 8 years and before 11 years from the COD pursuant to the concession agreement and where sponsor support will be provided.

Corridor description and competing roads

This project corridor connects National Highways NH 7 and NH 47 at Salem and NH 45 (Trichy-Chennai) and SH-69 at Ulundurpet. It connects Salem to Ulundrupet and is a major part of the east to west connectivity in Tamil Nadu. Although the start of the project road is located in an urban area for an initial 10 km, the majority of the land surrounding the road is predominantly agricultural with isolated built-up sections in between and the end section of the road passes through a reserved forest area.

According to the SU Traffic Report, the expansion of the Salem Coimbatore Industrial Corridor is expected to drive traffic on this toll road. The new industrial corridor is expected to attract an investment of around Rs. 147,000 million in order to create further infrastructure which will in turn create further investment opportunities of about Rs. 430,000 million. Such investment is expected to create approximately Rs. 1.8 million of white and blue collar jobs such that residential developers are planning on expanding developments in the area. Some of the major projects along the project road include the steel production projects and a power plant. Potential traffic growth will also be driven by the reopening of the Puducherry port and the opening of the Nagapattinam port.

The area surrounding the project road includes several local roads and highways which, if integrated, can form a competing road network. However, according to the SU Traffic Report, the competing roads run across the project road and cover longer distances for the same pairs of origin and destination in comparison to the project road. The geometry and quality of the competing road is inferior in comparison to the project road with sharp turns, bottlenecks and patches of damaged pavements, adding to travel times and costs. The average speed on the project road is 70 km per hour and journey time for the entire stretch from Salem to Ulundurpet is 117 minutes, in comparison to the competing roads which have an average speed of 40 km per hour and journey time for the entire stretch from Salem to Ulundurpet of 240 minutes. Given that journey times and fuel cost savings are major criteria for selection of routes, it is unlikely that a significant proportion of commercial and passenger traffic will switch to competing roads. In addition, the project road has already been completed and traffic is already using the project road, such that the current traffic traversing the project road already factors any traffic diversion that may have taken place.

Figure 3: Map of the Salem Ulundurpet Project

Concession period

The NHAI granted SU a concession for a period of 25 years for this project. The concession period commenced on January 15, 2008 and is expected to expire on January 14, 2033. SU began collecting tolls with respect to this project on July 26, 2012.

Traffic volume

Car traffic represents 58% to 62% of total traffic and is unexpectedly high at the toll plaza near Salem, whereas LCV traffic is relatively constant at 10% to 11% and multi-axle traffic is relatively constant at 10% to 12 % of total traffic respectively. The higher percentage of urban traffic in comparison to commercial traffic is due to the development of the urban areas at the start and end of the project road. Overall, return journeys represent approximately 35% of total traffic, which reflects the presence of strong local urban traffic. Due to seasonal variations resulting from festivals and weather, traffic volume dips during the rainy season between August to November and picks up after November.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016(5)**	**2017(6)**	**FY15 –FY17**
				(%)
Car(1)	1,717,405	1,899,737	2,013,961	8
LCV(2)	323,087	354,921	366,396	6
Bus/Truck(3)	685,671	678,147	649,830	(3)
Multi-axle(4)	372,784	360,114	360,652	(2)
Total	**3,098,947**	**3,292,919**	**3,390,839**	**5**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 15 days due to floods in December 2015
(6) *Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).*

The tollable annual average daily traffic for the project increased to 17,941 PCUs in 2017 from 16,265 PCUs in 2015, representing a CAGR of 5%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016**	**2017(5)**	**FY15 –FY17**
				(%)
Car(1)	4,705	5,428	5,889	12
LCV(2)	885	1,014	1,071	10
Bus/Truck(3)	1,879	1,937	1,900	1
Multi-axle(4)	1,021	1,029	1,055	2
Total	**8,490**	**9,408**	**9,915**	**8**
Total PCUs	**16,265**	**17,392**	**17,941**	**5**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the SU Project's total traffic mix, 58%, 11%, 20% and 11% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 59%, 11%, 19%, and 11% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of SU's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the SU Project's by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016**	**2017[5]**	**FY15 –FY17**
				(%)
Car[1]	197.7	227.4	240.6	10
LCV[2]	68.9	79.0	80.6	8
Bus/Truck[3]	240.7	250.0	237.9	(1)
Multi-axle[4]	265.3	268.2	267.8	0
Total	**772.6**	**824.6**	**826.9**	3

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization)

Maintenance

The SU Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, SU is required to comply with detailed operating and maintenance standards.

Under the concession agreement, SU is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in financial years 2019 and 2020.

The following table sets forth the SU's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	**2016**	**2017**
		(Rs. In Million)	
Operation and maintenance expenditure	112.94	156.92	174.07
Periodic maintenance	203.23	227.61	96.60
Total expenditure	**316.17**	**384.53**	**270.67**

Project cost and financing

The cost of this project was approximately Rs. 11,070 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 6,514.24 million.

Land

The NHAI owns the land that underlies the SU Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

4. Trichy Dindigul Project

On July 19, 2007, the NHAI and TD entered into a concession agreement in respect of the Trichy Dindigul Project. TD was engaged for the strengthening and maintenance of the existing NH 45 carriageway in the state of Tamil Nadu from Km 333.00 to Km 421.60 and the widening of the roads from two to four lanes, on a BOT basis. A capex grant of Rs. 1,074.6 million and opex grant of Rs. 1,188.40 million has been provided towards the project of which Rs. 245.61 million of the opex grant is still to be received by TD. The concession period commenced on January 15, 2008 and the collection of tolls commenced on January 10, 2012. A provisional certificate of completion was issued on January 10, 2012.

Corridor description and competing roads

The project corridor is a segment of NH - 45 from Trichy (Km 333.000) to Dindigul (Km 421.273) and lies in the state of Tamil Nadu. It connects the important city of Trichy to Dindigul which is located on the North to South corridor and passes through places such as Manaparai, Vaiyampatti, Ayyalur and Vadamadurai. This corridor carries a high volume of private and commercial passenger traffic in addition to regular freight traffic. Chinnalapatti, which is located 11 kilometers from Dindigul on the Madurai-Dindigul road is known for its silk industry. People also use this road to access the historical monument of Rock Fort in Dindigul. The land surrounding the project road is predominantly agricultural with some residential, barren, semi-urban, urban and urban commercial areas being found along the project road. There are many settlements and ribbon developments found along the project corridor.

Other industrial developments in the area include a large number of energy equipment manufacturing units, mechanical railway workshops, chemical distilleries and ELCOT IT Park.

The area surrounding the project road includes several local roads and state highways which, if integrated, can form a competing road network. However, according to the TD Traffic Report, most of the competing roads run across the project road and cover longer distances for the same pairs of origin and destination in comparison to the project road. The geometry and quality of the competing road is inferior in comparison to the project road with sharp turns, bottlenecks and patches of damaged pavements, adding to travel time and costs. The average speed on the project road from Trichy to Manapparai is 70 km per hour and the journey time takes approximately 33 minutes, in comparison to the competing roads which have an average speed of 40 km per hour and approximate journey times of 65 to 68 minutes. The average speed on the project road from Trichy to Dindigul is 70 km per hour and the journey time takes approximately 88 minutes, in comparison to the competing roads which have an average speed of 40 km per hour to 60 km per hour and journey times of approximately 129 to 182 minutes. Given that journey times and fuel cost savings are major criteria for selection of routes, it is unlikely that a significant proportion of commercial and passenger traffic will switch to competing roads. In addition, the project road has already been completed and traffic is already using the project road, such that the current traffic traversing the project road already factors in any traffic diversion that may have taken place.

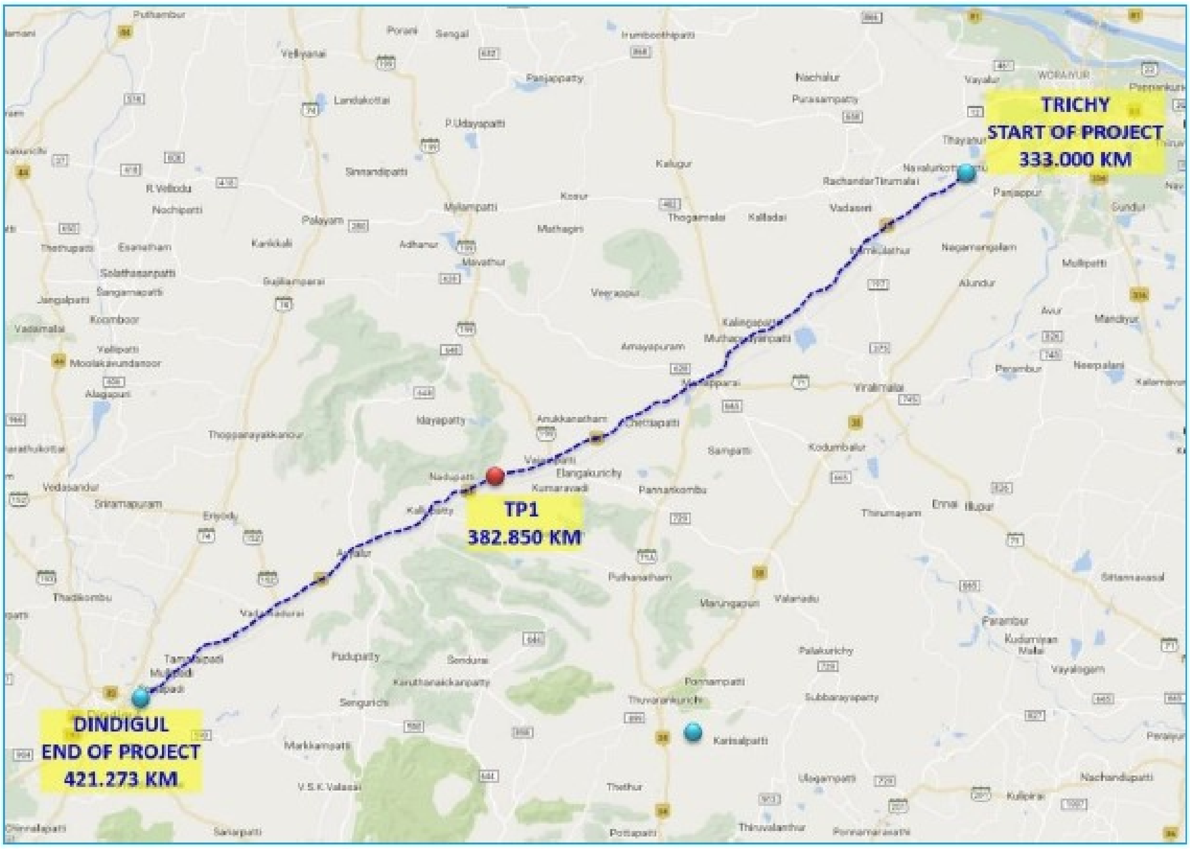


Figure 4: Map of the Trichy Dindigul Project

Concession period

The NHAI granted TD a concession for a period of 30 years for this project. The concession period commenced on January 15, 2008 and is expected to expire on January 14, 2038. TD began collecting tolls with respect to this project on January 10, 2012.

Traffic volume

Car traffic forms 58% of total traffic at the toll plaza while LCVs and buses/trucks form 14% and 20% of total traffic, respectively. Multi-axle traffic form 8% of the total traffic. Around 42% of total traffic is commercial in nature, the higher percentage of urban traffic is due to the project road starting and ending in the urban towns of Trichy and Dindigul. Overall, return journeys represent 44% of total traffic on this project road. The high percentage of return journeys reflects the project road's location between the two major urban centres of Trichy and Dindigul.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016[5]**	**2017[6]**	**FY15 –FY17 (%)**
Car[1]	1,048, 648	1,104,140	1,188,797	6
LCV[2]	312,700	301,490	293,704	(3)
Bus/Truck[3]	416,655	410, 502	416,580	0
Multi-axle[4]	155,760	139,508	164,267	3
Total	**1,933,763**	**1,955, 640**	**2,063,348**	**3**

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll operations were suspended for 15 days due to floods in December 2015

(6) *Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).*

The tollable annual average daily traffic for the project increased to 10,580 PCUs in 2017 from 9,503 PCUs in 2015, representing a CAGR of 6%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	**2016[(5)]**	**2017[(6)]**	**(%)**
Car[(1)]	2,873	3,155	3,476	10
LCV[(2)]	857	861	859	0
Bus/Truck[(3)]	1,142	1,173	1,218	3
Multi-axle[(4)]	427	399	480	6
Total	**5,299**	**5,588**	**6,033**	**7**
Total PCUs	**9,503**	**9, 759**	**10,580**	**6**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll operations were suspended for 15 days due to floods in December 2015.

(6) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the TD Project's total traffic mix, 56%, 15%, 21% and 8% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 58%, 14%, 20%, and 8% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of TD's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the TD Project's by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	**2016**	**2017[(5)]**	
	(Rs. In Million)			**(%)**
Car[(1)]	81.1	86.4	95.3	8
LCV[(2)]	40.0	40.1	38.7	(2)
Bus/Truck[(3)]	95.4	98.4	100.4	3
Multi-axle[(4)]	69.2	65.1	72.7	2
Total	**285.7**	**290.0**	**307.1**	**4**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

Maintenance

The TD Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, TD is required to comply with detailed operating and maintenance standards.

Under the concession agreement, TD is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in year 2017 to 2018.

The following table sets forth the TD's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	**2016**	**2017**
		(Rs. In Million)	
Operation and maintenance expenditure	44.16	53.28	78.47
Periodic maintenance	137.32	153.80	65.16
Total expenditure	**181.48**	**207.08**	**143.63**

Project cost and financing

The cost of this project was approximately Rs. 5,400 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 2,835.05 million.

Land

The NHAI owns the land that underlies the TD Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

5. Trichy Karur Project

On July 19, 2007, the NHAI and TK entered into a concession agreement in respect of the Trichy Karur Project. TK was engaged for the strengthening and maintenance of the existing carriageway from Km 135.80 to Km 218.00, on the Trichy - Karur section of the NH 67 in the state of Tamil Nadu, on a BOT basis. A capex grant of Rs. 1,342.6 million proportionate to a 61 km stretch and opex grant of Rs. 21.3 million has been provided towards the project. The project road stretch from Km 154.4 to Km 218.0 was completed; however, the stretch of the Trichy bypass from Km 0.0 to Km 17.3 and from Km 153.2 to Km 154.4 could not be completed as the required land for widening was not made available. Therefore, a supplementary agreement was entered into between the NHAI and TK in November 2013, in which a total length of 18.7 Km was delinked from the project for COD purpose and operation and maintenance of an additional 2.28 Km length of project road was also added on a revenue sharing basis with NHAI in the ratio of 83.80 (NHAI) and 16.20 (TK) for the 2.28 km stretch. However, once the NHAI is able to hand over the land for the 18.7 km stretch, TK will be required to finance (at no additional cost to the NHAI) and complete construction within 18 months. The concession period commenced on January 15, 2008 and the collection of tolls commenced on February 22, 2014. A provisional certificate of completion was issued on February 22, 2014.

Corridor description and competing roads

The TK Project begins in Trichy town and terminates at Karur, where the NH 67 intersects the NH 45 on the North-South corridor. The road passes through five taluks: Trichy, Srirangam, Kulithalai, Krishnarayapuram and Karur. The project road runs primarily on flat terrain through an agricultural belt, with some sections being in urban areas.

As the TK project is parallel to the Cauvery river, where sand is transported in large volumes by trucks, traffic is constant on this road. According to the TK Traffic Report, the lifting of the sand mining ban will also add to traffic growth on this road. In addition, one of the largest chemical distilleries in the Tamil Nadu area is located in Trichy. The Karur area is also a centre for bus building, textiles, petroleum and newsprint industries.

Although the area surrounding the project road includes several local roads and state highways which, if integrated, can form a competing road network. According to the TK Traffic Report, there is currently no comparable alternative road capable of providing a similar level of service. However, the competing roads run across the project road and cover longer distances for the same pairs of origin and destination in comparison to the project road. The geometry and quality of the competing road is inferior in comparison to the project road with sharp turns, bottlenecks and patches of damaged pavements, adding to travel time and costs. The average speed on the project road is 70 km per hour and journey time is 70 minutes, in comparison to the competing roads which have an average speed of 40 km per hour and journey time of 149 minutes or 152 minutes. Given that journey times and fuel cost savings are major criteria for selection of routes, it is unlikely that a significant proportion of commercial and passenger traffic will switch to competing roads. In addition, the project road has already been completed and traffic is already using the project road, such that the current traffic traversing the project road already factors in any traffic diversion that may have taken place.

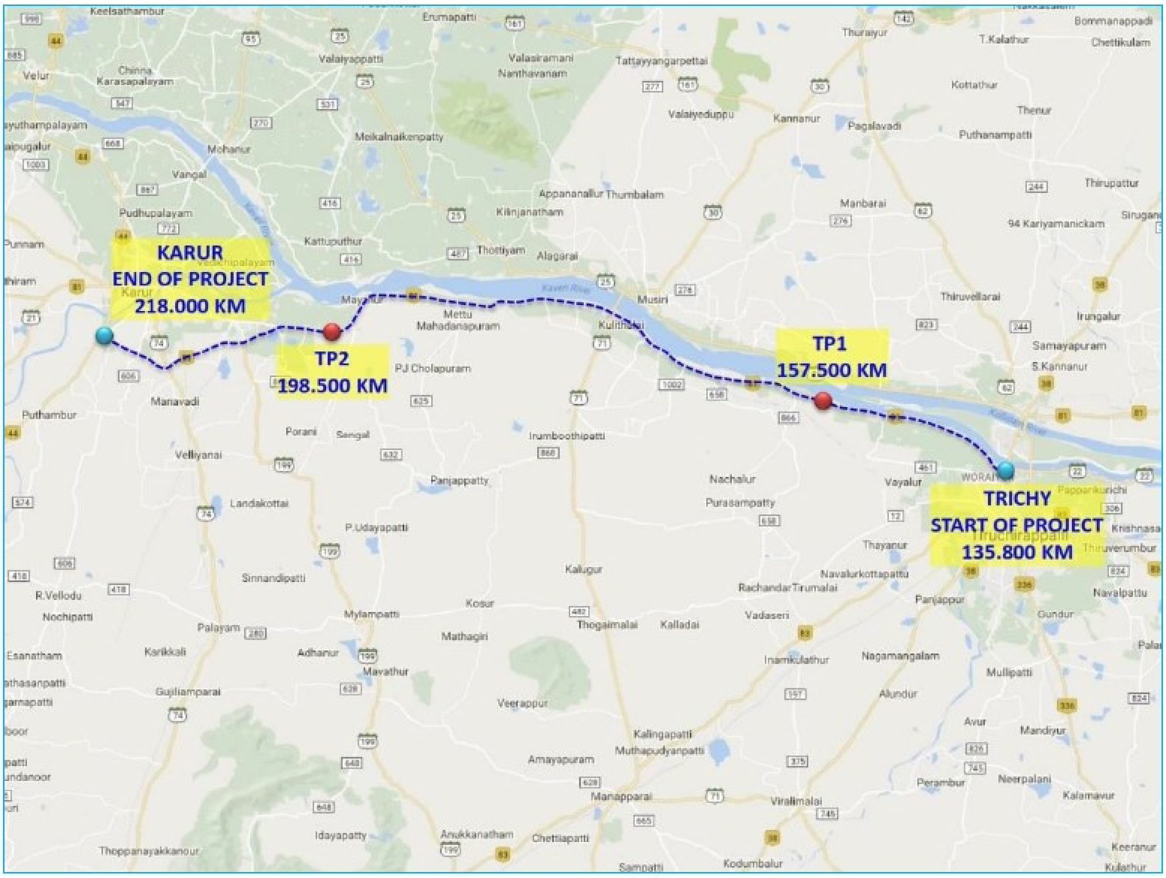


Figure 5: Map of the Trichy Karur Project

Concession period

The NHAI granted TK a concession for a period of 30 years for this project. The concession period commenced on January 15, 2008 and is expected to expire on January 14, 2038. TK began collecting tolls with respect to this project on February 22, 2014.

Traffic volume

At the toll plaza located at km 157.50 near Trichy, 44% of total traffic is commercial in nature, where car traffic comprise 56%, LCVs/minibuses comprise 13%, buses and trucks comprise 21% and multi-axle vehicles comprise 10% of total traffic. At the toll plaza located at km 198.500 near Karur, the proportion of multi-axle vehicles increases to 18%, trucks and buses increase to 40%, car traffic reduces to 34% and LCVs/minibuses reduce to 8% of total traffic. Overall, return journeys at the toll plaza near Karur are higher than the toll plaza near Trichy, being 62% in comparison to 53% of total journeys. Sand mining along the Cauvery river is a reason that there are a high number return journeys for commercial vehicles. Seasonal variations attributable to festivals and weather also affect traffic volume: traffic volume reduces between September and November due to the rainy season and picks up again after November.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	**2016[5]**	**2017[6]**	**(%)**
Car[1]	1,263,195	1,348,357	1,397,896	5
LCV[2]	345,389	345,604	332,698	(2)
Bus/Truck[3]	1,370,631	1,396,311	1,249,353	(5)
Multi-axle[4]	506,933	566,201	554,209	5
Total	**3,486,148**	**3,656,473**	**3,534,156**	**1**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 15 days due to floods in December 2015.
(6) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

The tollable annual average daily traffic for the project increased to 23,798 PCUs in 2017 from 22,396 PCUs in 2015, representing a CAGR of 3%. The table below sets forth the tollable annual average daily traffic, based on weighted average, by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	**2016**	**2017[5]**	**(%)**
Car[1]	3,461	3,852	4,087	9
LCV[2]	946	987	973	1
Bus/Truck[3]	3,755	3,989	3,653	(1)
Multi-axle[4]	1,389	1,618	1,620	8
Total	**9,551**	**10,446**	**10,333**	**4**
Total PCUs	**22,396**	**24,582**	**23,798**	**3**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.

(4) *Multi-axle comprises vehicles with more than two axles.*
(5) *Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).*

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the TK Project's total traffic mix, 37%, 10%, 38% and 15% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 40%, 9%, 35%, and 16% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

For the Fiscal Year 2014, TK recognised construction income related to the construction of roads. From Fiscal Year 2015, substantially all of TK's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the TK Project's by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016**	**2017[5]**	**FY15 –FY17**
		(Rs. In Million)		**(%)**
Car[1]	65.2	71.9	74.7	7
LCV[2]	29.5	30.9	30.0	1
Bus/Truck[3]	213.7	226.9	205.2	(2)
Multi-axle[4]	152.0	176.7	171.7	6
Total	**460.4**	**506.4**	**481.6**	**2**

Notes:

(1) *Car comprises private cars, taxis and vans.*
(2) *LCV comprises light commercial vehicles and minibuses.*
(3) *Bus/Truck comprises trucks with two axles and buses.*
(4) *Multi-axle comprises vehicles with more than two axles.*
(5) *Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).*

Maintenance

The TK Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, TK is required to comply with detailed operating and maintenance standards.

Under the concession agreement, TK is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The first major maintenance is expected in financial year 2018 to 2019.

The following table sets forth the TK's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	**2016**	**2017**
		(Rs. In Millions)	
Operation and maintenance expenditure	47.49	56.20	137.83
Periodic maintenance	83.72	93.77	33.07

Total expenditure	**131.21**	**149.97**	**170.90**

Project cost and financing

The cost of this project was approximately Rs. 8,116 million. As of March 31, 2017 the outstanding debt with respect to this project was Rs. 3,310.98 million.

Land

The NHAI owns the land that underlies the TK Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

6. Jaipur Reengus Project

On February 19, 2010, the NHAI and JR entered into a concession agreement in respect of the Jaipur Reengus Project. JR was engaged to expand a portion of the NH 11 in the state of Rajasthan, from Km 246.30 to Km 298.08, widening the existing two lanes to four, on a DBFOT basis. A capex grant of Rs. 1,029 million has been provided towards the project. The concession period commenced on August 14, 2010 and the collection of tolls commenced on July 15, 2013. A provisional certificate of completion was issued on July 15, 2013 and a second provisional completion certificate was issued on October 16, 2015.

Corridor description

The Jaipur-Reengus road, a stretch of the NH 11, starts at km 246.3 near the Jaipur bypass and ends at km 298.075 on the Reengus bypass. The project road is 52.65 km long with one toll plaza. The JR project is a main highway that connects cities such as Bikaner, Fatehpur and Sikar to Jaipur as well as connecting such cities to Jaipur International Airport.

This corridor passes through a key manufacturing area in Jaipur where traffic volume is high and the road carries goods traffic generating from industrial areas in the Jaipur district and the stone mines. Chomu town, which is in the midway of the corridor, is also a hub for the purchase of agriculture equipments and machines. The road carries both passenger and freight traffic. Furthermore, this road is frequented by regular tourist traffic due to the popularity of Jaipur and the Khatushyamji temple in Reengus.

According to the JR Traffic Report, the JR project is experiencing high traffic growth rate as a result of Jaipur expanding towards Chomu. Some of the approved layouts between Jaipur and Chomu have already started: initial increase in traffic due to construction works and later increased traffic from the developed areas would contribute to traffic growth rates. Traffic growth potential is also expected to be driven by the development of an industrial park in Sikar for a wide range of industries. Generally, traffic growth rate is heavily reliant on Rajasthan state as around 99% of passenger traffic and around 86% of freight traffic originated from or were destined for Rajasthan.

Although there are no competing roads, there is a village road in the vicinity of the toll plaza which traffic can use to bypass the toll plaza. The alternative route has a four lane section starting just in front of the toll plaza and leads onto a village road which leads through a small village and rejoins the JR project road just after the toll plaza. This alternative road is about 700 m longer than the project road section. JR will be providing barricades to avoid any leakage traffic.

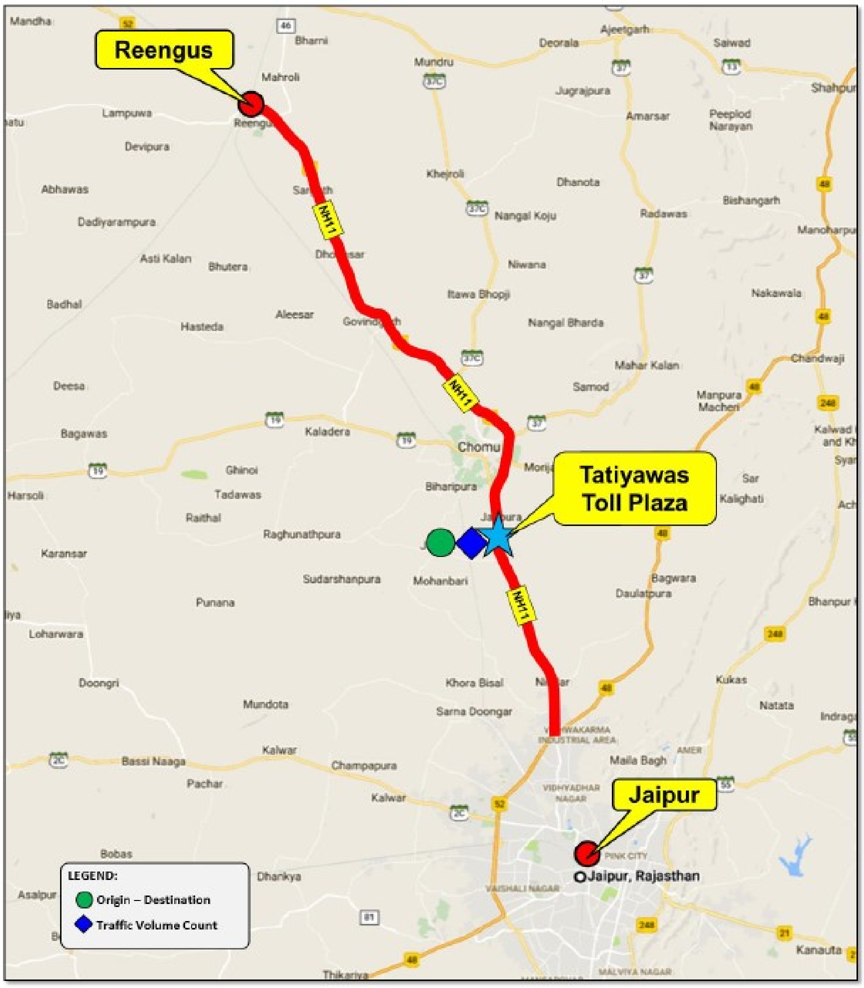


Figure 6: Map of the Jaipur Reengus Project

Concession period

The NHAI granted JR a concession for a period of 18 years for this project. The concession period commenced on August 14, 2010 and is expected to expire on August 13, 2028. JR began collecting tolls with respect to this project on July 15, 2013.

The concession agreement provides that, if the actual traffic volume falls short of or exceeds the target traffic volume on a defined date, the concession period will be extended or reduced, respectively, according to a formula specified in the agreement. Extension of the concession period is limited to four years. Based on the current estimates provided in the JR Traffic Report, the traffic consultant expects that the concession period will be increased by approximately three years and three months.

For this project, the target date set forth in the concession agreement is October 1, 2020, and the target traffic volume set forth in the concession agreement is 35,663 PCUs, the passenger car equivalent for various types of vehicles based on industry guidelines. Based on the terms of the concession agreement, in the event that the actual traffic volume on the target date falls short of or exceeds the target traffic volume by more than 2.5%, the concession period will be deemed to be modified and may be increased by 1.5% for every 1% of shortfall in traffic, provided that the aggregate increase in the concession period does not exceed 20% of the original concession period. Based on the current estimates provided in the JR Traffic Report, the Traffic Consultant expects that the concession period will be increased by approximately three years and three months. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date.

In consideration of the grant of the concession, JR pays the NHAI a nominal annual concession fee of Rs. 1. NHAI provided to JR cash support by way of an outright grant equal to the sum set forth in the bid submitted by the consortium bidders, namely Rs. 1,029 million, in accordance with the provisions of the JR Concession Agreement.

Traffic volume

At Tatiyawas toll plaza, the traffic composition comprises 74% of cars, 6% of LCVs, 5% of buses, 8% of trucks and 7% of multi-axle vehicles. The minimum traffic variation in terms of PCUs is 3% with respect to average daily traffic and maximum traffic variation in terms of PCUs is 4% with respect to average daily toll.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	2016	2017(5)	FY15 – FY17
				(%)
Car(1)	4,768,603	4,780, 097	4,102,587	(7)
LCV(2)	416,275	406, 970	331,556	(11)
Bus/Truck(3)	821,467	787,141	700,756	(8)
Multi-axle(4)	442,138	468, 247	363,193	(9)
Total	**6,448,483**	**6,442,453**	**5,498,092**	(8)

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

The tollable annual average daily traffic for the project decreased to 24,376 PCUs in 2017 from 26,978 PCUs in 2015. This is partly attributable to the demolition of a ramp toll plaza, constructed by JR to prevent leakage of traffic, by the Jaipur Development Authority in January 2017, which led to leakage of traffic (see "*Material Litigation and Regulatory Action - Material Litigation and Regulatory Action involving the Project SPVs – JR Toll Road Private Limited ("JR") – Other Proceedings Involving JR*"). The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	2016	2017(5)	FY15 – FY17
				(%)
Car(1)	13,065	13,060	11,996	(4)
LCV(2)	1,140	1,112	969	(8)
Bus/Truck(3)	2,251	2,151	2,049	(5)
Multi-axle(4)	1,211	1,279	1,062	(6)
Total	**17,667**	**17,602**	**16,076**	**(5)**
Total PCUs	**26,978**	**26,937**	**24,376**	**(5)**

Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

On average for the three financial years ended 2015, 2016 and 2017, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the JR Project's total traffic mix, 74%, 6%, 13% and 7% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 74%, 6%, 13%, and 7% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

For Fiscal Year 2014, JR recognised construction income in relation to the construction of roads. From Fiscal Year 2015 onwards, substantially all of JR's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the JR Project by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR
	2015	**2016**	**2017[5]**	**FY15–FY17**
		(Rs. In Millions)		**(%)**
Car[1]	177.5	191.6	178.5	0
LCV[2]	26.0	26.8	26.4	1
Bus/Truck[3]	105.6	106.6	109.5	2
Multi-axle[4]	101.4	113.6	101.6	0
Total	**410.5**	**438.6**	**416.0**	**1**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll operations were suspended for 24 days from November 9, 2016 to December 2, 2016 pursuant to notifications from the NHAI (in connection with Demonetization).

Maintenance

The JR Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, JR is required to comply with detailed operating and maintenance standards.

Under the concession agreement, JR is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in financial year 2021.

The following table sets forth JR's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	**2016**	**2017**
		(Rs. In Millions)	
Operation and maintenance expenditure	45.55	78.94	81.11
Periodic maintenance	73.13	81.90	44.47
Total expenditure	**118.68**	**160.84**	**125.58**

Project cost and financing

The cost of this project was approximately Rs. 5,680 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 3,484.32 million.

Land

The NHAI owns the land that underlies the JR Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

7. Gurgaon Faridabad Project

On January 31, 2009, the Haryana Public Works Department and GF entered into a concession agreement in respect of the Gurgaon Faridabad Project. GF was engaged to upgrade the existing road from Km 0.00 to Km 24.31 on the section of the Gurgaon – Faridabad road, Km 0.00 to Km 6.10 of the section of the MCF road, Km 0.00 to Km 3.10 of the section of the Crusher Zone road, Km 0.00 to Km 28.58 of the section of the Ballabhgarh – Lukhawas junction road and Km 0.00 to Km 4.10 of the section of the Pali – Bhakri road. The total length of road to be widened from two to four lanes was 66.19 kms, on a BOT basis. The concession period commenced on May 31, 2009 and the collection of tolls commenced on June 29, 2012. A provisional certificate of completion was issued on June 29, 2012.

Corridor description and competing roads

The project road includes four stretches of roads in state of Haryana as shown in the table below:

Name	***Length***
Gurgaon Faridabad Road	*24.31 km*
Crusher Road	*3.10 km*
Ballabgarh Sohna Road	*32.7 km*
MCF Road	*6.1 km*
Total	***66.19 km***

A significant amount of car traffic on the GF road comprises of daily commuter traffic between Gurgaon to Faridabad, Noida and Southeast Delhi. The Crusher Zone has very high density of Trucks and MAV.

According to the GF Traffic Report, the GF Project caters to areas of rapid urban development, including Gurgaon, Faridabad, Ballabhgarh and Sohna, which has led to growth in passenger traffic in this region. The Crusher Zone is also located in an area that is undergoing heavy construction, and such activities are expected to lead to an increase in truck traffic.

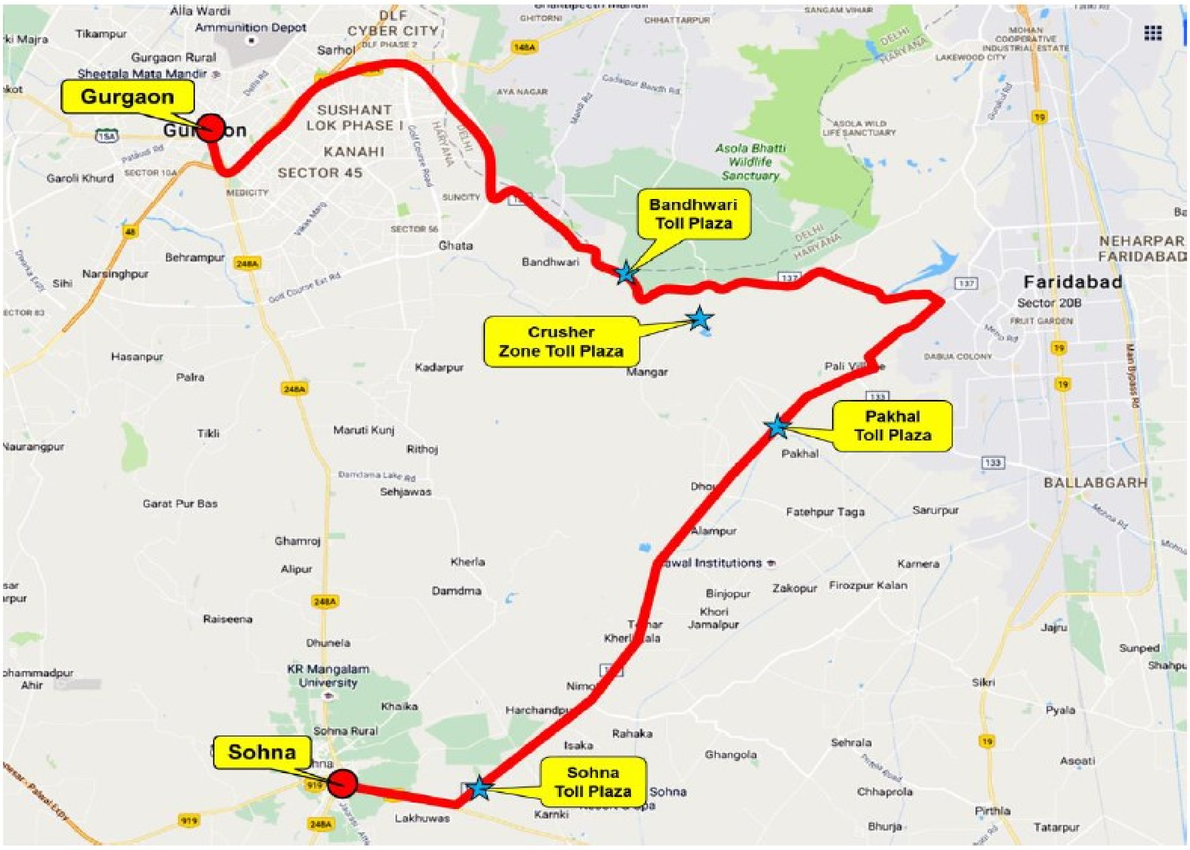


Figure 7: Map of the Gurgaon Faridabad Project

Concession period

HPWD (B&R) Bench granted GF a concession for a period of 17 years for this project. A one-time negative grant of Rs. 1,503 million was payable to the HPWD within 30 days of the financial close of the project. The concession period commenced on May 31, 2009 and is expected to expire on May 30, 2036. GF began collecting tolls with respect to this project on June 29, 2012.

The BS1 toll plaza has minimum variation in terms of vehicles (6 % with respect to Average Daily Traffic ("**ADT**")) and maximum variation in terms of PCUs (23 % with respect to ADT). The BS2 toll plaza has minimum variation in terms of vehicles (7 % with respect to ADT) and has maximum variation in terms of PCUs (20 % with respect to ADT). The Crusher Zone toll plaza has minimum variation in terms of vehicles (15 % with respect to ADT) and maximum variation in terms of PCUs (23 % with respect to ADT). The Bandhwari toll plaza has minimum variation in terms of vehicles and PCUs (16% with respect to ADT) and maximum variation in terms of vehicles (71 % with respect to ADT). The Gurgaon Fraidabad area is primarily urban and thus the majority of traffic results from work based trips. This is reflected in the maximum peak traffic hours which are between 08.00 and 09.00 hours in the BS1 toll plaza location and the Bandhwari toll plaza location and are between 07.00 hours and 08.00 hours in the Crusher Zone toll plaza.

The project corridor is an indication of Haryana's influence in traffic generation. At the BS1 toll plaza location, 87% of passenger traffic and 90% of freight traffic originate from or are destined to Haryana. At the BS2 toll plaza location, 88% of passenger traffic and 90% of freight traffic originate from or are destined to Haryana. The corresponding numbers for the Crusher Zone toll plaza is 86% and 59%. At the Bandhwari Toll Plaza, about 90% of passenger and goods traffic is from Haryana.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 – FY17
	2015	2016	2017(5)	(%)
Car(1)	11,170,184	13,069,267	15,091,730	16
LCV(2)	1,213,170	1,309,865	1,381,195	7
Bus/Truck(3)	2,074,061	1,924,626	1,608,050	(12)
Multi-axle(4)	126,250	148,753	230,698	35
Total	**14,583,665**	**16,452,511**	**18, 311, 673**	**12**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant) as directed by the HPWD on account of Demonetization.

The tollable annual average daily traffic for the project increased to 65,229 PCUs in 2017 from 54,192 PCUs in 2015, representing a CAGR of 10%. The table below sets forth the tollable annual average daily traffic, based on summation at all toll plazas, by category of vehicles for the financial years 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	2016	2017(5)	(%)
Car(1)	30,603	35,708	42,753	18
LCV(2)	3,324	3,579	3,913	8
Bus/Truck(3)	5,682	5,259	4,555	(10)
Multi-axle(4)	346	406	654	37
Total	**39,955**	**44,952**	**51,875**	**14**
Total PCUs	**54,192**	**58,681**	**65,229**	**10**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant) as directed by the HPWD on account of Demonetization.

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the GF Project's total traffic mix, 79%, 8%, 12% and 1% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 82%, 8%, 9%, and 1% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of GF's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the GF Project by category of vehicles for the financial year 2015, 2016 and 2017:

	For the FY ended March 31,			CAGR FY15 –FY17
	2015	2016	2017(5)	
		(Rs. In Millions)		(%)
Car(1)	113.8	173.3	214.9	37
LCV(2)	87.4	101.5	113.4	14

	For the FY ended March 31,			CAGR
	2015	2016	2017[5]	FY15 –FY17
		(Rs. In Millions)		(%)
Bus/Truck[3]	266.8	291.0	248.9	(3)
Multi-axle[4]	39.1	38.3	59.0	23
Total	**507.1**	**604.1**	**636.2**	**12**

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

(5) Toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant) as directed by the HPWD on account of the Demonetization.

Maintenance

The GF Project operates 24 hours a day, 365 days a year. In operating and maintaining the project, GF is required to comply with detailed operating and maintenance standards.

Under the concession agreement, GF is required to carry out the operation and maintenance of the project, to ensure the safe, smooth and uninterrupted flow of traffic during normal operating conditions, to minimize disruption to traffic in the event of accidents or other incidents affecting the safety and use of the project highway, to repair potholes, cracks, joints, drains, embankments, structures, pavement markings, lighting, road signs and other traffic control devices, and to refurbish tolling systems and other equipment. The next major maintenance is expected in financial year 2018.

The following table sets forth the GF's operation and maintenance costs during the financial years 2015, 2016 and 2017:

	For the FY ended March 31,		
	2015	2016	2017
		(Rs. In Millions)	
Operation and maintenance expenditure	123.75	180.65	192.82
Periodic maintenance	93.38	104.59	55.44
Total expenditure	**217.13**	**285.24**	**248.26**

Project cost and financing

The cost of this project was approximately Rs. 7,790 million. As of March 31, 2017, the outstanding debt with respect to this project was Rs. 4,432.31 million.

Land

The HPWD owns the land that underlies the GF Project.

Structure of ownership of the project

For information about the proposed structure of ownership of the project by the Trust, please see the section headed "*About the Trust – Background and Structure of the Trust*" in this Draft Offer Document.

Employees

The table below sets forth the Project SPVs' employees as of the time period indicated:

	As of March 31, 2017
DS	2
GF	8
JR	3
NK	0
SU	4
TD	5
TK	6
Total	**28**

The Project SPVs use contract labour and are therefore also partially dependent on the availability of a sufficient pool of such labour to maintain and operate their projects. The number of contract labourers employed by the Project SPVs varies from time to time based on the nature and extent of work being undertaken. The Project SPVs enter into contracts with independent contractors to complete specified assignments on their projects.

Toll operations comprise of teams (which include a revenue manager, a plaza manager, cashiers, auditors, shift-in-charge, toll collectors and traffic/lane assistants) to ensure the monitoring and management of toll activities at each of the toll plazas located along the project roads. A systematic finance procedure also facilitates the finance department in managing the cash collection and depositing the cash collected as toll from the lanes and from the sales of smartcards from point-of-sales machines.

Seasonality

Traffic volume tends to decrease during the monsoon season and conversely tends to increase during holiday seasons. While the northern parts of India experience monsoon rains during the period from June or July until September or October every year, the southern parts of India, especially Tamil Nadu and some parts of coastal Andhra Pradesh, experience monsoon rains even during the months of August to November. The monsoon season may also restrict the Trust Group's ability to carry on activities related to its operation and maintenance of toll roads. For further details on risk associated with seasonality, please see the section headed "*Risk Factors – Risks Relating to Our Business and Industry – Our business will be subject to seasonal fluctuations that may affect our cash flows*" in this Draft Offer Document. Conversely, traffic volume tends to increase during holiday seasons.

Health, Safety and Environment

The Investment Manager and Project Manager believe that the Trust and the Project SPVs are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in their operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies. The Project Manager believes that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to management, employees and sub-contractors. Further, the project managers appointed by the Project SPVs for a project are principally responsible for ensuring that safety standards are met at the relevant project sites.

Sponsor Support Undertaking

As of the date of this Draft Offer Document, none of the Projects have received their final completion certificates. The Project SPVs' receipt of final completion certificates is subject to the completion of either (i) additional construction as specified in the concession agreements (or supplementary agreements) in the case of four of our Projects; or (ii) completion of all conditions specified in the 'punch lists' under the respective provisional completion certificates of our remaining projects. The projects where additional construction is required under their respective concession agreements are:

- SU: This project also includes approximately 38 Km of bypass length, which will be converted to a four lane road after 8 years and before 11 years from the COD pursuant to the concession agreement.

- TK: A 18.7 km stretch of the Trichy bypass could not be completed as the required land for widening was not made available. Therefore, a supplementary agreement was entered into between the NHAI and TK in November 2013, in which a total length of 18.7 Km was delinked from the project for COD purpose. However, once the NHAI is able to hand over the land for the 18.7 km stretch, TK will be required to finance and complete construction within 18 months.

Under the securities purchase agreements for the sale of the Sponsor's stake in the Project SPVs to the Trust, the Sponsor will undertake to provide support for the remaining construction in the various Projects, as set forth below:

In relation to Project with outstanding punch list items

The Sponsor will undertake that, in the event, that the final completion certificate with respect to a Project SPV is not obtained on or prior to Closing Date, it will be solely responsible, at its own cost, for funding and completing all outstanding activities listed in the punch list to the provisional completion certificate obtained by the Project SPV (except to the extent of any amount which has already been provided for towards such outstanding activities in the books of accounts of the Project SPV). The Sponsor will undertake these activities as and when they are required to be completed.

In relation to Projects where additional capital expenditure may be required

As set forth above, two of our projects (SU and TK) may require additional capital expenditure to complete the remaining construction at these Projects. The Sponsor will undertake that in the event the actual cost of completion of these Projects exceeds the estimated completion cost, the Sponsor shall be solely responsible for funding any amounts in excess of such estimated completion cost.

Intellectual Property

We do not own the "*Reliance*" trademark, which is registered in the name of, and owned by, Anil Dhirubhai Ambani Ventures Private Limited. However, pursuant to a separate trademark and tradename license, the Sponsor has granted to the Trust, the Investment Manager and the Project Manager, the non-transferable and non-assignable right to use the "*Reliance*" trademark in connection with their respective businesses, on a non-exclusive basis for an annual royalty payments of Rs. 1, payable by the Investment Manager. The license may be terminated under certain circumstances, including if the Investment Manager on behalf of the Trust defaults in the payment of royalty and fails to cure such default within 30 days, if any of the Trust, the Project SPVs, the Sponsor or Anil Dhirubhai Ambani Ventures Private Limited files for bankruptcy or, if the Sponsor's holding in the Trust falls below 5%. Upon the termination of any license, the Trust or the relevant Project SPV, as the case may be, will be required to cease the use of the Reliance trademark and change its name to remove Reliance from its name within three months from the date of termination, which may have a material adverse effect on the operations of the Project SPVs and require management's time and attention.

We do not require any other licenses relating to intellectual property for the operation of our business and none of the Investment Manager, Project Manager or the Project SPVs is involved in any dispute for violation of intellectual property rights. See also "*Risk Factors – Risks Relating to our Business and Industry – We do not own the 'Reliance' trademark and logo. Our license to use the 'Reliance' trademark may be terminated under certain circumstances and our ability to use the trademark may be impaired.*"

Property

The Investment Manager's corporate office is located in Mumbai, and it proposes to conduct operations pertaining to the Trust from such office.

Insurance

The Trust Group's operations are subject to hazards inherent in providing operation and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. The Project SPVs' principal types of insurance coverage include fire insurance, contractor all-risk for under construction projects, money insurance for toll collection, third party liability for operation of roads, loss of profit. The Investment Manager and the Trustee confirm that the amount of insurance that we presently maintain represents an adequate and appropriate level of coverage required to insure the Trust Group's business and operations and all the infrastructure assets held by the Trust Group, and is in accordance with the concession agreements and industry standards in India and will perform regular assessment on the adequacy of its insurance coverage on a yearly basis.

Legal Proceedings

The Project SPVs, the Sponsor, the Investment Manager, the Project Manager and the Trustee are involved in legal proceedings or claims from time to time. Certain proceedings or claims are currently pending at different levels of adjudication before various courts, tribunals and regulatory authorities.

NK, DS, GF and TD have initiated arbitration claims against NHAI in relation to compensation for additional costs incurred due to reasons such as extended construction periods and the delayed completion of the projects and compensation for the loss in toll revenue due to delays in COD. The table below sets out the arbitration claim amounts, claim awarded and pending claim amounts as of the date of this Draft Offer Document:

Project SPV	Arbitration Claim (Rs. in Millions)	Claim Awarded (Rs. Millions)
NK	1,058.70(1)	699.41
DS	1,017.35(1)	962.00(2)
GF	7,552.70(1)	Pending
TD	2,821.65(1)	Pending
Total:	**12,450.40**	**1,661.41**

Notes:

(1) The amount of the claim/award includes interest accrued since the claim was initiated/awarded. Any outstanding claim amount will be subject to accruing interest until the settled amount has been fully paid up.

(2) This award has been challenged by the NHAI in the High Court of Delhi.

Apart from the above, certain claims have been raised by TD against the NHAI for which arbitration has commenced.

For a description of the material legal proceedings that are outstanding, please see the section headed "*Legal and other Information – Material Litigation and Regulatory Action*" in this Draft Offer Document.

THE ROFO/ROFR ASSETS

In addition to the toll-road assets that are being transferred by the Sponsor to the Trust pursuant to the Formation Transactions, the Sponsor (through its subsidiaries), operates four additional toll-roads, DA, HK, KM and PS. The Trust will enter into the Right of First Offer and Future Assets Agreement with the Sponsor, which will enable the Trust to acquire the four additional projects upon the completion of certain milestones, which include the completion of two years of operations post construction of these projects, as per the concession agreements for these projects. For details, see the section headed, and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken - Right of First Offer and Future Assets Agreement*".

These projects are also subject to various disputes, litigation and arbitration proceedings, including with the NHAI. For further details, please see the sections "*Material Litigation and Regulatory Action*" on page 421.

Set forth below are certain details on the four additional projects:

- ***The Hosur Krishnagiri Project***: an approximately 59.87 km section of NH 7 between Hosur and Krishnagiri in Tamil Nadu, is held by Sponsor's subsidiary, HK. On July 2, 2010 the NHAI and HK entered into a concession agreement in respect of the Hosur Krishnagiri Project. HK was engaged to expand a portion of the NH 7 in Tamil Nadu from Km 33.13 to Km 93.00, widening the existing four lanes to six, on a DBFOT basis. The concession period commenced on June 7, 2011 and is expected to expire after 24 years on June 6, 2035. The collection of tolls commenced on June 7, 2011. A provisional certificate of completion was issued on April 5, 2016.

- ***The Kandla Mundra Port Project***: an approximately 71.40 km section of NH-8A (Extension) between Gandhidham (Kandla) and Mundra Port in Gujarat, is held by Sponsor's subsidiary, KM and of which 63.99 km is operational as on March 31, 2017. On March 10, 2010, the NHAI and KM entered into a concession agreement in respect of the Kandla Mundra Port Project. KM was engaged to expand the existing road from Km 0.00 to Km 71.40 on the Gandhidham (Kandla) – Mundra Port section of the NH 8A (Extension) in the state of Gujarat by widening the road to four lanes and subsequently to six lanes, on a DBFOT basis. The concession commenced on January 19, 2011 and is expected to expire after 12 years on January 18, 2023. A part of Phase I of the Kandla-Mundra Port Project, which involved the construction of a four-lane highway was completed to the extent of 55.80 kms in November 2015, while the remainder of Phase I is currently under construction. Phase II of the project involves converting the four-lane project to a six-lane project. Under the terms of the concession agreement for this project, the decision relating to converting the project to a six-lane project may be unilaterally decided by KM and NHAI in January 2019 and if the Kandla Mundra Port Project is limited to four-laning, the concession period will be restricted to 12 years (i.e., January 18, 2013) and not extended to 25 years (January 18, 2036). The collection of tolls commenced on November 7, 2015. A provisional certificate of completion was issued on November 4, 2015.

- ***The Pune Satara Project***: an approximately 140.35 km section of NH 4 between Pune and Satara in Maharashtra, is held by Sponsor's subsidiary, PS and of which 110.0 km is operational. On March 10, 2010, the NHAI and PS entered into a concession agreement in respect of the Pune Satara Project. PS was engaged to expand the Km 725.00 to Km 865.35, Pune – Satara section of the NH 4 in the state of Maharashtra, on a DBFOT basis. The concession period commenced on October 1, 2010 and is expected to expire after 24 years on September 30, 2034. The collection of tolls commenced on October 1, 2010. On August 28, 2016, the NHAI issued a certificate for accounting and financing purposes for a length of 110 km. At the request of PS, a certificate for accounting and financing purposes was issued by NHAI on August 28, 2016, certifying that a length of 110.73 km on the left-hand side and 110.263 of the right-hand side out of 140.35 km has been completed. Further, as of March 31, 2017, construction of 119.756 km length has been completed. The remainder of the Pune Satara Project is under construction.

- ***The Delhi Agra Project:*** a 179.50 km section of NH 2 between Delhi and Agra, is held by Sponsor's subsidiary, DA. On July 16, 2010, the NHAI and DA entered into a concession agreement in respect of the Delhi Agra Project. DA was engaged to expand a portion of the NH 2 in the state of Haryana/Uttar Pradesh from Km 20.500 to Km 200.00, widening the existing four lanes to six, on a DBFOT basis. The concession period commenced on October 16, 2012 and is expected to expire after 26 years on October 15, 2038. The collection of toll commenced on October 16, 2012. As of March 31, 2017, six-laning of 144.09 km out of total project stretch of 179.50 km is completed.

SUMMARY OF THE CONCESSION AGREEMENTS

The following are summaries of the concession agreements entered into by the Project SPVs in relation to their respective business. The descriptions and summaries of the agreements below are not, nor do they purport to be complete descriptions or summaries of all terms of such agreements. Certain terms used in this section have the meaning assigned to them in the respective concession agreements. Copies of these concession agreements are also available for inspection at the registered office of the Trust. For details, refer to "Material Contracts and Documents for Inspection" on page 485.

1. Concession Agreement between NHAI and DS Toll Road Limited ("DS") dated January 30, 2006

DS has entered into a concession agreement for widening the existing 2 (two) lane portion from Km 373.275 to Km 426.600 (covering 53.025 Kms), on NH-7 in the state of Tamil Nadu and widening thereof to 4 (four) lanes on build, operate and transfer ("**BOT**") basis (the "**DS Concession Agreement**", for a period of 20 (twenty) years, from July 29, 2006 ("**DS Appointed Date**") or such date on which the DS Concession Agreement is terminated pursuant to the provisions of the DS Concession Agreement or termination notice ("**DS Termination Date**", and the period between the DS Appointed Date and the DS Termination Date, the "**DS Concession Period**").

Certain Definitions

"**DS Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing documents for financing the DS Project (the "**DS Principal**") which is outstanding as on the DS Termination Date but excluding any part of the DS Principal that had fallen due for repayment one year prior to the DS Termination Date unless such repayment had been rescheduled with the prior consent of NHAI; and

(b) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in clause (a) above upto the date preceding the DS Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the DS Termination Date, and (ii) penal interest or charges, payable under the financing documents to any senior lender;

"**DS Debt Service Payments**" shall mean the sum of all principal and interest payments due and payable in an accounting year to the senior lenders under the financing documents;

"**DS Project**" shall mean the development, design, financing, procurement, engineering and construction, operation and maintenance of the DS Project Highway in accordance with the provisions of the DS Concession Agreement and includes all works relating to or in respect of the DS Project Highway as described under the provisions of the DS Concession Agreement;

"**DS Project Assets**" shall mean all physical and other assets relating to and forming part of the DS Project Highway including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the DS Project Highway, telephone and other communication systems and other equipment for the DS Project, rest areas, relief centres etc.(iii) project facilities situated on the site (iv) the rights of DS under the DS project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc.;(vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the DS Project Highway, but does not include facilities which are in addition to the project facilities and are not located on the site of the project but which are provided or procured by DS, at its own discretion, for the benefit of users of the DS Project Highway; and

"**DS Project Highway**" shall mean the NH-7 stretch from Km 373.275 to Km 426.600 and includes widening the existing 2 lane portion from Km 373.275 to Km 426.600 covering 53.025 Kms, on NH-7 in the State of Tamil Nadu to 4 lanes and shall include the DS Project Assets and the project facilities to be designed, engineered, built and improved on site and to be operated and maintained during the DS Concession Period in accordance with the provisions of the DS Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the DS Concession Agreement, NHAI has granted to DS and DS has accepted the concession for a period of 20 (twenty) years commencing from the DS Appointed Date, including the exclusive right, license and authority during the subsistence of the DS Concession Agreement to implement the DS Project and the concession in respect of the DS Project Highway.

Further, DS is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the DS Concession Agreement:

(a) develop, design, engineer, finance, procure, construct, operate and maintain the DS Project Highway during the DS Concession Period;

(b) Upon completion of the DS Project Highway and during the operations period to, manage, operate and maintain the DS Project Highway and regulate the use thereof by third parties;

(c) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the DS Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(d) perform and fulfil all of DS obligations under and in accordance with DS Concession Agreement;

(e) bear and pay all costs, expenses and charges incurred in the fulfillment of all DS obligations under the DS Concession Agreement; and

(f) not assign or create any lien or encumbrance on the concession granted by way of the DS Concession Agreement on the whole or any part of the DS Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the DS Concession Agreement or the substitution agreement.

Further, DS has represented and warranted to NHAI that the equity shareholding of Reliance Energy Limited and their associates in the issued and paid up equity share capital of DS shall not be less than (a) 51% (fifty one percent) during the construction period and for 3 (three) years following the commercial operations date and (b) 26% (twenty six percent) during the balance remaining operations period.

Fees

DS shall be entitled to, during the operations period, to levy, collect and appropriate the fees from the users of the DS Project Highway at one toll plaza pursuant to and in accordance with the provisions in the DS Concession Agreement. In accordance with the terms of the DS Concession Agreement, DS shall not collect any fees in relation to exempted vehicles. The fees collected by DS shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the DS Concession Agreement

Grant

NHAI has provided DS, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 310.00 million, in accordance with the provisions of the DS Concession Agreement (the "**DS Grant**"). The DS Grant was disbursed to DS by way of equity support in accordance with the provisions of the DS Concession Agreement. The DS Grant was credited to the escrow account and was applied by DS for meeting the capital cost of the DS Project.

Concession Fee

In consideration of the grant of concession under the DS Concession Agreement, the concession fee payable by DS to NHAI shall be Re. 1 per year during the term of the DS Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

DS shall within 60 (sixty) days from the date of the DS Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the total project cost shall be credited to such escrow account. During operations period all fees collected by DS from the users of the DS Project Highway shall be deposited therein. In addition, all fees collected by NHAI in exercise of its rights under the DS Concession Agreement and all disbursements or payments by NHAI pursuant to the DS Concession Agreement shall subject to the rights of deductions and appropriations therefrom of NHAI under the DS Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from the Escrow Account during the DS Concession Period

DS shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated May 13, 2013 ("**DS Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by DS;

(b) all expenses in connection with and relevant to the construction of DS Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by DS directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 (one twelfth) of the annual liability on this account;

(d) the whole of the expense on completion of punch list items incurred by NHAI and two times of such expenses subject to a minimum of Rs. 1,000,000 (Rupees one million) in case the punch list items are not completed by DS within 120 (one hundred and twenty) days from the issue of the provisional completion certificate in accordance with the specification and standard as detailed in the DS Concession Agreement;

(e) the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI, and 1.25 times of the operation and maintenance expenses incurred by the NHAI, if any, in the event of repair and maintenance work being carried out by the NHAI (pursuant to the failure on part of DS in doing so) to maintain and/or repair the DS Project Highway or a part thereof up to and in accordance with the specifications and standards and/or failure on part of DS to commence remedial works within 30 (thirty) days of receipt of notice in this regard from NHAI or the independent consultant, if any, including those on account of exercise of any of its rights under the DS Escrow Agreement provided NHAI certifies to the escrow agent that NHAI had incurred expenses in accordance with the provisions of the DS Escrow Agreement;

(f) all concession fees and negative grants payments due to NHAI from DS under the DS Concession Agreement;

(g) monthly proportionate provision of DS Debt Service Payments due in an accounting year and payment of DS Debt Service Payments in the month when due;

(h) reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise DS' responsibility, on account of failure on part of DS to keep such insurance(s) effective and in force;

(i) one-half of such remuneration, cost and expenses of the independent consultant in case DS does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 (fifteen) days of receiving a statement of expenditure from NHAI;

(j) any payments and damages due and payable by DS to NHAI pursuant to the DS Escrow Agreement, including recovery due to reduction in the scope of work and repayment of revenue shortfall loans; and

(k) balance, if any, in accordance with the instructions of DS.

Withdrawals upon Termination from the escrow account

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by DS;

(b) all concession fees (including negative grants) due and payable to NHAI under the DS Concession Agreement;

(c) all accrued DS Debt Service Payments;

(d) any payments and damages due and payable by DS to NHAI pursuant to the DS Concession Agreement, including termination claims, recovery due to reduction in the scope of work and repayment of revenue shortfall loans;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the DS Concession Agreement; and

(g) balance, if any, in accordance with the instructions of DS.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to DS by NHAI in accordance with the provisions of the DS Concession Agreement. This shall not apply to appropriation in favour of the senior lenders to the extent of DS Debt Due.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the DS Concession Agreement, require the provision of such addition / deletion to the works and services on or about the DS Project Highway which are beyond the scope of the DS Project as contemplated by the DS Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the DS Concession Agreement.

Termination

Termination by NHAI

In the event of any breach or default by DS under the DS Concession Agreement, including any DS Default (as defined below) and if DS has failed to cure such breach or default within the period provided for the same in the DS Concession Agreement, then NHAI shall be entitled to terminate the DS Concession Agreement by a communication in writing to DS provided that before issuing the termination notice, NHAI shall by a notice in writing inform DS of its intention to issue the termination notice and grant 15 (fifteen) days to DS to make its representation, if any, against such intended termination notice. After the expiry of the 15 (fifteen) day period whether or not NHAI is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by DS ("**DS Default**") unless such DS Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

(a) DS fails to achieve financial close in accordance with the provisions of the DS Concession Agreement;

(b) DS fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the DS Concession Agreement and also fails to cure such default within 180 (one hundred and eighty) days from the date of its occurrence;

(c) DS is in material breach of the DS Concession Agreement;

(d) DS commits default in complying with any of the terms and conditions of the DS Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from NHAI which shall

(i) require DS to remedy the breaches within one month (or such longer period as may be agreed by NHAI in its absolute discretion); or

(ii) permit DS to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) DS creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the DS Concession Agreement;

(f) the shareholding of Reliance Energy Limited and its associates falls below the minimum prescribed requirement under the DS Concession Agreement and DS does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, of either (i) the rights and/or obligations of DS under the project agreements, or (ii) all or material parts of the assets or undertaking of DS except where such transfer in the reasonable opinion of NHAI does not affect the ability of DS to perform, and DS has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of DS for the voluntary winding up of DS;

(i) DS is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for DS or for any of its property that has a material bearing on the DS Project;

(j) any petition for winding up of DS is admitted by a court of competent jurisdiction or DS is ordered to be wound up by a court for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of DS are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of DS under the DS Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the DS Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the DS Concession Agreement and the project agreements and has a credit worthiness at least as good as that of DS as at the financial close; and

(iii) each of the project agreements remains in full force and effect;

(k) DS is in material breach of any of the project agreements;

(l) an event of default of DS under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) DS abandons the operations of the DS Project Highway for more than 15 (fifteen) consecutive days without the prior consent of NHAI, provided that DS shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by NHAI;

(n) DS repudiates the DS Concession Agreement or otherwise evidences an intention not to be bound by the DS Concession Agreement;

(o) DS suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the DS Project and allows it to be continued for a period of 15 (fifteen) days;

(p) DS has delayed any payment that has fallen due under the DS Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) DS is in breach of its obligation to repay the revenue shortfall loans in accordance the DS Concession Agreement.

Termination by DS

DS is entitled to terminate the DS Concession Agreement upon a 90 (ninety) days' written notice to NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of DS Default or due to a force majeure event:

(a) NHAI is in breach of the DS Concession Agreement and such breach has a material adverse effect on DS and NHAI fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from DS;

(b) NHAI repudiates the DS Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the DS Concession Agreement;

(c) the Government of India or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by DS and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by NHAI in this behalf from DS; or

(d) NHAI has delayed any payment that has fallen due under the DS Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the DS Concession Agreement becomes due and payable to DS by NHAI within 30 (thirty) days of a demand being made by DS with the necessary particulars duly certified by the statutory auditors. If NHAI fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the DS Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination by DS on account of an NHAI Default, DS shall be entitled to receive from NHAI by way of termination payment a sum equal to:

(a) The total DS Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the DS Concession Agreement) if such termination occurs at any time during three years commencing from the DS Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination by NHAI on account of DS Default during the operations period, NHAI shall pay to DS by way of termination payments an amount equal to 90% (ninety percent) of the DS Debt Due less insurance claims, if any, provided, however that if all or any of the insurance claims are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of the DS Debt Due.

Supplementary Agreements between DS and NHAI

DS has entered into a supplementary agreement to the DS Concession Agreement, with NHAI dated March 6, 2014, in relation to the change in the provisions in relation to the procedure of arbitration. Under the terms of supplementary agreement, any previous arbitration commenced by either party would be subject to the amended procedure of arbitration.

2. Concession Agreement between Haryana Public Works (B&R) Department ("HPWD") and GF Toll Road Private Limited ("GF") dated January 31, 2009

GF has entered into a concession agreement for the upgrading of the existing road from Km 0.000 to Km 24.310 of Gurgaon – Faridabad road, Km 0.000 to Km 6.100 of MCF road, Km 0.000 to Km 3.100 of Crusher Zone road, Km 0.000 to Km 28.575 of Ballabhgarh – Lukhawas junction road, Km 0.000 to Km 4.100 of Pali – Bhakri road, total length of road being 66.185 Kms in Gurgaon and Faridabad districts to strengthen and widen to 4-lane/ 2-lane with paved shoulders on build, operate and transfer ("**BOT**") basis (the "**GF Concession Agreement**", for a period of 17 (seventeen) years, from June 1, 2009 ("**GF Appointed Date**") or such date on which the GF Concession Agreement is terminated pursuant to the provisions of the GF Concession Agreement or termination notice ("**GF Termination Date**", and the period between the GF Appointed Date and the GF Termination Date, the "**GF Concession Period**").

Certain Definitions

"**GF Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing documents for financing the GF Project (the "**GF Principal**") which is outstanding as on the GF Termination Date but excluding any part of the GF Principal that had fallen due for repayment one year prior to the GF Termination Date unless such repayment had been rescheduled with the prior consent of HPWD; and

(b) all accrued interest, financing fees and charges payable on or in respect of the debt referred to in clause (a) above up to the date preceding the GF Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the GF Termination Date, and (ii) penal interest or charges, payable under the financing documents to any senior lenders;

"**GF Project**" shall mean the design, engineering, finance, construction, improvement, operation and maintenance of the GF Project Road in accordance with the provisions of the GF Concession Agreement and includes all works relating to or in respect of the GF Project Road as described in GF Concession Agreement;

"**GF Project Assets**" shall mean all physical and other assets relating to and forming part of the GF Project Road including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road over bridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the GF Project Road, telephone and other communication systems and equipment for the GF Project, rest areas, administration and maintenance depots, relief centers, service facilities etc. (iii) project facilities situated on the site (iv) all the rights of GF under the GF project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc.; (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the GF Project Road, but does not include facilities which in addition to the project facilities are not located on the site but which are provided or procured by GF, at its own discretion, for the benefit of users of the GF Project Road; and

"**GF Project Road**" shall mean the upgrading of the existing road from Km 0.000 to Km 24.310 of Gurgaon – Faridabad road, Km 0.000 to Km 6.100 of MCF Road, Km 0.000 to Km 3.100 of Crusher Zone Road, Km 0.800 to Km 29.376 of Ballabhgarh – Lukhawas junction road, Km 0.000 to Km 4.102 of Pali – Bhakri road, total length of road being 66.185 Kms in Gurgaon and Faridabad districts and shall include the GF Project Assets and the project facilities including the work added through the change of scope or through value addition to be designed, engineered, built and improved on site and to be operated and maintained during the GF Concession Period in accordance with the provisions of the GF Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the GF Concession Agreement, HPWD has granted to GF and GF has accepted the concession for a period of 17 (seventeen) years commencing from the GF Appointed Date, including the exclusive right, license and authority during the subsistence of the GF Concession Agreement to implement the GF Project and the concession in respect of the GF Project Road.

Further, GF is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the GF Concession Agreement:

(a) develop, design, engineer, finance, procure, construct, operate and maintain the GF Project Road during the GF Concession Period;

(b) upon completion of the GF Project Road and during the operations period to manage, operate and maintain the GF Project Road and regulate the use thereof by third parties;

(c) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the GF Project Road or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(d) perform and fulfil all of GF's obligations under and in accordance with GF Concession Agreement;

(e) bear and pay all costs, expenses and charges incurred in the fulfillment of all of GF's obligations under GF Concession Agreement; and

(f) not assign or create any lien or encumbrance on the concession granted by way of the GF Concession Agreement on the whole or any part of the GF Project Road nor transfer, lease or part possession therewith save and except as expressly permitted by the GF Concession Agreement or the substitution agreement.

Further, GF represented and warranted to HPWD that the equity shareholding of the Sponsor and its associates as the case may be in the issued and paid up equity share capital of GF shall not be less than (a) 51% (fifty one percent) during the construction period and for 3 (three) years following the commercial operations date and (b) 26% (twenty six percent) during the balance remaining operations period.

Fees

GF shall be entitled, during the operations period, to levy, collect and appropriate the fees from the users of the GF Project Road at four toll plazas pursuant to and in accordance with the provisions in the GF Concession Agreement. In accordance with the terms of the GF Concession Agreement, GF shall not collect any fees in relation to exempted vehicles. The fees collected by GF shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the GF Concession Agreement

Negative Grant

GF has paid to HPWD a cash payment as set forth in the bid of the bidder and accepted by HPWD, namely, Rs. 1,503.00 million on November 23, 2009. Further, a supplementary agreement to the GF Concession Agreement dated November 27, 2009 has been entered into between GF and HPWD to regularize the delay in financial closure by GF and amount of damages payable by GF for such delay. GF has paid damages to HPWD amounting to Rs. 3.8 million as agreed in the supplementary agreement. However, HPWD has made a claim of Rs. 101.6 million on March 11, 2016 on account of interest on 145 days late deposition of negative grant for delay in financial closure, which is disputed and is pending before the arbitral tribunal for adjudication.

Concession Fee

In consideration of the grant of concession under the GF Concession Agreement, the concession fee payable by GF to HPWD shall be Re. 1 per year during the term of the GF Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

GF shall within 30 (thirty) days from the date of the GF Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the total project cost shall be credited to such escrow account. During operations period all fees collected by GF from the users of the GF Project Road shall be deposited therein. In addition, all fees collected by HPWD in exercise of its rights under the GF Concession Agreement and all disbursements or payments by HPWD pursuant to the GF Concession Agreement shall, subject to the rights of deductions and appropriations therefrom of HPWD under the GF Concession Agreement, be deposited by HPWD in the escrow account.

Withdrawals from Escrow Account during the Concession Period

GF shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated November 27, 2009 ("**GF Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by GF;

(b) all expenses in connection with and relevant to the construction of GF Project Road by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by GF directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

(d) the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by HPWD on account of exercise of any of its rights under the GF Escrow Agreement;

(e) All concession fees and negative grants payments due to HPWD from the GF under the GF Concession Agreement;

(f) reimbursements of expenditure incurred by HPWD, if any, for payment of insurance premia, etc., which are otherwise GF's responsibility, on account of failure on part of GF to keep such insurance(s) effective and in force;

(g) monthly proportionate provision of debt service payments due in an accounting year and payment of debt service payments in the month when due;

(h) one-half of such remuneration, cost and expenses of the independent consultant in case GF does not reimburse the remuneration, cost and expenses of the independent consultant to HPWD within 15 (fifteen) days of receiving a statement of expenditure from HPWD;

(i) any payments and damages due and payable by GF to HPWD pursuant to the GF Concession Agreement, including, repayment of revenue shortfall loans, recovery due to reduction in the scope of work and penalty for operations and maintenance expenses incurred by HPWD; and

(j) balance in accordance with the instructions of GF.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by GF;

(b) all concession fees (including negative grant) due and payable to HPWD under the GF Escrow Agreement;

(c) all accrued debt service payment;

(d) any payments and damages due and payable by GF to HPWD pursuant to the GF Concession Agreement, including termination claims, recovery due to reduction in scope of work and repayment of revenue shortfall loans;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the GF Escrow Agreement; and

(g) balance, if any, in accordance with the instructions of GF.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to GF by HPWD in accordance with the provisions of the GF Concession Agreement. This shall not apply to appropriation in favour of senior lenders to the extent of GF Debt Due.

Change of Scope

HPWD may, notwithstanding anything to the contrary contained in the GF Concession Agreement, require the provision of such addition / deletion to the works and services on or about the GF Project Road during the construction period which are beyond the scope of the GF Project as contemplated by the GF Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% (ten per cent) of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by HPWD by an order issued in accordance with the procedure set forth in the GF Concession Agreement.

Compensation for breach of the GF Concession Agreement

Compensation for breach by GF

Subject to the provisions of the GF Concession Agreement, in the event of GF being in material default of the GF Concession Agreement, it shall pay to HPWD as compensation, all direct additional costs suffered or incurred by HPWD arising out of such material default by GF, in one lump sum within 30 (thirty) days of receiving the demand or at GF's option in 3 (three) equal semi-annual installments with interest.

Compensation for breach by HPWD

Subject to the provisions of the provisions of GF Concession Agreement, in the event of HPWD being in material default of the GF Concession Agreement, it shall pay to GF as compensation, all direct additional costs suffered or incurred by GF arising out of such material default by HPWD, in one lump sum within 30 (thirty) days of receiving the demand or at HPWD's option in 3 (three) equal semi-annual installments with interest.

Termination

Termination by HPWD

In the event of any breach or default by GF under the GF Concession Agreement, including any GF Default (as defined below) and if GF has failed to cure such breach or default within the period provided for the same in the GF Concession Agreement, then HPWD shall be entitled to terminate the GF Concession Agreement by a communication in writing to GF provided that before issuing the termination notice, HPWD shall by a notice in writing inform GF of its intention to issue the termination notice and grant 15 (fifteen) days to GF to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, HPWD in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by GF ("**GF Default**") unless such GF Default has occurred as a result of HPWD Default (as defined below) or a force majeure event:

(a) GF fails to achieve financial close in accordance with the provisions of the GF Concession Agreement;

(b) GF fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the GF Concession Agreement and also fails to cure such default within 180 (one hundred and eighty) days from the date of its occurrence;

(c) GF is in material breach of the GF Concession Agreement;

(d) GF commits default in complying with any of the terms and conditions of the GF Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from HPWD which shall

(i) require GF to remedy the breaches within one month (or such longer period as may be agreed by HPWD in its absolute discretion); or

(ii) permit GF to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) GF creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the GF Concession Agreement;

(f) the shareholding of the consortium members falls below the minimum prescribed requirement under the GF Concession Agreement and GF does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, of either (i) the rights and/or obligations of GF under any of the project agreements, or (ii) all or material parts of the assets or undertaking of GF except where such transfer in the reasonable opinion of HPWD does not affect the ability of GF to perform, and GF has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of GF for the voluntary winding up of GF;

(i) GF is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for GF or for any of its property that has a material bearing on the GF Project;

(j) any petition for winding up of GF is admitted by a court of competent jurisdiction or GF is ordered to be wound up by a court except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of GF are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of GF under the GF Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the GF Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the GF Concession Agreement and the project agreements and has a credit worthiness at least as good as that of GF as at the financial close; and

(iii) each of the project agreements remains in full force and effect;

(k) GF is in material breach of any of the project agreements;

(l) an event of default of GF under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) GF abandons the operations of the GF Project Road for more than 15 (fifteen) consecutive days without the prior consent of HPWD, provided GF shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by HPWD;

(n) GF repudiates the GF Concession Agreement or otherwise evidences an intention not to be bound by the GF Concession Agreement;

(o) GF suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the GF Project and allows it to be continued for a period of 15 (fifteen) days;

(p) GF has delayed any payment that has fallen due under the GF Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) GF is in breach of its obligation to repay the revenue shortfall loans in accordance the GF Concession Agreement.

Termination by GF

GF is entitled to terminate the GF Concession Agreement upon a 90 (ninety) days' written notice to HPWD upon the occurrence and continuation of any of the following events (each a "**HPWD Default**") unless any such HPWD Default has occurred as a result of GF Default or due to a force majeure event:

(a) HPWD is in breach of the GF Concession Agreement and such breach has a material adverse effect on GF and HPWD fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from GF;

(b) HPWD repudiates the GF Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the GF Concession Agreement;

(c) the Government of Haryana or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by GF and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by HPWD in this behalf from GF; or

(d) HPWD has delayed any payment that has fallen due under the GF Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the GF Concession Agreement becomes due and payable to GF by HPWD within 30 (thirty) days of a demand being made by GF with the necessary particulars duly certified by the statutory auditors. If HPWD fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest at the rate of 14% (fourteen per cent) for the period of delay on such amount.

Upon termination by GF on account of HPWD Default, GF shall be entitled to receive from HPWD by way of termination payment a sum equal to:

(a) The total GF Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the GF Concession Agreement) if such termination occurs at any time during three years commencing from the GF Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the office of the economic advisor. Ministry of Commerce and Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination by HPWD on account of GF Default during the operations period, HPWD shall pay to GF by way of termination payments an amount equal to 90% (ninety percent) of the GF Debt Due less insurance claims, if any, provided, however that if all or any of the insurance claims are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of the GF Debt Due.

Supplementary Agreement between GF and HPWD

GF has entered into a supplementary agreement to the GF Concession Agreement, with HPWD dated November 27, 2009, in relation to the delay and amount of damages to be paid by GF for delay in achievement of financial closure under the GF Concession Agreement. Through the said supplementary agreement, HPWD had extended the date of financial closure as requested by GF and GF has agreed to deposit a sum of Rs. 3.8 million (Rs. 0.2 million per week) for delay of 19 weeks from scheduled date of July 30, 2009 to the intended date of December 7, 2009.

3. Concession Agreement between NHAI and JR Toll Road Private Limited ("JR") dated February 19, 2010

JR has entered into a concession agreement to augment the existing road from Km 246.300 to Km 298.075, Jaipur Reengus section of NH-11 in the state of Rajasthan on design, build, finance, operate and transfer ("**DBFOT**") basis (the "**JR Concession Agreement**", for a period of 18 (eighteen) years, from August 14, 2010 ("**JR Appointed Date**") or such date on which the JR Concession Agreement is terminated pursuant to the provisions of the JR Concession Agreement or termination notice ("**JR Termination Date**", and the period between the JR Appointed Date and the JR Termination Date, the "**JR Concession Period**").

Certain Definitions

"**Change in Ownership**" shall mean a transfer of the direct and/or indirect legal or beneficial ownership of any shares, or securities convertible into shares, that causes the aggregate holding of the consortium members, together with their associates, in the total equity to decline (i) below 51% (fifty one percent) thereof during construction period (ii) 33% (thirty three per cent) thereof during a period of 3 (three) years following commercial operations date, and (iii) 26% (twenty six per cent) thereof, or such lower proportion as may be permitted by NHAI during the remaining JR Concession Period; provided that any material variation (as compared to the representations made by JR during the bidding process for the purposes of meeting the minimum conditions of eligibility or for evaluation of its application or bid, as the case may be,) in the proportion of the equity holding of any consortium member to the total equity, if it occurs prior to the commercial operations date, shall constitute Change in Ownership.

"**JR Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees outstanding on the JR Termination Date:

(a) the principal amount of the debt provided by the senior lenders under the financing agreements for financing the total project cost (the "**JR Principal**") but excluding any part of the JR Principal that had fallen due for repayment two years prior to the JR Termination Date;

(b) all accrued interest, financing fees and charges payable under the financing agreements on, or in respect of, the debt referred to in clause (a) above until the JR Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the JR Termination Date, (ii) any penal interest or charges payable under the financing agreements to any senior lender, and (iii) any pre-payment charges in relation to accelerated repayment of debt except where such charges have arisen due to NHAI Default (as defined hereinbelow); and

(c) any subordinated debt which is included in the financial package and disbursed by lenders for financing the total project cost;

provided that if all or any part of the JR Debt Due is convertible into equity at the option of the senior lenders and/or JR, it shall for the purposes of the JR Concession Agreement be deemed to be JR Debt Due even after such conversion and the JR Principal thereof shall be dealt with as if such conversion had not been undertaken.

"**JR PCUs**" shall have the meaning ascribed to a passenger car unit in the Indian Roads Congress Publication No. IRC-64, 1990 or any substitute or modification thereof and when used in the JR Concession Agreement, shall include only motorized vehicles liable to payment of user charges at the toll plazas in accordance with the National Highways Fee (Determination of Rates and Collection) Rules, 2008, and the exempted vehicles specified therein, but does not include tractors, motor cycles and non-motorized vehicles;

"**JR Project**" shall mean the construction, operation and maintenance of the JR Project Highway in accordance with the provisions of the JR Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the JR Project;

"**JR Project Assets**" shall mean all physical and other assets relating to and forming part of the site including (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre-stones, toll plazas, electrical systems, communication systems, rest areas, relief centres, maintenance depots and administrative offices (iii) project facilities situated on the site (iv) all the rights of JR under the JR project agreements, (v) financial assets, such as receivables, security deposits etc. (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the JR Project Highway, but does not include facilities which are not located on the site of the project but which are provided or procured by JR, at its own discretion, for the benefit of users of the JR Project Highway; and

"**JR Project Highway**" shall mean the site comprising the existing road comprising NH-11 from Km 246.300 to Km 298.075 and all JR Project Assets and its subsequent development and augmentation in accordance with the JR Concession Agreement.

Grant of Concession

Subject to and in accordance with the provisions of the JR Concession Agreement, the applicable laws and the applicable permits, NHAI has granted to JR the concession including the exclusive right, license and authority to construct, operate and maintain the JR Project for a period of 18 (eighteen) years commencing from the JR Appointed Date. JR has accepted the concession and agreed to implement the JR Project subject to and in accordance with the terms and conditions set forth in the JR Concession Agreement.

Further, JR is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the JR Concession Agreement:

(a) right of way, access and license to the site for the purpose of and to the extent conferred by the provisions of the JR Concession Agreement;

(b) finance and construct the JR Project Highway;

(c) manage, operate and maintain the JR Project Highway and regulate the use thereof by third parties;

(d) demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the JR Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(e) perform and fulfil all of JR's obligations under and in accordance with JR Concession Agreement;

(f) bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations under JR Concession Agreement; and

(g) not assign, transfer, sublet or create any lien or encumbrance on JR Concession Agreement, or the concession granted by way of the JR Concession Agreement on the whole or any part of the JR Project Highway nor transfer, lease or part possession therewith, save and except as expressly permitted by the JR Concession Agreement or the substitution agreement.

Fees

On and from the commercial operations date, JR shall have the sole and exclusive right to demand, collect and appropriate fees from the users of the JR Project Highway pursuant to the JR Concession Agreement and the National Highways Fee (Determination of Rates and Collection) Rules, 2008. In accordance with the terms of the JR Concession Agreement, JR shall not collect any fees in relation to exempted vehicles. The fees shall ordinarily be collected at the toll plazas in accordance with the JR Concession Agreement. The fees collected by JR shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the JR Concession Agreement.

Grant

NHAI has provided to JR, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 1029.00 million, in accordance with the provisions of the JR Concession Agreement (the "**JR Grant**"). The JR Grant was disbursed to JR by way of equity support in accordance with the provisions of the JR Concession Agreement. The JR Grant was credited to the escrow account and was applied by JR for meeting the capital cost of the JR Project.

Concession Fee

In consideration of the grant of concession, the JR shall pay to NHAI by way of concession fee a sum of Re. 1 (Rupee one) per annum.

Escrow Account

JR shall, prior to the JR Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the JR Project Highway costs shall be credited to such escrow account. All fees and any other revenues from or in respect of the JR Project Highway, including the proceeds of any deposits, capital receipts or insurance claims collected by JR from the users of the JR Project Highway shall be deposited therein. In addition, all payments made by NHAI after deduction of any outstanding concession fee by NHAI under the JR Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account during the Concession Period

JR shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated January 25, 2011 ("**JR Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by JR for and in respect of JR Project Highway;

(b) all payments relating to construction of the JR Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

(c) operation and maintenance expenses, subject to the ceiling, if any, set forth in the financing agreements;

(d) operation and maintenance expenses incurred by NHAI, provided it certifies to the escrow bank that it had incurred such expenses in accordance with the provisions of JR Concession Agreement and that the amounts claimed are due to it from JR;

(e) concession fee due and payable to NHAI;

(f) monthly proportionate provision of debt service due in an accounting year;

(g) all payments and damages certified by NHAI as due and payable to it by JR pursuant to the JR Concession Agreement, including repayment of revenue shortfall loans;

(h) monthly proportionate provision of debt service payments due in an accounting year in respect of subordinated debt;

(i) any reserve requirements set forth in the financing agreements; and

(j) balance, if any, in accordance with the instructions of JR.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by JR for and in respect of the JR Project Highway;

(b) 90% (ninety per cent) of JR Debt Due excluding subordinated debt;

(c) outstanding concession fee;

(d) all payments and damages certified by NHAI as due and payable to it by JR pursuant to the JR Concession Agreement, including premium, repayment of revenue shortfall loans and any claims in connection with or arising out of termination;

(e) retention and payments arising out of, or in relation to, the liability for defects and deficiencies set forth in the JR Concession Agreement;

(f) outstanding debt service including the balance of JR Debt Due;

(g) outstanding subordinated debt;

(h) incurred or accrued operations and maintenance expenses;

(i) any other payments required to be made under the JR Concession Agreement; and

(j) balance, if any, in accordance with the instructions of JR.

Further, no appropriation of termination payments can be made towards the balance amount specified in point (j) above, from the escrow account upon termination until the vesting certificate has been issued to JR by NHAI in accordance with the provisions of the JR Concession Agreement.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the JR Concession Agreement, require the provision of additional works and services which are not included in the scope of the JR Project as contemplated by the JR Concession Agreement. Any such change of scope shall be made in accordance with the provisions of the JR Concession Agreement and the costs thereof shall be expended by JR and reimbursed to it by NHAI in accordance with the JR Concession Agreement.

If JR determines at any time that a change of scope is necessary for providing safer and improved services to the users, it shall by notice in writing require NHAI to consider such change of scope. NHAI shall, within 15 (fifteen) days of receipt of such notice, either accept such change of scope with modifications, if any, and initiate proceedings therefor in accordance with the JR Concession Agreement or inform JR in writing of its reasons for not accepting such change of scope.

Reduction in the Scope of Work

If JR shall have failed to complete any construction works on account of force majeure or for reasons solely attributable to NHAI, NHAI may, in its discretion, require JR to pay 80% (eighty percent) of the sum saved therefrom, and upon such payment to NHAI, the obligations of JR in respect of such works shall be deemed to have been fulfilled. The liability of NHAI shall not extend beyond waiver of the aforesaid 80% (eighty per cent).

Change in Ownership

JR shall not undertake or permit any Change in Ownership, except with the prior approval of NHAI.

Notwithstanding anything to the contrary contained in the JR Concession Agreement, JR has agreed and acknowledged that (a) all acquisitions of equity by an acquirer, either by himself or with any person acting in concert, directly or indirectly, including by transfer of the direct or indirect legal or beneficial ownership or control of any equity, in aggregate of not less than 15% (fifteen percent) of the total equity of JR or (b) acquisition of any control directly or indirectly of the board of directors of JR by any person either by himself or together with any person or persons acting in concert with him shall constitute a Change in Ownership requiring prior approval of NHAI from national security and public interest perspective, the decision of NHAI in this behalf being final, conclusive and binding on JR, and undertakes that it shall not give effect to any such acquisition of equity or control of the board of directors of JR without such prior approval of NHAI.

Further, JR has represented and warranted to NHAI that it shall at no time undertake or permit any Change in Ownership except in accordance with the provisions of the JR Concession Agreement and that the consortium members, together with their associates, hold not less than 51% (fifty-one percent) of its issued and paid up equity as on the date of the JR Concession Agreement; and that no member of the consortium whose technical and financial capacity was evaluated for the purposes of pre-qualification and short-listing in response to the request for qualification shall hold less than 26% (twenty six percent) of such equity during the construction period.

Effect of Variation in Traffic Growth

Subject to the provisions of the JR Concession Agreement, in the event actual average traffic shall have fallen short of the target traffic by more than 2.5%, then for every 1% (one per cent) shortfall as compared to the target traffic, the JR Concession Period shall, subject to payment of concession fee in accordance with the JR Concession Agreement, be increased by 1.5% (one point five per cent) thereof; provided that such increase in JR Concession Period shall not in any case exceed 20% (twenty per cent) of the JR Concession Period.

Subject to the provisions of the JR Concession Agreement, in the event actual average traffic shall have exceeded the target traffic by more than 2.5%, then for every 1% (one per cent) excess as compared to the target traffic, the JR Concession Period shall be reduced by 0.75% (zero point seven five per cent) thereof; provided that such reduction in JR Concession Period shall not in any case exceed 10% (ten per cent) thereof.

Provided further that in lieu of a reduction in JR Concession Period under the JR Concession Agreement, JR may elect to pay, in addition to the concession fee that would be due and payable if the JR Concession Period were not reduced hereunder, a further premium equal to 25% (twenty five per cent) of the realizable fee, and upon notice given to this effect by JR no later than two years prior to the JR Termination Date contemplated by the JR Concession Agreement, NHAI shall waive the reduction in JR Concession Period hereunder forthwith.

Notwithstanding anything to the contrary contained in the JR Concession Agreement, if the average daily traffic of JR PCUs in any accounting year shall exceed the designed capacity of the JR Project Highway and shall continue to exceed the designated capacity for 3 (three) accounting years following thereafter, an indirect political event shall be deemed to have occurred and NHAI may in its discretion terminate the JR Concession Agreement by issuing a termination notice and making a termination payment under and in accordance with the provisions of the JR Concession Agreement. Provided that before issuing the termination notice, NHAI shall inform JR of its intention to issue such termination notice and grant a period of 180 (one hundred and eighty) days for making a representation, and may, after the expiry of such period, whether or not it has received such representation, in its sole discretion issue the termination notice.

If JR shall have, prior to issue of a termination notice under the provisions of the JR Concession Agreement, completed the construction works necessary for augmenting the capacity of the JR Project Highway such that its capacity shall have increased sufficiently for capacity the then current traffic in accordance with the relevant provisions of the Indian Roads Congress Publication No. IRC - 64, 1990 or any substitute thereof, the indirect political event specified in the JR Concession Agreement shall be deemed to have been cured.

Compensation for breach of the JR Concession Agreement

Compensation for breach by JR

Subject to the provisions of the JR Concession Agreement, in the event of JR being in material default or breach of the JR Concession Agreement, it shall pay to NHAI by way of compensation, all direct costs suffered or incurred by NHAI as a consequence of such material default, within 30 (thirty) days of receipt of the demand supported by necessary particulars thereof; provided that no compensation shall be payable under the provisions of the JR Concession Agreement for any breach or default in respect of which damages are expressly specified and payable under the JR Concession Agreement.

Compensation for breach by NHAI

Subject to the provisions of the provisions of JR Concession Agreement, in the event of NHAI being in material default or breach of the JR Concession Agreement at any time after the JR Appointed Date, it shall pay to JR by way of compensation, all direct costs suffered or incurred by JR as a consequence of such material default within 30 (thirty) days of receipt of the demand supported by necessary particulars thereof; provided that no such compensation shall be payable for any material breach or default in respect of which damages have been expressly specified in the JR Concession Agreement.

Termination

Termination by NHAI

In the event of JR Default (as defined below), if JR fails to cure the default within the cure period prescribed or where no cure period is specified, then within a cure period of 60 (sixty) days, NHAI shall be entitled to terminate the JR Concession Agreement, unless the default has occurred solely as a result of any breach of the JR Concession Agreement by NHAI or due to an event of force majeure, by giving a written notice informing JR of its intention to issue such termination notice and grant 15 (fifteen) days' time to JR to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. "**JR Default**", *inter alia*, includes defaults where:

(a) the performance security has been encashed and appropriated in accordance with JR Concession Agreement and JR has failed to replenish or provide fresh performance security within the prescribed cure period of 30 (thirty) days;

(b) subsequent to the replenishment of furnishing of fresh performance security in accordance with the JR Concession Agreement, JR fails to cure, within a period of 90 (ninety) days, the JR Default for which whole or part of the performance security was appropriated;

(c) JR fails to achieve the latest outstanding project milestones as prescribed in the JR Concession Agreement and continues to be in default for 90 (ninety) days;

(d) JR abandons or manifests intention to abandon the construction or operation of the JR Project Highway without the prior written consent of NHAI;

(e) the project completion date does not occur within the period specified in the JR Concession Agreement;

(f) the punch list items have not been completed within the period prescribed in the JR Concession Agreement;

(g) JR is in breach of the maintenance requirements or the safety requirements, as the case may be;

(h) JR has failed to make any payment to NHAI within the period specified in the JR Concession Agreement;

(i) an escrow default has occurred and JR fails to cure the default within a cure period of 15 (fifteen) days;

(j) upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and JR fails to cure the default within the prescribed cure period;

(k) a breach of any of the project agreements by JR has caused a material adverse effect;

(l) JR creates any encumbrance in breach of the JR Concession Agreement;

(m) JR repudiates the JR Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the JR Concession Agreement;

(n) a Change in Ownership has occurred in breach of the provisions of the JR Concession Agreement;

(o) There is transfer, pursuant to law either of (a) the rights and/or obligations of JR under any of the project agreements or of (b) all or part of the assets or undertaking of JR, and such transfer causes a material adverse effect;

(p) an execution levied on any assets of JR has caused a material adverse effect;

(q) JR is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for JR or for the whole or material part of its assets that has a material bearing on the JR Project;

(r) JR has been or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause in the reasonable opinion of NHAI, a material adverse effect;

(s) a resolution for the winding up of JR is passed, or any petition for the winding up of JR is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 (ninety) days of the date thereof or JR is ordered to be wound up by the court except for the purposes of amalgamation or reconstruction, provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of JR are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of JR under the JR Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the JR Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the JR Concession Agreement and the project agreements and has a credit worthiness at least as good as that of JR as at the JR Appointed Date; and

(iii) each of the project agreements remains in full force and effect;

(t) any representation or warranty of JR herein contained which is, as of date hereof, found to be materially false or JR is at any time hereafter found to be in breach thereof;

(u) JR submits to NHAI any statement, notice or other document in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

(v) JR has failed to fulfil any obligation, for which failure termination has been specified in the JR Concession Agreement; or

(w) JR commits a default in complying with any other provision of the JR Concession Agreement if such a default causes a material adverse effect on NHAI.

NHAI shall, if there are senior lenders, send a copy of its notice of intention to issue a termination notice to inform the lenders' representative and grant 15 (fifteen) days to the lenders' representative, for making a representation on behalf of the senior lenders stating the intention to substitute JR in accordance with the substitution agreement. In the event NHAI receives such representation on behalf of the senior lenders, it shall, in its discretion, either withhold termination for a period not exceeding 180 (one hundred and eighty) days from the date of such representation or exercise its right of suspension, as the case may be, for enabling the lenders' representative to exercise the senior lenders' right of substitution in accordance with the substitution agreement. Provided that the lenders' representative may, instead of exercising the senior lenders' right of substitution, procure that the default specified in the notice is cured within the aforesaid period of 180 (one hundred and eighty) days, and upon such curing thereof, NHAI shall withdraw its notice referred to above and restore all the rights of JR. Provided further that upon written request from the lenders representative and JR, NHAI shall extend the aforesaid period of 180 (one hundred and eighty) days by such further period not exceeding 90 (ninety) days, as NHAI may deem appropriate.

Termination by JR

In the case of NHAI Default (as defined below), if NHAI fails to cure the default within a cure period of 90 (ninety) days or such longer period as provided in the JR Concession Agreement, JR shall subject to the provisions of the substitution agreement be entitled to terminate the JR Concession agreement by giving a written notice informing NHAI of its intention to issue a termination notice and grant 15 (fifteen) days' time to NHAI to make its representation, if any, against such intended termination notice. After the expiry of the 15-day period whether or not it is in receipt of such representation, JR in its sole discretion can issue the termination notice. "**NHAI Default**" unless the default has occurred as a result of any breach of the JR Concession Agreement by JR or due to an event of force majeure, inter alia, includes defaults where:

(a) NHAI commits a material default in complying with any of the provisions of the JR Concession Agreement and such default has a material adverse effect on JR;

(b) NHAI has failed to make any payment to JR within the period specified in JR Concession Agreement;

(c) NHAI repudiates the JR Concession Agreement or otherwise take any action that amounts to or manifests an irrevocable intention not to be bound by the JR Concession Agreement; or

(d) the State of Rajasthan commits a material default in complying with the provisions of the state support agreement if such default has a material adverse effect on JR and the breach continues for a period of 90 (ninety) days from the date of notice given in this behalf by JR to NHAI.

Termination Payment

Upon termination of the JR Concession Agreement by NHAI on account of occurrence of JR Default, NHAI shall pay an amount equal to 90% (ninety per cent) of the JR Debt Due less insurance cover, if any, provided, however, that if all or any of the insurance claims forming part of the insurance cover are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of JR Debt Due.

Upon termination of the JR Concession Agreement by JR on account of occurrence of NHAI Default, NHAI shall pay to JR, by way of termination payments, an amount equal to (i) JR Debt Due and (ii) 150% (one hundred and fifty per cent) of the adjusted equity.

Termination payment shall become due and payable to JR within 15 (fifteen) days of a demand being made by JR to NHAI with the necessary particulars, and in the event of any delay, NHAI shall pay interest at a rate equal to 3% (three percent) above the bank rate on the amount of termination payment remaining unpaid; provided that such delay shall not exceed 90 (ninety) days.

Supplementary Agreement between JR and NHAI

JR has entered into a supplementary agreement to the JR Concession Agreement, with NHAI dated July 5, 2013, in relation to *inter alia* issuance of provisional certificate for construction of part length of the JR Project as the JR Project Highway could not be completed owing to the non-fulfillment of certain obligations of both parties, on acquisition of land and the delays caused were beyond the control of both parties. The terms of the supplementary agreement *inter alia* state that, (i) the commercial operation date of the part length of the JR Project shall be the date on which the independent engineer issues the provisional completion certificate for the part length i.e. 48.00 Km and JR will be allowed to collect toll for this completed reach of 48.00 Km, (ii) JR shall complete the punch list items in 90 (ninety) days as per the provisions of the JR Concession Agreement and the works in the balance length of 4.65 Km of stretch of the JR Project Highway within the appropriate period as determined by the independent engineer; (iii) that there shall be no claims, whatsoever by both the parties for aforesaid delays and extension of scheduled project completion date; (iv) that JR shall not claim for any loss inclusive of escalation, if any, arising out of extension of the construction period; and (v) that both JR and NHAI have agreed that there shall not be any extension of the concession period.

4. Concession Agreement between NHAI and NK Toll Road Limited ("NK") dated January 30, 2006

NK has entered into a concession agreement for widening of the existing 2 lane portion from Km 258.645 (End of Namakkal Bypass) to Km 292.600 (Start of Karur Bypass), covering 33.48 Kms on NH-7 in the state of Tamil Nadu to 4 lanes and improvement, operation and maintenance of Km 248.625 (start of the proposed flyover on Namakkal Bypass) to Km 258.645 (end of Namakkal Bypass) on NH-7 on build, operate and transfer ("**BOT**") basis (the "**NK Concession Agreement**", for a period of 20 (twenty) years, from July 29, 2006 ("**NK Appointed Date**") or such date on which the NK Concession Agreement is terminated pursuant to the provisions of the NK Concession Agreement or termination notice ("**NK Termination Date**", and the period between the NK Appointed Date and the NK Termination Date, the "**NK Concession Period**").

Certain Definitions

"**NK Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of the debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing agreements for financing the NK Project (the "**NK Principal**") which is outstanding as on the NK Termination Date but excluding any part of the NK Principal that had fallen due for repayment one year prior to the NK Termination Date unless such repayment has been rescheduled with the prior consent of NHAI; and

(b) all accrued interest, financing fees and charges payable under the financing agreements on, or in respect of, the debt referred to in clause (a) above up to the date preceding the NK Termination Date but excluding (i) above up to the date preceding the NK Termination Date; and (ii) penal interest or charges, payable under the financing documents to any senior lender;

"**NK Debt Service Payments**" shall mean the sum of all principal and interest payments due and payable in an accounting year to the senior lenders under the financing documents

"**NK Project**" shall mean the development, design, financing, procurement, engineering and construction, operation and maintenance of the NK Project Highway in accordance with the provisions of the NK Concession Agreement and includes all works relating to or in respect of the NK Project Highway as described under the provisions of the NK Concession Agreement;

"**NK Project Assets**" shall mean all physical and other assets relating to and forming part of the NK Project Highway including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the NK Project Highway, telephone and other communication systems and other equipment for the NK Project, rest areas, relief centres etc.(iii) project facilities situated on the site (iv) the rights of NK under the NK project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the NK Project Highway, but does not include facilities which are not located on the site of the project but which are provided or procured by NK, at its own discretion, for the benefit of users of the NK Project Highway; and

"**NK Project Highway**" shall mean the NH-7 stretch from Km 248.625 to Km 292.600 and includes (i) widening the existing 2 lane portion from Km 258.645 to Km 292.600 covering 33.48 Kms on NH-7 in the State of Tamil Nadu, to 4 lanes and (ii) improvement, operations and maintenance of Km 248.625 to Km 258.645 in the State of Tamil Nadu, to 4 lanes and shall include the NK Project Assets and the project facilities to be designed, engineered, built and improved on site and to be operated and maintained during the NK Concession Period in accordance with the provisions of the NK Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the NK Concession Agreement, NHAI has granted to NK and NK has accepted the concession for a period of 20 (twenty) years commencing from the NK Appointed Date, including the exclusive right, license and authority during the subsistence of the NK Concession Agreement to implement the NK Project and the concession in respect of the NK Project Highway.

Further, NK is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the NK Concession Agreement:

(a) to develop, design, engineer, finance, procure, construct, operate and maintain the NK Project Highway during the NK Concession Period;

(b) manage, operate and maintain the NK Project Highway and regulate the use thereof by third parties;

(c) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the NK Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(d) perform and fulfil all of the obligations under and in accordance with NK Concession Agreement;

(e) bear and pay all costs, expenses and charges in connection with or incidental to the performance of NK's obligations under NK Concession Agreement; and

(f) not assign or create any lien or encumbrance on the concession granted by way of the NK Concession Agreement on the whole or any part of the NK Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the NK Concession Agreement or the substitution agreement.

Further, NK has represented and warranted to NHAI that the equity shareholding of Reliance Energy Limited and their associates in the issued and paid up equity share capital of NK shall not be less than (a) 51% (fifty one percent) during the construction period and for 3 (three) years following the commercial operations date and (b) 26% (twenty six percent) during the balance remaining operations period.

Fees

NK shall be entitled to, during the operations period, to levy, collect and appropriate the fees from the users of the NK Project Highway at one toll plaza pursuant to and in accordance with the provisions in the NK Concession Agreement. In accordance with the terms of the NK Concession Agreement, NK shall not collect any fees in relation to exempted vehicles. The fees collected by NK shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the NK Concession Agreement

Grant

NHAI has provided to NK, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 240.00 million, in accordance with the provisions of the NK Concession Agreement (the " NK **Grant**"). The NK Grant was disbursed to NK by way of equity support in accordance with the provisions of the NK Concession Agreement. The NK Grant was credited to the escrow account and was applied by NK for meeting the capital cost of the NK Project.

Concession Fee

In consideration of the grant of concession under the NK Concession Agreement, the concession fee payable by NK to NHAI shall be Re. 1 per year during the term of the NK Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

NK shall within 60 days from the date of the NK Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the total project cost shall be credited to such escrow account. During operations period all fees collected by NK from the users of the NK Project Highway shall be deposited therein. In addition, all fees collected by NHAI in exercise of its rights under the NK Concession Agreement during the NK Concession Period and all disbursements or payments by NHAI pursuant to the NK Concession Agreement shall also, subject to the rights of deductions and appropriations therefrom of NHAI under the NK Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account during the Concession Period

NK shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated January 6, 2017 ("**NK Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

(a) all taxes due and payable by NK;

(b) all expenses in connection with and relevant to the construction of the NK Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by NK directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

(d) the whole of the expense on completion of punch list items incurred by NHAI and two times such expenses subject to a minimum of Rs. 1,000,000 (Rupees one million) in case the punch list items are not completed by NK within 120 days from the issue of provisional completion certificate in accordance with the specifications and standards and as detailed in the NK Concession Agreement;

(e) the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI, and 1.25 times of the operation and maintenance expenses incurred by the NHAI, if any, in the event of repair and maintenance work being carried out by the NHAI (pursuant to the failure on part of NK in doing so) to maintain and/or repair the NK Project Highway or a part thereof up to and in accordance with the specifications and standards and/or failure on part of NK to commence remedial woks within 30 (thirty) days of receipt of notice in this regard from NHAI or the independent consultant, if any, including those on account of exercise of any of its rights under the NK Concession Agreement provided NHAI certifies to the escrow agent that NHAI had incurred expenses in accordance with the provisions of the NK Escrow Agreement;

(f) all concession, fees and negative grant payments due to NHAI from NK under the NK Escrow Agreement;

(g) monthly proportionate provision of NK Debt Service Payments due in an accounting year and payment of NK Debt Service Payments in the month when due;

(h) reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise NK's responsibility, on account of failure on part of NK to keep such insurance(s) effective and in force;

(i) one-half of such remuneration, cost and expenses of the independent consultant in case NK does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 (fifteen) days of receiving a statement of expenditure from NHAI;

(j) any payments and damages due and payable by NK to NHAI pursuant to the NK Escrow Agreement, including recovery due to reduction in the scope of work and repayment of revenue shortfall loans; and

(k) balance in accordance with the instructions of NK.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by NK;

(b) all concession fees (including negative grants) due and payable to NHAI under the NK Concession Agreement;

(c) all accrued NK Debt Service Payments;

(d) any payments and damages due and payable by NK to NHAI pursuant to the NK Concession Agreement, including termination claims, recovery due to reduction in scope of work and repayment of revenue shortfall loans;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the NK Concession Agreement; and

(g) balance, if any, in accordance with the instructions of NK.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the NK Concession Agreement, require the provision of such addition / deletion to the works and services on or about the NK Project Highway which are beyond the scope of the NK Project as contemplated by the NK Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% (ten per cent) of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the NK Concession Agreement.

Compensation for breach of the NK Concession Agreement

Compensation for breach by NK

Subject to the provisions of the NK Concession Agreement, in the event of NK being in material default of the NK Concession Agreement and such default is cured before termination, NK shall pay to NHAI as compensation, all direct additional costs suffered or incurred by NHAI arising out of such material default by NK, in one lumpsum within 30 (thirty) days of receiving the demand or at the NK's option in 3 (three) equal semi-annual installments with interest.

Compensation for breach by NHAI

Subject to the provisions of the NK Concession Agreement, in the event of NHAI being in material default of the NK Concession Agreement and such default is cured before termination, NHAI shall pay to NK as compensation, all direct additional costs suffered or incurred by NK arising out of such material default by NHAI, in one lumpsum within 30 (thirty) days of receiving the demand or at the NHAI's option in 3 (three) equal semi-annual installments with interest.

Termination

Termination by NHAI

In the event of any breach or default by NK under the NK Concession Agreement, including any NK Default (as defined below) and if NK has failed to cure such breach or default within the period provided for the same in the NK Concession Agreement, then NHAI shall be entitled to terminate the NK Concession Agreement by a communication in writing to NK provided that before issuing the termination notice, NHAI shall by a notice in writing inform NK of its intention to issue the termination notice and grant 15 (fifteen) days to NK to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by NK (an "**NK Default**") unless such NK Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

(a) NK fails to achieve financial close in accordance with the provisions of the NK Concession Agreement;

(b) NK fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the NK Concession Agreement and also fails to cure such default within 180 days from the date of its occurrence;

(c) NK is in material breach of the NK Concession Agreement;

(d) NK commits default in complying with any of the terms and conditions of the NK Concession Agreement, save and except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from NHAI which shall

(i) require NK to remedy the breaches within one month (or such longer period as may be agreed by NHAI in its absolute discretion); or

(ii) permit NK to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) NK creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the NK Concession Agreement;

(f) the shareholding of Reliance Energy Limited and its associates falls below the minimum prescribed requirement under the NK Concession Agreement and NK does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, of either (i) the rights and/or obligations of NK under the project agreements, or (ii) all or material parts of the assets or undertaking of NK except where such transfer in the reasonable opinion of NHAI does not affect the ability of NK to perform, and NK has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of NK for the voluntary winding up of NK;

(i) NK is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for NK or for any of its property that has a material bearing on the NK Project;

(j) any petition for winding up of NK is admitted by a court of competent jurisdiction or NK is ordered to be wound up by a court except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of NK are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of NK under the NK Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the NK Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the NK Concession Agreement and the project agreements and has a credit worthiness at least as good as that of NK as at the financial close; and

(iii) each of the project agreements remains in full force and effect;

(k) NK is in material breach of any of the project agreements;

(l) an event of default of NK under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) NK abandons the operations of the NK Project Highway for more than 15 (fifteen) consecutive days without the prior consent of NHAI, provided NK shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by NHAI;

(n) NK repudiates the NK Concession Agreement or otherwise evidences an intention not to be bound by the NK Concession Agreement;

(o) NK suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the NK Project and allows it to be continued for a period of 15 (fifteen) days;

(p) NK has delayed any payment that has fallen due under the NK Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) NK is in breach of its obligation to repay the revenue shortfall loans in accordance the NK Concession Agreement.

Termination by NK

NK is entitled to terminate the NK Concession Agreement upon a 90 (ninety) days' written notice to NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of NK Default or due to a force majeure event:

(a) NHAI is in breach of the NK Concession Agreement and such breach has a material adverse effect on NK and NHAI fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from NK;

(b) NHAI repudiates the NK Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the NK Concession Agreement;

(c) the Government of India or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by NK and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by NHAI in this behalf from NK; or

(d) NHAI has delayed any payment that has fallen due under the NK Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the NK Concession Agreement becomes due and payable to NK by NHAI within 30 (thirty) days of a demand being made by NK with the necessary particulars duly certified by the statutory auditors. If NHAI fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the NK Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination by NK on account of an NHAI Default, NK shall be entitled to receive from NHAI by way of termination payment a sum equal to:

(a) The total NK Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the NK Concession Agreement) if such termination occurs at any time during three years commencing from the NK Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination of the NK Concession Agreement by NHAI on account of occurrence of NK Default during the operations period, NHAI shall pay to NK by way of termination payment an amount equal to 90% (ninety per cent) of the NK Debt Due less insurance cover, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% of such unpaid claims shall qualify for being included in the computation of NK Debt Due.

Supplementary Agreements between NK and NHAI

NK has entered into a supplementary agreement to the NK Concession Agreement, with NHAI dated March 6, 2014, in relation to the change in the provisions in relation to the procedure of arbitration. Under the terms of supplementary agreement, any previous arbitration commenced by either party shall be subject to the amended procedure of arbitration.

5. Concession Agreement between NHAI and SU Toll Road Private Limited ("SU") dated July 19, 2007

SU has entered into a concession agreement for the strengthening and maintenance of the existing carriageway from Km 0.313 to Km 136.670, on the Salem – Ulundurpet section of NH-68 in the state of Tamil Nadu and widening thereof to 4 lanes on build, operate and transfer ("**BOT**") basis (the "**SU Concession Agreement**", for a period of 25 (twenty five) years, from January 15, 2008 ("**SU Appointed Date**") or such date on which the SU Concession Agreement is terminated pursuant to the provisions of the SU Concession Agreement or termination notice ("**SU Termination Date**", and the period between the SU Appointed Date and the SU Termination Date, the "**SU Concession Period**").

Certain Definitions

"**SU Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of the debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing documents for financing the SU Project (the "**SU Principal**") which is outstanding as on the SU Termination Date but excluding any part of the SU Principal that had fallen due for repayment one year prior to the SU Termination Date unless such repayment has been rescheduled with the prior consent of NHAI; and

(b) all accrued interest, financing fees and charges payable on, or in respect of, the debt referred to in clause (a) above up to the date preceding the SU Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the SU Termination Date; and (ii) penal interest or charges, payable under the financing documents to any senior lender;

"**SU Debt Service Payments**" means the sum of all principal and interest payments due and payable in an accounting year to the senior lenders under the financing documents;

"**SU Project**" shall mean the design, engineering, finance, construction, improvement, operation and maintenance of the SU Project Highway in accordance with the provisions of the SU Concession Agreement and includes all works relating to or in respect of the SU Project Highway as described under the provisions of the SU Concession Agreement;

"**SU Project Assets**" shall mean all physical and other assets relating to and forming part of the SU Project Highway including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the SU Project Highway, telephone and other communication systems and other equipment for the SU Project, rest areas, relief centres etc.(iii) project facilities situated on the site (iv) the rights of SU under the SU project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the SU Project Highway, but does not include facilities which are not located on the site of the project but which are provided by SU, at its own discretion, for the benefit of users of the SU Project Highway; and

"**SU Project Highway**" shall mean the strengthening and maintenance of the existing carriageway of NH-68 from Km 0.313 to Km 136.670 in the State of Tamil Nadu and widening it to 4 lanes and shall include the SU Project Assets and the project facilities including work added through the change of scope or through value addition to be designed, engineered, built and improved on site and to be operated and maintained during the SU Concession Period in accordance with the provisions of the SU Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the SU Concession Agreement, NHAI has granted to SU and SU has accepted the concession for a period of 25 (twenty five) years commencing from the SU Appointed Date, including the exclusive right, license and authority during the subsistence of the SU Concession Agreement to implement the SU Project and the concession in respect of the SU Project Highway.

Further, SU is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the SU Concession Agreement:

(a) right of way, access and license to the site for the purpose of and to the extent conferred by the provisions of the SU Concession Agreement;

(b) to develop, design, engineer, finance, procure, construct, operate and maintain the SU Project Highway during the SU Concession Period;

(c) Upon the completion of the SU Project Highway and during the operations period to manage, operate and maintain the SU Project Highway and regulate the use thereof by third parties;

(d) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the SU Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(e) perform and fulfil all of the obligations under and in accordance with SU Concession Agreement;

(f) bear and pay all costs, expenses and charges incurred in the fulfillment of all the obligations under the SU Concession Agreement; and

(g) not assign or create any lien or encumbrance on the concession granted by way of the SU Concession Agreement on the whole or any part of the SU Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the SU Concession Agreement or the substitution agreement.

The aggregate equity shareholding of Reliance Energy Limited and its associates as the case may be in the issued and paid up equity share capital of SU shall not be less than (a) 51% (fifty-one percent) during the construction period and for 3 (three) years following commercial operation date, and (b) 26% (twenty six percent) during the balance remaining operations period.

SU shall provide 8 (eight) bypasses in the SU Project. After a period of 8 (eight) years from the commercial operation date, all the bypasses including related structures on them shall be widened to four lane configuration by SU. Such work of 4-laning the bypasses should be completed satisfactorily before the 11th anniversary of the commercial operation date. In case of default, material breach of the contractual obligation by SU shall be considered by NHAI thereby the SU Concession Agreement shall be accordingly terminated. However, if SU desires, it can construct four lane bypasses including related structures at any time before the 8 (eight) years period from the commercial operation date.

Fees

SU shall be entitled to, during the operations period, to levy, collect and appropriate the fees from the users of the SU Project Highway pursuant to and in accordance with the fee notification and the provisions in the SU Concession Agreement. In accordance with the terms of the SU Concession Agreement, SU shall not collect any fees in relation to exempted vehicles. The fees collected by SU shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the SU Concession Agreement

Grant

NHAI has provided SU, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 3,660.50 million, in accordance with the provisions of the SU Concession Agreement (the "**SU Grant**"). The SU Grant of Rs. 2,122.6 million was disbursed to SU by way of equity support in accordance with the provisions of the SU Concession Agreement and credited to the escrow account by SU for meeting the capital cost of the SU Project. The balance SU Grant of Rs. 1,537.9 is payable as operation and maintenance expenses out of which Rs. 1,354 million has been credited to the escrow account for meeting the operations and maintenance expenses. The balance amount of operation and maintenance support outstanding Rs. 183.9 million.

Concession Fee

In consideration of the grant of concession under the SU Concession Agreement, the concession fee payable by SU to NHAI shall be Re. 1 per year during the term of the SU Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

SU shall at least 60 days from the date of the SU Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the SU Project cost shall be credited to such escrow account. During operations period all fees collected by SU from the users of the SU Project Highway shall be deposited therein. In addition, all disbursements or payments by NHAI pursuant to the SU Concession Agreement shall subject to the rights of deductions and appropriations therefrom of NHAI under the SU Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account during the Concession Period

SU shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated March 9, 2017 ("**SU Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by SU;

(b) all expenses in connection with and relevant to the construction of SU Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by SU directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

(d) the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI on account of exercise of any of its rights and obligations under the SU Concession Agreement;

(e) all concession fees and negative grants payments due to NHAI from SU under the SU Concession Agreement;

(f) reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise SU's responsibility, on account of failure on part of SU to keep such insurance(s) effective and in force;

(g) monthly proportionate provision of SU Debt Service Payments due in an accounting year and payment of SU Debt Service Payments in the month when due;

(h) one-half of such remuneration, cost and expenses of the independent consultant in case SU does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 (fifteen) days of receiving a statement of expenditure from NHAI;

(i) any payments and damages due and payable by SU to NHAI pursuant to the SU Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in the scope of work and penalty for operations and maintenance expenses incurred by NHAI; and

(j) balance in accordance with the instructions of SU.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by SU;

(b) all concession fees (including negative grant) due and payable to NHAI under the SU Concession Agreement;

(c) all accrued SU Debt Service Payments;

(d) any payments and damages due and payable by SU to NHAI pursuant to the SU Concession Agreement, including termination claims, recovery due to reduction in scope of work and repayment of revenue shortfall loans;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the SU Concession Agreement; and

(g) balance, if any, in accordance with the instructions of SU.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to SU by NHAI in accordance with the provisions of the SU Concession Agreement. This shall not apply to appropriation in favour of senior lenders to the extent of SU Debt Due.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the SU Concession Agreement, require the provision of such addition / deletion to the works and services on or about the SU Project Highway which are beyond the scope of the SU Project as contemplated by the SU Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the SU Concession Agreement.

Compensation for breach of the SU Concession Agreement

Compensation for breach by SU

Subject to the provisions of the SU Concession Agreement, in the event of SU being in material default of the SU Concession Agreement and such default is cured before termination, SU shall pay to NHAI as compensation, all direct additional costs suffered or incurred by NHAI arising out of such material default by SU, in one lumpsum within 30 (thirty) days of receiving the demand or at the SU’s option in 3 (three) equal semi-annual installments with interest.

Compensation for breach by NHAI

Subject to the provisions of the SU Concession Agreement, in the event of NHAI being in material default of the SU Concession Agreement and such default is cured before termination, NHAI shall pay to SU as compensation, all direct additional costs suffered or incurred by SU arising out of such material default by NHAI, in one lumpsum within 30 (thirty) days of receiving the demand or at the NHAI's option in 3 (three) equal semi-annual installments with interest.

Termination

Termination by NHAI

In the event of any breach or default by SU under the SU Concession Agreement, including any SU Default (as defined below) and if SU has failed to cure such breach or default within the period provided for the same in the SU Concession Agreement, then NHAI shall be entitled to terminate the SU Concession Agreement by a communication in writing to SU provided that before issuing the termination notice, NHAI shall by a notice in writing inform SU of its intention to issue the termination notice and grant 15 (fifteen) days to SU to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by SU ("**SU Default**") unless such SU Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

(a) SU fails to achieve financial close in accordance with the provisions of the SU Concession Agreement;

(b) SU fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the SU Concession Agreement and also fails to cure such default within 180 (one hundred and eighty) days from the date of its occurrence;

(c) SU is in material breach of the SU Concession Agreement;

(d) SU commits default in complying with any of the terms and conditions of the SU Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from NHAI which shall

   (i) requires SU to remedy the breaches within one month (or such longer period as may be agreed by NHAI in its absolute discretion); or

   (ii) permits SU to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) SU creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the SU Concession Agreement;

(f) the shareholding of Reliance Energy Limited falls below the minimum prescribed requirement under the SU Concession Agreement and SU does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, of either (i) the rights and/or obligations of SU under the project agreements, or (ii) all or material parts of the assets or undertaking of SU except where such transfer in the reasonable opinion of NHAI does not affect the ability of SU to perform, and SU has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of SU for the voluntary winding up of SU;

(i) SU is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for SU or for any of its property that has a material bearing on the SU Project;

(j) any petition for winding up of SU is admitted by a court of competent jurisdiction or SU is ordered to be wound up by a court for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of SU are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of SU under the SU Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the SU Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the SU Concession Agreement and the project agreements and has a credit worthiness at least as good as that of SU as at the financial close; and

(iii) each of the project agreements remains in full force and effect;

(k) SU is in material breach of any of the project agreements;

(l) an event of default of SU under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) SU abandons the operations of the SU Project Highway for more than 15 (fifteen) consecutive days without the prior consent of NHAI, provided SU shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by NHAI;

(n) SU repudiates the SU Concession Agreement or otherwise evidences an intention not to be bound by the SU Concession Agreement;

(o) SU suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the SU Project and allows it to be continued for a period of 15 (fifteen) days;

(p) SU has delayed any payment that has fallen due under the SU Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) SU is in breach of its obligation to repay the revenue shortfall loans in accordance the SU Concession Agreement.

Termination by SU

SU is entitled to terminate the SU Concession Agreement upon a 90 (ninety) days' written notice to NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of SU Default or due to a force majeure event:

(a) NHAI is in breach of the SU Concession Agreement and such breach has a material adverse effect on SU and NHAI fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from SU;

(b) NHAI repudiates the SU Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the SU Concession Agreement;

(c) the Government of India or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by SU and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by NHAI in this behalf from SU; or

(d) NHAI has delayed any payment that has fallen due under the SU Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the SU Concession Agreement becomes due and payable to SU by NHAI within 30 (thirty) days of a demand being made by SU with the necessary particulars duly certified by the statutory auditors. If NHAI fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the SU Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination by SU on account of an NHAI Default, SU shall be entitled to receive from NHAI by way of termination payment a sum equal to:

(a) The total SU Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the SU Concession Agreement) if such termination occurs at any time during three years commencing from the SU Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination by NHAI on account of occurrence of SU Default during the operations period, NHAI shall pay to SU by way of termination payment an amount equal to 90% (ninety percent) of the SU Debt Due less insurance claims, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% (eighty percent) of such unpaid claims shall qualify for being included in the computation of SU Debt Due.

Supplementary Agreements between SU and NHAI

SU has entered into a supplementary agreement to the SU Concession Agreement, with NHAI dated August 29, 2013 in relation to the completion of balance works in the stretch from Km 0.313 to Km 45.765 of the SU Project Highway and specified the timeline for completion of certain encumbered items. The terms of the supplementary agreement *inter alia* state that, (i) the scheduled project completion date is extended to the actual commercial operation date of the stretch from Km 0.313 to Km 45.765; (ii) there will be no extension in the SU Concession Period; (iii) the commercial operation date of the stretch from Km 0.313 to Km 45.765 shall be the date on which the independent engineer issues the provisional completion certificate; (iv) SU shall be allowed to collect toll for the completed stretch from Km 0.313 to Km 45.765 after issue of provisional completion certificate; (v) SU has agreed to complete within a period of four months, from the date of handing over the unencumbered land for urban service road 0.90 km, 2 primary intersection, 4 second intersections, drain in encumbered land, TNEB and TWAD utility shifting work and (vi) SU has consented to absolve NHAI from any claims for damages arising out of and for delays and extension of the scheduled project completion date and has undertaken not to make any claim for any losses during the extended period of the work with effect from January 14, 2011 to actual commercial operations date.

SU has entered into a supplementary agreement to the SU Concession Agreement, with NHAI dated May 30, 2012 in relation to the completion of works in the stretch from Km 45.765 to Km 136.670 of the SU Project Highway. The terms of the supplementary agreement *inter alia* state that, (i) the scheduled project completion date is extended to the actual commercial operation date of the stretch from Km 45.765 to Km 136.670; (ii) there will be no extension in the SU Concession Period on account of this extension; (iii) the commercial operation date of the stretch from Km 45.765 to Km 136.670 shall be the date on which the independent engineer issues the provisional completion certificate; (iv) SU shall be allowed to collect toll for the completed stretch from Km 45.765 to Km 136.670 after issue of provisional completion certificate as per the provisions of the SU Concession Agreement; and (v) There shall be no claim by both the parties for the delay and extension of scheduled project completion date. SU shall not claim for any loss during the extended period.

6. Concession Agreement between NHAI and TD Toll Road Private Limited dated July 19, 2007

TD has entered into a concession agreement for the strengthening and maintenance of the existing carriageway from Km 333.000 to Km 421.600, of NH-45 in the state of Tamil Nadu and widening to 4 lanes on build, operate and transfer ("**BOT**") basis (the "**TD Concession Agreement**", for a period of 30 (thirty) years, from January 15, 2008 ("**TD Appointed Date**") or such date on which the TD Concession Agreement is terminated pursuant to the provisions of the TD Concession Agreement or termination notice ("**TD Termination Date**", and the period between the TD Appointed Date and the TD Termination Date, the "**TD Concession Period**").

Certain Definitions

"**TD Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of the debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing documents for financing the TD Project (the "**TD Principal**") which is outstanding as on the TD Termination Date but excluding any part of the TD Principal that had fallen due for repayment one year prior to the TD Termination Date unless such repayment has been rescheduled with the prior consent of NHAI; and

(b) all accrued interest, financing fees and charges payable on, or in respect of, the debt referred to in clause (a) above up to the date preceding the TD Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the TD Termination Date; and (ii) penal interest or charges, payable under the financing documents to any senior lender;

"**TD Debt Service Payments**" shall mean the sum of all principal and interest payments due and payable in an accounting year to the senior lenders under the financing documents;

"**TD Project**" shall mean the design, engineering, finance, construction, improvement, operation and maintenance of the TD Project Highway in accordance with the provisions of the TD Concession Agreement and includes all works relating to or in respect of the TD Project Highway as described under the provisions of the TD Concession Agreement;

"**TD Project Assets**" shall mean all physical and other assets relating to and forming part of the TD Project Highway including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the TD Project Highway, telephone and other communication systems and other equipment for the TD Project, rest areas, relief centres etc.(iii) project facilities situated on the site (iv) the rights of TD under the TD project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the TD Project Highway, but does not include facilities which are not located on the site of the project but which are provided by TD, at its own discretion, for the benefit of users of the TD Project Highway; and

"**TD Project Highway**" shall mean the strengthening and maintenance of the existing carriageway of NH-45 from Km 333.000 to Km 421.600 in the State of Tamil Nadu and widening it to 4 lanes and shall include the TD Project Assets and the project facilities including work added through the change of scope or through value addition to be designed, engineered, built and improved on site and to be operated and maintained during the TD Concession Period in accordance with the provisions of the TD Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the TD Concession Agreement, NHAI has granted to TD and TD has accepted the concession for a period of 30 (thirty) years commencing from the TD Appointed Date, including the exclusive right, license and authority during the subsistence of the TD Concession Agreement to implement the TD Project and the concession in respect of the TD Project Highway.

Further, TD is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the TD Concession Agreement:

(a) right of way, access and license to the site to the extent conferred by the provisions of the TD Concession Agreement;

(b) to develop, design, engineer, finance, procure, construct, operate and maintain the TD Project Highway during the TD Concession Period;

(c) upon the completion of the TD Project Highway and during the operations period to manage, operate and maintain the TD Project Highway and regulate the use thereof by third parties;

(d) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the TD Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(e) perform and fulfil all of the obligations under and in accordance with TD Concession Agreement;

(f) bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations under TD Concession Agreement; and

(g) not assign or create any lien or encumbrance on the concession granted by way of the TD Concession Agreement on the whole or any part of the TD Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the TD Concession Agreement or the substitution agreement.

The aggregate equity shareholding of Reliance Energy Limited and its associates as the case may be in the issued and paid up equity share capital of TD shall not be less than (a) 51% (fifty-one percent) during the construction period and for 3 (three) years following commercial operation date, and (b) 26% (twenty six percent) during the balance remaining operations period.

Fees

TD shall be entitled to, during the operations period, to levy, collect and appropriate the fees from the users of the TD Project Highway at one toll plaza, pursuant to and in accordance with the provisions in the TD Concession Agreement. In accordance with the terms of the TD Concession Agreement, TD shall not collect any fees in relation to exempted vehicles. The fees collected by TD shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the TD Concession Agreement

Grant

NHAI has provided to TD, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 2,263.00 million, in accordance with the provisions of the TD Concession Agreement ("**TD Grant**"). The TD Grant of Rs. 1,074.6 million was disbursed to TD by way of equity support towards meeting the capital cost of the TD Project in accordance with the provisions of the TD Concession Agreement. The balance TD Grant of Rs.1,188.4 Million is payable as operation and maintenance support out of which Rs. 858 million has been credited to the escrow account and applied for the TD Project so far. The balance amount of O&M support outstanding is Rs. 330.4 million. The TD Grant was credited to the escrow account and was applied by TD for meeting the operation and maintenance expenses.

Concession Fee

In consideration of the grant of concession under the TD Concession Agreement, the concession fee payable by TD to NHAI shall be Re. 1 per year during the term of the TD Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

TD shall at least 60 days from the date of the TD Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the TD Project cost shall be credited to such escrow account. During operations period all fees collected by TD from the users of the TD Project Highway shall be deposited therein. In addition, all disbursements or payments by NHAI pursuant to the TD Concession Agreement shall subject to the rights of deductions and appropriations therefrom of NHAI under the TD Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account during the Concession Period

TD shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated March 28, 2008 ("**TD Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by TD;

(b) all expenses in connection with and relevant to the construction of TD Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by TD directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12 of the annual liability on this account;

(d) the whole or part of the expenses on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI on account of exercise of any of its rights and obligations under the TD Concession Agreement;

(e) all concession and fees due to NHAI from TD under the TD Concession Agreement;

(f) reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise TD's responsibility, on account of failure on part of TD to keep such insurance(s) effective and in force;

(g) monthly proportionate provision of TD Debt Service Payments due in an accounting year and payment of TD Debt Service Payments in the month when due;

(h) one-half of such remuneration, cost and expenses of the independent consultant in case TD does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 (fifteen) days of receiving a statement of expenditure from NHAI;

(i) any payments and damages due and payable by TD to NHAI pursuant to the TD Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in the scope of work and repayment for operations and maintenance expenses incurred by NHAI; and

(j) balance, in accordance with the instructions of TD.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by TD;

(b) all concession fees (including negative grant) due and payable to NHAI under the TD Concession Agreement;

(c) all accrued TD Debt Service Payments;

(d) any payments and damages due and payable by TD to NHAI pursuant to the TD Concession Agreement, including termination claims, recovery due to reduction in scope of work and repayment of revenue shortfall loans;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the TD Concession Agreement; and

(g) balance, if any, in accordance with the instructions of TD.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to TD by NHAI in accordance with the provisions of the TD Concession Agreement. This shall not apply to appropriation in favour of senior lenders to the extent of TD Debt Due.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the TD Concession Agreement, require the provision of such addition / deletion to the works and services on or about the TD Project Highway which are beyond the scope of the TD Project as contemplated by the TD Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the TD Concession Agreement.

Compensation for breach of the TD Concession Agreement

Compensation for breach by TD

Subject to the provisions of the TD Concession Agreement, in the event of TD being in material default of the TD Concession Agreement and such default is cured before termination, TD shall pay to NHAI as compensation, all direct additional costs suffered or incurred by NHAI arising out of such material default by TD, in one lumpsum within 30 (thirty) days of receiving the demand or at the TD's option in 3 (three) equal semi-annual installments with interest.

Compensation for breach by NHAI

Subject to the provisions of the TD Concession Agreement, in the event of NHAI being in material default of the TD Concession Agreement and such default is cured before termination, NHAI shall pay to TD as compensation, all direct additional costs suffered or incurred by TD arising out of such material default by NHAI, in one lumpsum within 30 (thirty) days of receiving the demand or at the NHAI's option in 3 (three) equal semi-annual installments with interest.

Termination

Termination by NHAI

In the event of any breach or default by TD under the TD Concession Agreement, including any TD Default (as defined below) and if TD has failed to cure such breach or default within the period provided for the same in the TD Concession Agreement, then NHAI shall be entitled to terminate the TD Concession Agreement by a communication in writing to TD provided that before issuing the termination notice, NHAI shall by a notice in writing inform TD of its intention to issue the termination notice and grant 15 (fifteen) days to TD to make its representation, if any, against such intended termination notice. After the expiry of the 15 day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by TD ("**TD Default**") unless such TD Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

(a) TD fails to achieve financial close in accordance with the provisions of the TD Concession Agreement;

(b) TD fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the TD Concession Agreement and also fails to cure such default within 180 days from the date of its occurrence;

(c) TD is in material breach of the TD Concession Agreement;

(d) TD commits default in complying with any of the terms and conditions of the TD Concession Agreement, save and except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from NHAI which shall

  (i) requires TD to remedy the breaches within one month (or such longer period as may be agreed by NHAI in its absolute discretion); or

  (ii) permits TD to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) TD creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the TD Concession Agreement;

(f) the shareholding of Reliance Energy Limited falls below the minimum prescribed requirement under the TD Concession Agreement and TD does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, either of (i) the rights and/or obligations of TD under the project agreements, or (ii) all or material parts of the assets or undertaking of TD except where such transfer in the reasonable opinion of NHAI does not affect the ability of TD to perform, and TD has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of TD for the voluntary winding up of TD;

(i) TD is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for TD or for any of its property that has a material bearing on the TD Project;

(j) any petition for winding up of TD is admitted by a court of competent jurisdiction or TD is ordered to be wound up by a court except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of TD are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of TD under the TD Concession Agreement and the project agreements, and provided that:

  (i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the TD Concession Agreement and the project agreements;

  (ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the TD Concession Agreement and the project agreements and has a credit worthiness at least as good as that of TD as at the financial close; and

  (iii) each of the project agreements remains in full force and effect;

(k) TD is in material breach of any of the project agreements;

(l) an event of default of TD under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) TD abandons the operations of the TD Project Highway for more than 15 (fifteen) consecutive days without the prior consent of NHAI, provided TD shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by NHAI;

(n) TD repudiates the TD Concession Agreement or otherwise evidences an intention not to be bound by the TD Concession Agreement;

(o) TD suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the TD Project and allows it to be continued for a period of 15 days;

(p) TD has delayed any payment that has fallen due under the TD Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) TD is in breach of its obligation to repay the revenue shortfall loans in accordance the TD Concession Agreement.

Termination by TD

TD is entitled to terminate the TD Concession Agreement upon a 90 (ninety) days' written notice to NHAI upon the occurrence and continuation of any of the following events (each a "**NHAI Default**") unless any such NHAI Default has occurred as a result of TD Default or due to a force majeure event:

(a) NHAI is in breach of the TD Concession Agreement and such breach has a material adverse effect on TD and NHAI fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from TD;

(b) NHAI repudiates the TD Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the TD Concession Agreement;

(c) the Government of India or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by TD and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by NHAI in this behalf from TD; or

(d) NHAI has delayed any payment that has fallen due under the TD Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the TD Concession Agreement becomes due and payable to TD by NHAI within 30 (thirty) days of a demand being made by TD with the necessary particulars duly certified by the statutory auditors. If NHAI fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the TD Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination by TD on account of an NHAI Default, TD shall be entitled to receive from NHAI by way of termination payment a sum equal to:

(a) The total TD Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the TD Concession Agreement) if such termination occurs at any time during three years commencing from the TD Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination by NHAI on account of occurrence of TD Default during the operations period, NHAI shall pay to TD by way of termination payment an amount equal to 90% (ninety percent) of the TD Debt Due less insurance claims, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% (eighty percent) of such unpaid claims shall qualify for being included in the computation of TD Debt Due.

Supplementary Agreements between TD and NHAI

TD has entered into a supplementary agreement to the TD Concession Agreement, with NHAI dated September 5, 2011 in relation to the shifting of the location of the toll plaza on account of representations from the local public to shift the toll plaza to provide relief to local users from paying toll fee. The terms of the supplementary agreement *inter alia* state that, (i) TD shall not claim any potential toll revenue losses or financial implications in future due to change in the toll plaza location from the location provided in the TD Concession Agreement, (ii) due to suspension of works at the existing toll plaza at Km 360.450 and delay in finalizing the alternate location of new toll plaza the construction period is extended up to actual commercial operation date or plus 10 (ten) days from the date of publications of toll fee in the newspaper, whichever is later, (iii) TD shall complete all works in the toll plaza at Km 382.850 in all respects within 6 months after handing over of required additional lands free from all encumbrances by NHAI and till then will collect toll fees by constructing temporary arrangements with in the right of way of 60 meters, (iv) NHAI/independent consultant will issue the provisional completion certificate for the stretch between Km 334.000 to Km 421.273 subject to fulfillment of all contract conditions as per the TD Concession Agreement and TD will ensure to maintain the safety of traffic between Km 333.000 to Km 334.000 and (v) TD is allowed to initially collect toll on the continuous stretch of Km 87.273 on NH-45. The supplementary agreement also specifies that (i) there shall be no claim by both parties for the delay in finalizing the toll plaza location, including the extended period thereof since it was agreed that it was not attributable to both parties; (ii) TD has undertaken not to claim any extra cost except collecting of toll fees from the actual length of the TD Project Highway constructed; (iii) TD has undertaken that it shall complete construction of the grade separator at the junction of NH 45 and NH 67 and all other related works within nine months from the date of clearance of the court case related to the Trichy Bypass of NH 67 and handing over of encumbrance-free land by NHAI without any financial implication except collecting toll fee for the increased length duly following the procedure; and (iv) the TD Concession Agreement will be revised to effect the increase in project length due to the change in location of the grade separator after completion of construction of the grade separator and other related works in the operation and maintenance period.

7. Concession Agreement between NHAI and TK Toll Road Private Limited ("TK") dated July 19, 2007

TK has entered into a concession agreement for the strengthening and maintenance of the existing carriageway from Km 135.800 to Km 218.000, on the Trichy - Karur section of NH-67 in the state of Tamil Nadu on build, operate and transfer ("**BOT**") basis (the "**TK Concession Agreement**", for a period of 30 (thirty) years, from January 15, 2008 ("**TK Appointed Date**") or such date on which the TK Concession Agreement is terminated pursuant to the provisions of the TK Concession Agreement or termination notice ("**TK Termination Date**", and the period between the TK Appointed Date and the TK Termination Date, the "**TK Concession Period**").

Certain Definitions

"**TK Debt Due**" shall mean the aggregate of the following sums expressed in Indian Rupees or in the currency of the debt, as the case may be, outstanding and payable to the senior lenders under the financing documents:

(a) the principal amount of the debt provided by the senior lenders under the financing documents for financing the TK Project (the "**TK Principal**") which is outstanding as on the TK Termination Date but excluding any part of the TK Principal that had fallen due for repayment one year prior to the TK Termination Date unless such repayment has been rescheduled with the prior consent of NHAI; and

(b) all accrued interest, financing fees and charges payable on, or in respect of, the debt referred to in clause (a) above up to the date preceding the TK Termination Date but excluding (i) any interest, fees or charges that had fallen due one year prior to the TK Termination Date; and (ii) penal interest or charges, payable under the financing documents to any senior lender;

"**TK Debt Service Payments**" shall mean the sum of all principal and interest payments due and payable in an accounting year to the senior lenders under the financing documents;

"**TK Project**" shall mean the design, engineering, finance, construction, improvement, operation and maintenance of the TK Project Highway in accordance with the provisions of the TK Concession Agreement and includes all works relating to or in respect of the TK Project as described under the provisions of the TK Concession Agreement;

"**TK Project Assets**" shall mean all physical and other assets relating to and forming part of the TK Project Highway including but not limited to (i) rights over the site in the form of license, right of way or otherwise, (ii) tangible assets such as civil works including the foundation, embankments, pavements, road surface, interchanges, bridges, approaches to bridges and flyovers, road overbridges, drainage works, lighting facilities, traffic signals, sign boards, milestones, toll plazas, equipment for the collection of tolls or relating to regulation of traffic, electrical works for lighting on the TK Project Highway, telephone and other communication systems and other equipment for the TK Project, rest areas, relief centres etc.(iii) project facilities situated on the site (iv) the rights of TK under the TK project agreements, (v) financial assets, such as security deposits for electricity supply, telephone etc. (vi) insurance proceeds and (vii) applicable permits and authorizations relating to or in respect of the TK Project Highway, but does not include facilities which are not located on the site of the project but which are provided by TK, at its own discretion, for the benefit of users of the TK Project Highway; and

"**TK Project Highway**" shall mean the strengthening and maintenance of the existing carriageway of NH-67 from Km 135.800 to Km 218.000 in the State of Tamil Nadu and widening it to 4 lanes and shall include the TK Project Assets and the project facilities including work added through the change of scope or through value addition to be designed, engineered, built and improved on site and to be operated and maintained during the TK Concession Period in accordance with the provisions of the TK Concession Agreement.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the TK Concession Agreement, NHAI has granted to TK and TK has accepted the concession for a period of 30 (thirty) years commencing from the TK Appointed Date, including the exclusive right, license and authority during the subsistence of the TK Concession Agreement to implement the TK Project and the concession in respect of the TK Project Highway.

Further, TK is obliged or entitled to, *inter alia*, the following in accordance with the provisions of the TK Concession Agreement:

(a) right of way, access and license to the site for the purpose of and to the extent conferred by the provisions of the TK Concession Agreement;

(b) to develop, design, engineer, finance, procure, construct, operate and maintain the TK Project Highway during the TK Concession Period;

(c) Upon completion of the TK Project Highway and during the operations period to manage, operate and maintain the TK Project Highway and regulate the use thereof by third parties;

(d) levy, demand, collect and appropriate fees from vehicles and persons liable for payment of fees for using the TK Project Highway or any part thereof and refuse entry of any vehicle if the fee due is not paid;

(e) perform and fulfil all of the obligations under and in accordance with TK Concession Agreement;

(f) bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations under TK Concession Agreement; and

(g) not assign or create any lien or encumbrance on the concession granted by way of the TK Concession Agreement on the whole or any part of the TK Project Highway nor transfer, lease or part possession therewith save and except as expressly permitted by the TK Concession Agreement or the substitution agreement.

The aggregate equity shareholding of Reliance Energy Limited and its associates as the case may be in the issued and paid up equity share capital of TK shall not be less than (a) 51% (fifty-one percent) during the construction period and for 3 (three) years following commercial operation date, and (b) 26% (twenty six percent) during the balance remaining operations period.

Fees

TK shall be entitled to, during the operations period, to levy, collect and appropriate the fees from the users of the TK Project Highway pursuant to and in accordance with the provisions in the TK Concession Agreement. In accordance with the terms of the TK Concession Agreement, TK shall not collect any fees in relation to exempted vehicles. The fees collected by TK shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the TK Concession Agreement

Grant

NHAI has provided to TK, cash support by way of an outright grant equal to the sum set forth in the bid submitted, namely, Rs. 1,485.00 million, in accordance with the provisions of the TK Concession Agreement (the "**TK Grant**"). The TK Grant was disbursed to TK by way of equity support in accordance with the provisions of the TK Concession Agreement. The TK Grant of Rs. 1,342.6 million was credited to the escrow account and was applied by TK for meeting the capital cost of the TK Project. The balance of Rs.142.4 million has not been released on account of pending completion of Trichy Bypass due to delay in finalization of the alignment by NHAI.

Concession Fee

In consideration of the grant of concession under the TK Concession Agreement, the concession fee payable by TK to NHAI shall be Re. 1 per year during the term of the TK Concession Agreement.

The concession fee shall be paid in advance within 90 (ninety) days of the commencement of the year for which it is due and payable.

Escrow Account

TK shall at least 60 days from the date of the TK Concession Agreement, open and establish the escrow account with the escrow bank and all funds constituting the financing package for meeting the TK Project cost shall be credited to such escrow account. During operations period all fees collected by TK from the users of the TK Project Highway shall be deposited therein. In addition, all disbursements or payments by NHAI pursuant to the TK Concession Agreement shall subject to the rights of deductions and appropriations therefrom of NHAI under the TK Concession Agreement, be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account during the Concession Period

TK shall give to the escrow bank, at the time of the opening of the escrow account, irrevocable instructions by way of escrow agreement dated [●] ("**TK Escrow Agreement**") instructing, *inter alia*, that the deposits into the escrow account be appropriated in the following order every month or at shorter intervals as necessary and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due:

(a) all taxes due and payable by TK;

(b) all expenses in connection with and relevant to the construction of TK Project Highway by way of payment to the EPC contractor and such other persons as may be specified in the financing documents;

(c) operation and maintenance expenses including fees collection expenses incurred by TK directly or through operation and maintenance contractor and/or tolling contractor, if any, subject to the items and ceiling in respect thereof as set forth in the financing documents but not exceeding 1/12th of the annual liability on this account;

(d) the whole or part of the expense on repair work or operation and maintenance expenses including fees collection expenses incurred by NHAI on account of exercise of any of its rights under the TK Concession Agreement;

(e) all concession and fees due to NHAI from TK under the TK Concession Agreement;

(f) reimbursements of expenditure incurred by NHAI, if any, for payment of insurance premia, etc., which are otherwise TK,s responsibility, on account of failure on part of TK to keep such insurance(s) effective and in force;

(g) monthly proportionate provision of debt service due in an accounting year and payment of TK Debt Service Payments in the month when due;

(h) one-half of such remuneration, cost and expenses of the independent consultant in case TK does not reimburse the remuneration, cost and expenses of the independent consultant to NHAI within 15 (fifteen) days of receiving a statement of expenditure from NHAI;

(i) any payments and damages due and payable by TK to NHAI pursuant to the TK Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in the scope of work, penalty for operations and maintenance expenses incurred by NHAI; and

(j) balance in accordance with the instructions of TK.

Withdrawals from the Escrow Account upon Termination

In case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

(a) all taxes due and payable by TK;

(b) all concession fees (including negative grant) due and payable to NHAI under the TK Concession Agreement;

(c) all accrued TK Debt Service Payments;

(d) any payments and damages due and payable by TK to NHAI pursuant to the TK Concession Agreement, including repayment of revenue shortfall loans, recovery due to reduction in scope of work and termination claims;

(e) all accrued operations and maintenance expenses;

(f) any other payments required to be made under the TK Concession Agreement; and

(g) balance, if any, in accordance with the instructions of TK.

Further, no appropriation of termination payments can be made from the escrow account upon termination until the vesting certificate has been issued to TK by NHAI in accordance with the provisions of the TK Concession Agreement. This shall not apply to appropriation in favour of senior lenders to the extent of TK Debt Due.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the TK Concession Agreement, require the provision of such addition / deletion to the works and services on or about the TK Project Highway which are beyond the scope of the TK Project as contemplated by the TK Concession Agreement, provided such changes do not require any increase/ decrease in expenditure exceeding 10% of the total project cost and do not adversely affect the commercial operation date. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the TK Concession Agreement.

Compensation for breach of the TK Concession Agreement

Compensation for breach by TK

Subject to the provisions of the TK Concession Agreement, in the event of TK being in material default of the TK Concession Agreement and such default is cured before termination, TK shall pay to NHAI as compensation, all direct additional costs suffered or incurred by NHAI arising out of such material default by TK, in one lumpsum within 30 (thirty) days of receiving the demand or at the TK’s option in 3 (three) equal semi-annual installments with interest.

Compensation for breach by NHAI

Subject to the provisions of the TK Concession Agreement, in the event of NHAI being in material default of the TK Concession Agreement and such default is cured before termination, NHAI shall pay to TK as compensation, all direct additional costs suffered or incurred by TK arising out of such material default by NHAI, in one lumpsum within 30 (thirty) days of receiving the demand or at the NHAI's option in 3 (three) equal semi-annual installments with interest.

Termination

Termination by NHAI

In the event of any breach or default by TK under the TK Concession Agreement, including any TK Default (as defined below) and if TK has failed to cure such breach or default within the period provided for the same in the TK Concession Agreement, then NHAI shall be entitled to terminate the TK Concession Agreement by a communication in writing to TK provided that before issuing the termination notice, NHAI shall by a notice in writing inform TK of its intention to issue the termination notice and grant 15 (fifteen) days to TK to make its representation, if any, against such intended termination notice. After the expiry of the 15 (fifteen) day period whether or not it is in receipt of such representation, NHAI in its sole discretion can issue the termination notice. The following events, *inter alia*, shall constitute an event of default by TK (a "**TK Default**") unless such TK Default has occurred as a result of NHAI Default (as defined below) or a force majeure event:

(a) TK fails to achieve financial close in accordance with the provisions of the TK Concession Agreement;

(b) TK fails to achieve any project milestones other than the scheduled project completion date within the period prescribed in the TK Concession Agreement and also fails to cure such default within 180 days from the date of its occurrence;

(c) TK is in material breach of the TK Concession Agreement;

(d) TK commits default in complying with any of the terms and conditions of the TK Concession Agreement, except those defaults in respect of which a cure period has been expressly provided, and fails to remedy or rectify such default within the period provided in a notice in this behalf from NHAI which shall

  (i) requires TK to remedy the breaches within one month (or such longer period as may be agreed by NHAI in its absolute discretion); or

  (ii) permits TK to put forward within 15 (fifteen) days of such notice, a reasonable programme for remedying the breaches, where such programme specifies in reasonable detail the manner in which such breach or breaches is or are proposed to be remedied and the latest date by which it is proposed that such breach or all such breaches shall be remedied;

(e) TK creates any encumbrance, charges or lien in favour of any person save and except as otherwise expressly permitted under the TK Concession Agreement;

(f) the shareholding of Reliance Energy Limited falls below the minimum prescribed requirement under the TK Concession Agreement and TK does not suo moto cure such default within 90 (ninety) days of its occurrence;

(g) the transfer, pursuant to law, either of (i) the rights and/or obligations of TK under the project agreements, or (ii) all or material parts of the assets or undertaking of TK except where such transfer in the reasonable opinion of NHAI does not affect the ability of TK to perform, and TK has the financial and technical capability to perform its material obligations under the project agreements;

(h) a resolution is passed by the shareholders of TK for the voluntary winding up of TK;

(i) TK is adjudged bankrupt or insolvent or if a trustee or receiver is appointed for TK or for any of its property that has a material bearing on the TK Project;

(j) any petition for winding up of TK is admitted by a court of competent jurisdiction or TK is ordered to be wound up by a court except for the purpose of amalgamation or reconstruction provided that, as part of such amalgamation or reconstruction, the property, assets and undertaking of TK are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of TK under the TK Concession Agreement and the project agreements, and provided that:

(i) the amalgamated or reconstructed entity has the technical capability and operating experience necessary for the performance of its obligations under the TK Concession Agreement and the project agreements;

(ii) the amalgamated or reconstructed entity has the financial standing to perform its obligations under the TK Concession Agreement and the project agreements and has a credit worthiness at least as good as that of TK as at the financial close; and

(iii) each of the project agreements remains in full force and effect;

(k) TK is in material breach of any of the project agreements;

(l) an event of default of TK under any of the financing documents has occurred or any of the senior lenders has recalled its loan under any of the financing documents;

(m) TK abandons the operations of the TK Project Highway for more than 15 (fifteen) consecutive days without the prior consent of NHAI, provided TK shall be deemed not to have abandoned such operation if such abandonment (i) was as a result of force majeure event and is only for the period such force majeure event is continuing, or (ii) is on account of a breach of its obligations by NHAI;

(n) TK repudiates the TK Concession Agreement or otherwise evidences an intention not to be bound by the TK Concession Agreement;

(o) TK suffers an execution being levied on any of its assets or equipment causing a material adverse effect on the TK Project and allows it to be continued for a period of 15 (fifteen) days;

(p) TK has delayed any payment that has fallen due under the TK Concession Agreement if such delay exceeds 90 (ninety) days; or

(q) TK is in breach of its obligation to repay the revenue shortfall loans in accordance the TK Concession Agreement.

Termination by TK

TK is entitled to terminate the TK Concession Agreement upon a 90 (ninety) days' written notice to NHAI upon the occurrence and continuation of any of the following events (each a “**NHAI Default**”) unless any such NHAI Default has occurred as a result of TK Default or due to a force majeure event:

(a) NHAI is in breach of the TK Concession Agreement and such breach has a material adverse effect on TK and NHAI fails to cure such breach or take effective steps for curing such breach within 90 (ninety) days of receipt of notice in this behalf from TK;

(b) NHAI repudiates the TK Concession Agreement or otherwise evidences an irrevocable intention not to be bound by the TK Concession Agreement;

(c) the Government or the Government of the State of Tamil Nadu or any governmental agency have by an act of commission or omission created circumstances that have a material adverse effect on the performance of its obligations by TK and have failed to cure such circumstances within 90 (ninety) days of receipt of notice by NHAI in this behalf from TK; or

(d) NHAI has delayed any payment that has fallen due under the TK Concession Agreement if such delay exceeds 90 (ninety) days.

Termination Payments

The termination payment pursuant to the TK Concession Agreement becomes due and payable to TK by NHAI within 30 (thirty) days of a demand being made by TK with the necessary particulars duly certified by the statutory auditors. If NHAI fails to disburse the full termination payment within 30 (thirty) days, the amount remaining unpaid shall be disbursed along with interest in accordance with the provisions under the TK Concession Agreement plus two per cent for the period of delay on such amount.

Upon termination by TK on account of an NHAI Default, TK shall be entitled to receive from NHAI by way of termination payment a sum equal to:

(a) The total TK Debt Due, plus

(b) 120% (one hundred and twenty per cent) of the total subordinated debt, plus

(c) 150% (one hundred and fifty per cent) of the equity (subscribed in cash and actually spent on the project but excluding the amount of equity support as specified in the TK Concession Agreement) if such termination occurs at any time during three years commencing from the TK Appointed Date and for each successive year thereafter, such amount shall be adjusted every year to fully reflect the changes in wholesale price index (published by the Ministry of Industry, Government of India, including any index, which substitutes the wholesale price index) during such year and the adjusted amount so arrived at shall be reduced every year by 7.5% (seven and a half per cent) per annum.

Upon termination by NHAI on account of occurrence of TK Default during the operations period, NHAI shall pay to TK by way of termination payment an amount equal to 90% (ninety percent) of the TK Debt Due less insurance claims, if any, provided, however, that if all or any of the insurance claims are not admitted and paid, then 80% (eighty percent) of such unpaid claims shall qualify for being included in the computation of TK Debt Due.

Supplementary Agreements between TK and NHAI

TK has entered into a supplementary agreement to the TK Concession Agreement, with NHAI dated November 14, 2013 in relation to project completion which could not be achieved due to delays on account of both parties. The terms of the supplementary agreement *inter alia* state that Lalapet ROB and its approaches for a length of 2.28 km, which was not in the scope of the TK Project Highway as per the TK Concession Agreement, shall become part of the TK Project Highway and assigned to TK for operation and maintenance with the stipulation to share the user-fee revenue in the proportion 83.80::16.20 between NHAI and TK, acknowledging that a length of 18.476 km (the Trichy Bypass) of the original stretch of the TK Project Highway could not be completed on account of a pending court case and, (i) the continuous stretch of the TK Project Highway between Km. 154.400 and KM 176.976 shall be put to commercial operation for which the user fee shall be collected at the temporary toll plaza located at Km. 157.500 and the stretch from Km 176.976 to 218.028 shall be put to commercial operations with the toll plaza at Km 198.500 subject to the condition that the TK Project Highway will pass the requisite tests as stipulated in the TK Concession Agreement and on issue of the provisional completion certificate as per the TK Concession Agreement by the independent engineer for the stretch from Km 154.400 to Km 218.028, (ii) the work of the loop/slip road at Km 175.000 will be completed within 12 months from the date of handing over of the land and the grade separator on the state highway at Km 212.385 will be completed within 6 months from the date of clearance of all encumbrances, (iii) the work of the permanent toll plaza at Km 157.500 and related items will be completed by TK within 4 (four) months from the date of accepting such proposal of TK, (iv) the balance works in the stretch from Km 135.800 to Km 154.400 i.e. Trichy Bypass will be completed within 18 months from the date of handing over the encumbrance free land, after finalization of alignment of Trichy Bypass, (v) escalation payment will be made on the date of the provisional completion certificate for the work done on the unencumbered portion of Trichy Bypass (which could not be taken up due to the court case on alignment), (vi) for the work already done in the Trichy Bypass, no escalation or additional payment would be payable to TK and the balance works in the remaining stretch of Trichy Bypass shall be completed by TK without any additional financial implication to NHAI and (vii) in case the work of Trichy Bypass could not be taken up and is to be deleted from the scope of the TK Concession Agreement due to extraneous reasons, in that event, NHAI will reimburse the cost of the work done in Trichy Bypass worked out on the date of the provisional completion certificate with due adjustment of grant already received by TK. The supplementary agreement also states that the scheduled project completion date has been extended, excluding the reach from Km 135.800 to Km 154.400 but there shall be no extension in the concession period on account of this extension and that there shall be no claim from both parties for the delay and extension of the scheduled construction period. Further, TK shall not claim any loss on account of delays in completion of the TK Project Highway in Km 154.400 to Km 218.028 and NHAI will not levy any penalties for such delays on TK. TK has also agreed to forego any claim on NHAI under the TK Concession Agreement for delay in handing over land for the affected stretch.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the business of the Trust Group. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive, and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions. For information regarding regulatory approvals obtained by the Trust, see the section "Government and Other Approvals" on page 450.

Set forth below are certain significant legislations, regulations and policies that generally govern the infrastructure sector in which the Trust Group operates.

Regulatory Framework for the Road Sector

The primary central legislations governing the road sector are the National Highways Act, 1956 (the "**NH Act**") and the National Highways Authority of India Act, 1988 (the "**NHAI Act**").

NH Act

In accordance with the NH Act, the GoI is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The GoI may, by notification, declare its intention to acquire any land when it is satisfied that, for a public purpose, such land is required for the building, maintenance, management or operation of a national highway, or part thereof. The NH Act prescribes the procedure for such land acquisition. Such procedure includes *inter alia* declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession. The NH Act also provides for payment of compensation to owners and any other person whose right of enjoyment in the land has been affected.

The GoI is responsible for the development and maintenance of national highways. However, it may direct that such functions may also be exercised by the government of the state in which the highway is located or by any officer or authority subordinate to the GoI or to the state government. Further, the GoI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GoI and will also have the powers to regulate and control the traffic, for proper management of the highway, in accordance with the provisions of the Motor Vehicles Act, 1988.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the "**NH Fee Rules**"), regulates the collection of fee for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The NH Fee Rules supersede the National Highways (Temporary Bridges) Rules, 1964, the National Highways (Collection of Fees by any Person for the Use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997, the National Highways (Fees for the use of National Highways Section and Permanent Bridges – Public Funded Project) Rules, 1997 and the National Highways (Rate of Fees) Rules, 1997 other than in respect of things done or omitted to be done under such rules prior to supersession. The NH Fee Rules do not apply to agreements and contracts executed or bids invited prior to the publication of such rules i.e. prior to December 5, 2008.

The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway for different categories of vehicles.

NHAI Act

NHAI

The National Highways Authority of India ("**NHAI**") was constituted pursuant to the NHAI Act and became operational in 1995. The NHAI Act details the functions of NHAI, which primarily are the development, maintenance and management of national highways and any other highways vested in, or entrusted to it, by the GoI, and matters connected therewith or incidental thereto. In accordance with the NHAI Act, the GoI carries out development and maintenance of the national highway system through NHAI. Subject to the provisions of the NHAI Act, NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. NHAI has the power to acquire any land, and such acquired land will be deemed to be land needed for a public purpose. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the GoI. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of NHAI cannot exceed a term of 30 years unless previously approved by the GoI. The National Highways Authority of India (Amendment) Act, 2013, received the assent of the President on September 10, 2013. Such amendment has increased the institutional capacity of NHAI.

As per the NHAI Works Manual, 2006, NHAI's mandate is the time and cost bound implementation of the National Highways Development Project ("**NHDP**") through a host of funding options, which include fund assistance from external multilateral agencies like the World Bank and the Asian Development Bank. NHDP Phase – I also strives to provide road connectivity to major ports. NHAI's role encompasses involving the private sector in provision, maintenance and operation of the national highways.

Financing of the NHDP

The GoI, under the Central Road Fund Act, 2000 created a dedicated fund for NHDP. Certain sources for financing of NHDP are through securitization of cess levied on fuel as well as involving the private sector and encouraging Public Private Partnership. The NHDP is also being financed through long-term external loans from the World Bank, the Asian Development Bank and the Japan Bank for International Cooperation as well as through tolling of roads.

Private Participation in NHDP

In an effort to attract private sector participation in the NHDP, NHAI has formulated model concession agreements where a private entity being the concessionaire is awarded a concession to build, operate and collect toll on a road for a specified period of time, which is usually up to 30 years.

The bidding for the projects takes place in two stages as per the process provided below:

1. in the pre-qualification stage, NHAI selects certain bidders on the basis of technical and financial expertise, prior experience in implementing similar projects and previous track record; and

2. in the second stage, NHAI invites commercial bids from the pre-qualified bidders on the basis of which the right to develop the project is awarded.

In accordance with the model concession agreement for projects above Rs. 100 crores, the concessionaire meets the upfront cost and expenditure on annual maintenance and recovers the entire cost along with the interest from toll collections during the concession period. As per the 'Guidelines for Investment in Road Sector' issued by the Ministry of Shipping, Road Transport and Highways ("**MoRTH**") in 2009, in order to increase the viability of the projects, a capital grant of up to 40% of project cost could be provided by NHAI or the GoI. The quantum of grant is determined on a case to case basis and typically constitutes the bid parameter in BOT projects which are generally not viable based on toll revenue alone. For certain projects with high traffic volumes, bidders also offer a negative grant (i.e. premium) to NHAI. The concessionaire at the end of the concession period transfers the road back to the Government (free of charge and clear of all encumbrances), the concessionaire's investment in the road is recovered directly through user fees by way of tolls. As per the model concession agreement for annuity based projects, in annuity projects, the private entity is required to meet the entire upfront cost (no grant is paid by NHAI or the GOI) and the expenditure on annual maintenance. The concessionaire recovers the entire investment through pre-determined annuity payments by to be made by NHAI or the GOI. Furthermore, MoRTH approved certain amendments to the model concession agreement, *inter alia*, in relation to deferment of premium payments.

Exit Policy

The Cabinet Committee on Economic Affairs ("**CCEA**") in May 2015 approved a comprehensive exit policy framework with the objective to mobilize funds in the market. This policy framework now permits divestment of 100 percent equity by concessionaires/developers after two years of completion of construction to facilitate unlocking of funds for new projects. The equity divested is required to be invested by promoters in their new projects. NHAI has vide its circulars dated June 9, 2015, September 9, 2015 and November 19, 2015, permitted 100% equity divestment after 2 (two) years of construction completion for all BOT projects irrespective of the year of the award and clarified that there would be no restrictions on the subsequent divestment by the investors.

Premium Deferment

The CCEA in October 2013 approved a policy for the rationalization of premium quoted by concessionaires in respect of national highways projects. Subsequently, the MoRTH approved the policy in April 2014. This policy introduces a revised tolling policy for 'stressed' highway projects, which are identified based on certain parameters such as if the project has not been able to achieve financial close within the stipulated period and NHAI has been unable to fulfill the conditions precedent under the relevant concession agreement, and provides for the deferment of premium payments to NHAI by the concessionaires of such stressed projects. The policy is expected to revitalize stressed highway projects.

One Time Fund Infusion

CCEA in October 2015 gave its approval to NHAI for a one-time infusion of funds with the purpose of reviving and physically completing stalled projects in the advanced stages of completion. As per the policy, the amount of funds required in each case shall be approved by NHAI on a case to case basis.

Compensation and Extension

CCEA in November 2015 has approved and authorised NHAI to consider extension of the concession period for current projects in the BOT (Toll/Annuity) mode, except for projects where tolling is permitted from the appointed date, which are languishing during the construction period due to causes not attributable to the concessionaire. Further, CCEA further approved and authorised NHAI to pay annuities to the concessionaire corresponding to the actual period of delay not attributable to the concessionaire upon successful completion of the project.

Prevention of Overloading

NHAI vide its policy circular in May 2014, prescribed amendments to the fee rules. Under the circular, the driver or owner of a mechanical vehicle which is loaded in excess of permissible load specified for its category, (i) shall not be permitted to use the national highway or crossing the toll plaza until the excess load has been removed, and (ii) is liable to pay a fee to the toll collection agency equal to ten times of the fee applicable to such category of mechanical vehicle. However, in case no weighbridge has been installed at the toll plaza, no fee for overloading shall be levied. Further, the amended rules are applicable to all concession agreements irrespective of their date of execution.

Subsequently, by way of its policy circular in December 2015, the NHAI amended the fee rules and its earlier May 2014 policy circular, prescribing strict implementation of its earlier directions in relation to the removal of excess load (including a detailed procedure with respect to the manner in which the overloaded vehicle must be dealt with), besides charging a penalty.

Arbitral Awards

CCEA in August 2016 approved various measures to revive the construction section. Under the proposal put forward by NITI Aayog and approved by CCEA, government agencies would pay 75% of the arbitral award amount to an escrow account against margin free bank guarantee, in those cases where the award is challenged. The aforesaid escrow account may be used to repay bank loans or meet commitments in ongoing projects.

Use of Micro-Surfacing

MoRTH vide its circular in September 2016, permitted the use of micro-surfacing as preventive maintenance/renewal treatment, and directed the implementing agencies to ensure that at least 25-30% of the total eligible length for periodical renewal, preferably in a continuous stretch is covered by micro-surfacing or other similar type of treatment in the future.

Toll Suspension due to Demonetisation

NHAI had vide notifications dated November 9, 2016, November 11, 2016, November 14, 2016, November 17, 2016 and November 24, 2016, suspended the collection of user fee at toll plazas on national highways due to demonetisation of Rs. 500 and Rs. 1,000 currency denominations. The period of such suspension was from November 9, 2016, to December 2, 2016. The HPWD suspended the collection of user fee at toll plazas on state highways in Haryana pursuant to letters dated November 10, 2016, November 21, 2016, November 22, 2016 and November 26, 2016. Further, pursuant to its office orders dated November 2016, and December 2016, and its circular dated November 21, 2016, NHAI specified the compensation mechanism for losses incurred by toll operators on account of suspension of toll collection from November 9, 2016, to December 2/3, 2016, stating that it is to be addressed as per the provisions of the respective concession agreements, and provided for the procedure for reimbursement of cost, specifying guidelines in relation to interest payment on debt and O&M expenses.

Indian Tolls Act, 1851

In accordance with the Indian Tolls Act, 1851 (the "Tolls Act"), the state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Tolls Act, are deemed to be 'public revenue' and the collection of tolls can be placed under any person the state governments' deem fit. Such persons are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors when required in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

Provisions under the Constitution of India and other legislations in relation to collection of toll

Entry 59, List II of Schedule VII read with Article 246 of the Constitution of India vests state governments with the power to levy tolls. Further, in accordance with the Tolls Act, state governments have been vested with the power to levy tolls at such rates as they deem fit.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the "Control of NH Act") provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon.

In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government, or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration or any officer authorised by such administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

Other Laws and Regulations

In addition to the aforementioned legislations which are applicable to the Trust, other material legislations that are applicable to the operations of the Trust include:

Indian Trusts Act, 1882

The Indian Trusts Act, 1882 ("**Trusts Act**") governs all private trusts in India.

The Trusts Act sets out the purpose for which private trusts can be established, the manner in which they may be created, executed and extinguished. The person creating a trust under the Trusts Act is the author of such trust, the person to whom the author grants the power and authority to regulate the trust is the trustee and the persons for whose benefit such trust has been created are the beneficiaries of such trust. The Trust Act sets out the rights, duties, liabilities and powers of the trustees and the beneficiaries vis-a-vis the trust. The Trust has been settled in accordance with the provisions of the Trusts Act.

Other Laws

The laws above are specific to the regulations specifically applicable to an operating business. The generic regulations that are applicable to the Trust Group, include environmental laws, labour laws and other applicable laws.

Environment Regulation

Infrastructure projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**Water Pollution Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Pollution Act**") and the Environment Protection Act, 1986 ("**Environment Act**"). The Water Pollution Act aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Pollution Control Board include, *inter alia,* coordination of activities of the State Pollution Control Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for, *inter alia*, the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control, inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water, laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters, and laying down standards for treatment of trade effluents to be discharged. This legislation prohibits any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer, or bring into use any new or altered outlet for discharge of sewage, or begin to make any new discharge of sewage without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution. The Air Pollution Act aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Pollution Control Board, establish or operate any industrial plant in an air pollution control area as notified by the State Government. The Environment Act has been enacted for the protection and improvement of the environment. The Environment Act empowers the GoI to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The GoI may make rules for regulating environmental pollution. With respect to forest conservation, the Forest (Conservation) Act, 1980 prevents state governments from making any order directing that any forest land be used for a non-forest purpose or that any forest land is assigned through lease or otherwise to any private person or corporation not owned or managed or controlled by the Government without the prior approval of the GoI. The Ministry of Environment and Forests ("**MoEF**") mandates that Environment Impact Assessment ("EIA") must be conducted for specified projects. In the process, the MoEF receives proposals for the setting up of projects and assesses their impact on the environment before granting clearances to the projects.

The EIA Notification S.O. 1533, issued on September 14, 2006 (the "**EIA Notification**") under the provisions of the Environment Act, prescribes that new construction of specified projects require prior environmental clearance from the MoEF. The environmental clearance must be obtained from the MoEF according to the procedure specified in the EIA Notification. No construction work or preparation of land by the project management except for securing the land, relating to the setting up of a specified project can be undertaken until such clearance is obtained. Under the EIA Notification, the environmental clearance process for new projects consists of four stages – screening, scoping, public consultation and appraisal. After completion of public consultation, the applicant is required to make appropriate changes in the draft 'EIA Report' and the 'Environment Management Plan.' The final EIA Report has to be submitted to the concerned regulatory authority for appraisal. The regulatory authority is required to give its decision within 105 days of the receipt of the final EIA Report.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 (the "**Public Liability Act**"), imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015

In September 2015, MoRTH has launched Green Highways (Plantation, Transplantation, Beautification and Maintenance) Policy, 2015 which will require road developers to earmark 1% of a project's total cost for planting of trees and shrubs across the national highways. Under this policy, the maintenance of such plantations will be outsourced through a bidding process to plantation agencies. MoRTH/NHAI will appoint the authorized agency for empanelment of such plantation agencies.

Laws Relating to Employment

Certain other laws and regulations that may be applicable to the Trust and the Project SPVs include the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Factories Act, 1948;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' State Insurance Act, 1948;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act 1948;
- Industrial Disputes Act, 1947;
- Employees Compensation Act, 1923; and
- Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017.

InvIT Regulations

The InvIT Regulations lay out the framework for infrastructure investment trusts and the registration and regulation thereof. No person shall act as an infrastructure investment trust unless it has obtained a certificate of registration from SEBI. The InvIT Regulations prescribe, *inter alia*, the eligibility criteria and the rights and responsibilities of the parties to an infrastructure investment trust, namely its sponsor, investment manager, trustee and project manager; and the rights and responsibilities of the valuer and auditor of an infrastructure investment trust. While an infrastructure investment trust may undertake an issue of its units by way of an initial offer or a private placement, it is mandatory for the units of all infrastructure investment trusts to be listed on a recognized stock exchange having nationwide trading terminals. By way of its circular dated May 11, 2016, SEBI notified the guidelines for the public issue of units of an infrastructure investment trust.

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

For the purpose of determining as to whether an entity is a "fit and proper person", SEBI may take account of any consideration as it deems fit, including but not limited to the (a) integrity, reputation and character; (b) absence of convictions and restraint orders; (c) competence including financial solvency and networth; and (d) absence of categorization as a wilful defaulter of the intermediary, the principal officer, the directors, promoters or key management persons of such entity.

Further, the InvIT Regulations currently restrict a person forming part of the 'public' from holding more than 25% of the units of an infrastructure investment trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, the sponsor, investment manager, the project manager, or their respective related parties and associates, shall not form part of the 'public'.

On October 20, 2016, SEBI issued a circular in relation to the disclosure of financial information on offer documents/placement memorandums for infrastructure investment trusts, and on November 29, 2016, a circular detailing the continuous disclosures and compliances by infrastructure investment trusts. Subsequently, on November 30, 2016, SEBI notified the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2016, which contained, *inter alia*, amendments to certain definitions, the utilization of the proceeds of an issue, the infrastructure investment trust's sponsor's post-issue unitholding, the minimum offer to the public, thresholds for unitholders' approvals and disclosure requirements, and certain clarifications in relation to the investment conditions applicable to infrastructure investment trusts.

Foreign Investment Regulations

Foreign investment in Indian securities is governed by the provisions of the FEMA, read with the applicable FEMA Regulations and the extant consolidated FDI Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government. Foreign investment is permitted (except in the prohibited sectors) either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. Under the FEMA Regulations and the current consolidated FDI Policy, effective from June 7, 2016, an infrastructure investment trust registered and regulated by SEBI under the InvIT Regulations, being an 'investment vehicle', is permitted to receive foreign investment from a person resident outside India (other than an individual who is citizen of or any other entity which is registered / incorporated in Pakistan or Bangladesh), including an FPI or an NRI subject to the terms and conditions specified in the FEMA Regulations.

Downstream investment by an infrastructure investment trust shall be regarded as foreign investment if neither the sponsor nor the investment manager of such an infrastructure investment trust is Indian 'owned and controlled' as defined in FEMA Regulations. Where an infrastructure investment trust's sponsor or investment manager is organized in a form other than a company or an LLP, SEBI shall determine whether such sponsor or investment manager is foreign owned and controlled.

Downstream investment by an 'investment vehicle' that is reckoned as foreign investment shall have to conform to the sectoral caps and conditions/restrictions, if any, as applicable to the company in which the downstream investment is made as per the FDI Policy. Downstream investment in an LLP by an 'investment vehicle' that is reckoned as foreign investment has to conform to the provisions of Schedule 9 of the FEMA Regulations as well as the extant FDI Policy for foreign investment in LLPs. Foreign investment of up to 100% through the automatic route is permitted in the infrastructure sector in India. An infrastructure investment trust that receives foreign investment shall be required to make such report and in such format to RBI or to SEBI as may be prescribed by them from time to time.

The payment for the units of an infrastructure investment trust acquired by a person resident or registered/ incorporated outside India shall be made by an inward remittance through the normal banking channel including by debit to an NRE or an FCNR account. Further, any person who is a non-resident and holds units of an infrastructure investment trust in accordance with the FEMA Regulations may pledge such units to secure credit facilities being extended to the non-resident investor.

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Offer Document as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Offer Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

UNIT HOLDING STRUCTURE

The details of the total outstanding Units of the Trust as at the date of this Draft Offer Document are as set forth below:

	Particulars	Aggregate Value at Issue Price (Rs. in Millions)
A	**UNITS OUTSTANDING PRIOR TO THE ISSUE (PRE-FORMATION TRANSACTIONS)**	
	Nil	Nil
B	**UNITS OUTSTANDING PRIOR TO THE ISSUE (UPON-FORMATION TRANSACTIONS)**(1)	
	[●] Units	[●]
C	**PRESENT OFFER IN TERMS OF THE OFFER DOCUMENT**(2)	
	Issue of up to [●] Units, aggregating to Rs. 25,000 million(3)(4)	[●]
D	**UNITS OUTSTANDING AFTER THE ISSUE**(5)	
	[●] Units	[●]

(1) *The Units to be issued to the Sponsor pursuant to the Formation Transactions will be created post Bid/Issue Closing Date.*

(2) *The Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations.*

(3) *The Issue has been authorized by a resolution of the duly authorized committee of the board of directors of the Investment Manager dated November 9, 2016 and April 12, 2017.*

(4) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors in the Issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations.*

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

Notes:

1) The Issue is being made through the Book Building Process, wherein not more than 75% of the Issue shall be available for allocation to Institutional Bidders on a proportionate basis, provided that the Investment Manager, in consultation with the GCBRLMs and the BRLMs, may allocate up to 60% of the Institutional Bidder Category to Anchor Investors and Strategic Investors on a discretionary basis in accordance with the InvIT Regulations. Further, not less than 25% of the Issue shall be available for allocation on a proportionate basis to Other Bidders, subject to valid Bids being received at or above the Issue Price. In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange.

2) The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

3) In accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over any other Unitholder, and there shall not be multiple classes of Units. There shall be only one denomination of Units. Notwithstanding the above, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate Units shall carry only inferior voting or any other rights compared to the other Units.

4) ***Unit Holding Pattern***

The table below provides details of the Unit holding pattern of the Trust:

Category	Category of Unitholder	Pre-Issue Unit Holding[1] (Pre-Formation Transaction)		Pre-Issue Unit Holding (Upon-Formation Transaction)[2]		Units To Be Allotted in the Issue[4]		Post-Issue Unit Holding	
		No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units	No. of Units	As a % of the total outstanding Units[3]	No. of Units	As a % of the total outstanding Units[3]
A	**Sponsor(s) / Investment Manager / Project Manager(s) and their Associates / related parties**								
(1)	**Indian**								
(a)	Individuals / HUF	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(b)	Central/State Govt.	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(c)	Financial Institutions/Banks	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(d)	Any Other	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
	Sub-Total (A)(1)	***Nil***	-	***Nil***	-	***Nil***	-	***Nil***	-
(2)	**Foreign**								
(a)	Individuals (Non Resident Indians / Foreign Individuals)	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(b)	Foreign Government	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(c)	Institutions	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(d)	Foreign Portfolio Investors	*Nil*	-	*Nil*	-	*Nil*	-	*Nil*	-
(e)	Any Other	*Nil*	-	[●]	[●]	*Nil*	-	[●]	[●]
(i)	Reliance Infrastructure Limited	*Nil*	-	[●]	[●]	*Nil*	-	[●]	[●]
	Sub-Total (A)(2)	***Nil***	-	[●]	[●]	***Nil***	-	[●]	[●]
(B)	**Public Holding**								
(1)	**Institutions**								
(a)	Mutual Funds	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(b)	Financial Institutions/Banks	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(c)	Venture Capital Funds	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(d)	Central/State Government	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(e)	Insurance Companies	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(f)	Provident/pension funds	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(g)	Foreign Portfolio Investors	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(h)	Foreign Venture Capital Investors	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(i)	Any Other	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
	Sub-Total (B)(1)	***Nil***	-	***Nil***	-	**[●]**	**[●]**	**[●]**	**[●]**
(2)	**Non-Institutions**								
(a)	Central Government / State Government(s) / President of India	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(b)	Individuals	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(c)	NBFCs registered with RBI	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
(d)	Any Other	*Nil*	-	*Nil*	-	[●]	[●]	[●]	[●]
	Sub-Total (B)(2)	***Nil***	-	***Nil***	-	**[●]**	**[●]**	**[●]**	**[●]**
	Total Public Unit holding (B) = (B)(1) + (B)(2)	***Nil***	-	***Nil***	-	**[●]**	**[●]**	**[●]**	**[●]**
	Total Units Outstanding (C) = (A) + (B)	***Nil***	-	[●]	[●]	[●]	[●]	[●]	[●]
	TOTAL	***Nil***	-	[●]	**100.00**	[●]	[●]	[●]	**100.00**

[1] *As on the date of the Draft Offer Document*
[2] *The Units issued to the Sponsor pursuant to the Formation Transactions will be created post Bid/Issue Closing Date*
[3] *On a post-Issue basis*
[4] *To be updated after finalization of the Issue Price*

5) ***Limitation to the Liability of the Unitholders***

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust.

6) ***Details of Sponsor's Lock-in***

a) In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units, subject to the following:

(i) the Sponsor would be resposible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

(ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

(iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units.

b) As on the date of the date of the Final Offer Document, the Sponsor holds [●] Units, which constitute [●]% of the total outstanding Units on a post-Issue basis.

c) Details of the Units to be locked-in for a period of three years (or such other period as may be prescribed under the InvIT Regulations) are as follows:

Sr. No.	**Name of Unitholder**	**Number of Units**	**As a % of the total outstanding Units on a post-Issue basis**
1.	Reliance Infrastructure Limited	[●]	[●]
	Total	[●]	[●]

d) Further, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

7) ***Other Lock-in Requirements***

The Units held by any persons other than the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with the InvIT Regulations.

8) The GCBRLMs and the BRLMs do not hold any Units as on the date of this Draft Offer Document.

9) The Investment Manager, on behalf of the Trust, shall ensure that transactions in the Units by the Sponsor and its Associates, during the period between the date of filing the Offer Document with the SEBI and the Stock Exchanges and the Bid/Issue Closing Date, shall be reported to the Stock Exchanges within 24 hours of such transactions.

10) ***Prohibition on Offer of Incentives***

No person connected with the Issue, including any person connected with the distribution of the Issue, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of the Units.

LEVERAGE

The following tables present (a) the capital structure of the Trust (including any borrowing or deferred payments) on a combined basis, as of March 31, 2017, as adjusted taking into account the Formation Transactions and the utilization of the Net Proceeds, as described in the section "*Use of Proceeds*", on page 87, and (b) the capital structure of the Project SPVs (including any borrowing or deferred payment) on a standalone basis, as of March 31, 2017.

The information presented below should be read in conjunction with the sections "*Use of Proceeds*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 87, 313 and 372, respectively.

1. Combined Capital Structure of the Trust (including any Borrowings or Deferred Payments)

Particulars	**As at March 31, 2017**	
	Pre-Issue (Rs. in Millions)	**Post-Issue(1)(2) (Rs. in Millions)**
Shareholders' Funds		
Equity Share Capital	530.62	[●]
Subordinate Debt	5,757.95	[●]
Other Equity	2,022.59	[●]
Equity attributable to owners	**8,311.16**	[●]
Non-controlling interest	409.99	
Total Equity	**8,721.15**	
Borrowings		
Borrowings from related parties	75.00	[●]
Short term borrowings	1,500.00	
Long term borrowings	22,959.15	[●]
Current maturities of long term borrowings	1,723.33	[●]
		[●]
Total Debt	**26,257.48**	[●]
Total Capitalization	**34,978.62**	[●]

(1) *Can be determined only upon conclusion of the Issue*
(2) *Based on the estimated utilization of the Net Proceeds*

2. Standalone Capital Structure of the Project SPVs (including any Borrowings or Deferred Payments)

1. DS

Particulars	**As at March 31, 2017**	
	Pre-Issue (Rs. in Millions)	**Post-Issue(1)(2) (Rs. in Millions)**
Shareholders' Funds		
Equity Share Capital	52.10	[●]
Subordinate Debt	468.00	[●]
Other Equity	65.41	[●]
Total Shareholders' Funds	**585.51**	[●]
Borrowings		
Long term borrowings	2,846.74	[●]
Current maturities of long term borrowings	225.76	[●]
Total Debt	**3,072.50**	[●]
Total Capitalization	**3,658.01**	[●]

(1) *Can be determined only upon conclusion of the Issue*
(2) *Based on the estimated utilization of the Net Proceeds*

2. GF

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	**Post-Issue(1)(2) (Rs. in Millions)**
Shareholders' Funds		
Equity Share Capital	14.51	[●]
Subordinate Debt	1,511.75	[●]
Other Equity	(359.36)	[●]
Equity attributable to owners	**1,166.90**	[●]
Non-controlling interest	409.99	
Total Shareholders' Funds	**1,576.89**	
		[●]
Borrowings		[●]
Long term borrowings	3,731.51	[●]
Current maturities of long term borrowings	700.80	[●]
Total Debt	**4,432.31**	[●]
Total Capitalization	**6,009.20**	[●]

(1) Can be determined only upon conclusion of the Issue
(2) Based on the estimated utilization of the Net Proceeds

3. JR

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	**Post-Issue(1)(2) (Rs. in Millions)**
Shareholders' Funds		
Equity Share Capital	0.11	[●]
Subordinate Debt	1,330.31	[●]
Other Equity	(611.28)	[●]
Total Shareholders' Funds	**719.14**	[●]
Borrowings		
Long term borrowings	**3,309.20**	
Current maturities of long term borrowings	175.12	
Total Debt	**3,484.32**	[●]
		[●]
Total Capitalization	**4,203.46**	[●]

(1) Can be determined only upon conclusion of the Issue
(2) Based on the estimated utilization of the Net Proceeds

4. NK

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	**Post-Issue(1)(2) (Rs. in Millions)**
Shareholders' Funds		
Equity Share Capital	44.77	[●]
Subordinate Debt	582.69	[●]
Other Equity	(266.52)	[●]
Total Shareholders' Funds	**360.95**	[●]
Borrowings		
Long term borrowings	1,004.87	[●]
Short term borrowings	1500.00	
Current maturities of long term borrowings	103.20	[●]
Total Debt	**2,608.07**	[●]

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	Post-Issue[(1)(2)] (Rs. in Millions)
		[●]
Total Capitalization	**2,969.02**	[●]

[(1)] *Can be determined only upon conclusion of the Issue*
[(2)] *Based on the estimated utilization of the Net Proceeds*

5. SU

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	Post-Issue[(1)(2)] (Rs. in Millions)
Shareholders' Funds		
Equity Share Capital	184.12	[●]
Subordinate Debt	-	[●]
Other Equity	1,482.79	[●]
Total Shareholders' Funds	**1,666.91**	[●]
Borrowings		
Long term borrowings	6,508.19	[●]
Current maturities of long term borrowings	6.05	[●]
Total Debt	**6,514.24**	[●]
		[●]
Total Capitalization	**8,181.15**	[●]

[(1)] *Can be determined only upon conclusion of the Issue*
[(2)] *Based on the estimated utilization of the Net Proceeds*

6. TD

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	Post-Issue[(1)(2)] (Rs. in Millions)
Shareholders' Funds		
Equity Share Capital	107.45	[●]
Subordinate Debt	152.50	[●]
Other Equity	465.92	[●]
Total Shareholders' Funds	**725.87**	[●]
Borrowings		
Long term borrowings	2,673.85	[●]
Current maturities of long term borrowings	161.20	[●]
Total Debt	**2,835.05**	[●]
		[●]
Total Capitalization	**3,560.92**	[●]

[(1)] *Can be determined only upon conclusion of the Issue*
[(2)] *Based on the estimated utilization of the Net Proceeds*

7. TK

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	Post-Issue[(1)(2)] (Rs. in Millions)
Shareholders' Funds		
Equity Share Capital	127.56	[●]
Subordinate Debt	1,712.70	[●]
Other Equity	1,245.63	[●]
Total Shareholders' Funds	**3,085.89**	[●]

Particulars	As at March 31, 2017	
	Pre-Issue (Rs. in Millions)	Post-Issue(1)(2) (Rs. in Millions)
Borrowings		
Borrowings from related parties	75.00	[●]
Long term borrowings	2,884.78	[●]
Current maturities of long term borrowings	351.20	[●]
Total Debt	**3,310.98**	[●]
		[●]
Total Capitalization	**6,396.87**	

(1) Can be determined only upon conclusion of the Issue
(2) Based on the estimated utilization of the Net Proceeds

Borrowing Policy

Investment Manager may from time to time, consider availing additional borrowings/debt, in accordance with the investment strategy of the Trust, subject to the InvIT Regulations. In accordance with Regulation 20(2) of the InvIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents exceed 25% of the value of the Trust Assets, for any further borrowing:

- credit rating shall be obtained from a credit rating agency registered with SEBI; and
- an approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the InvIT Regulations, namely where the votes cast in favour of a resolution shall be more than the votes cast against such resolution, or such other percentage as may be prescribed under the InvIT Regulations.

However, in accordance with Regulation 20(1) of the InvIT Regulations, the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents shall never exceed 49% of the value of the Trust Assets.

If either of the conditions in relation to the aggregate consolidated borrowings of the Trust, as specified hereinabove, are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager shall inform the same to the Trustee at the earliest and ensure that such condition is satisfied within six months of the breach, in accordance with the InvIT Regulations.

Lock-up on the Trust and the Investment Manager (Contractual)

The Trust (acting through the Trustee) and the Investment Manager shall not, without the prior written consent of the Managers, during the period commencing from the date of the Draft Offer Document and ending 180 calendar days after the listing of the Units, directly or indirectly: (i) issue, offer, transfer, lend, pledge, sell, encumber, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of directly or indirectly any Units or any securities convertible into or exercisable or exchangeable for Units, other than pursuant to the Securities Purchase Agreements or the Issue (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any other securities convertible into or exercisable as or exchangeable for Units, or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or such other securities, in cash or otherwise. However, the aforesaid restrictions shall not apply to (i) an issue of Units made as consideration with respect to an acquisition made by the Trust pursuant to the right of first offer and future assets agreement; and (ii) any buy-back of Units made by the Trust.

Lock-in Restrictions

Lock-in on the Sponsor (Regulatory)

In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units, subject to the following:

1. the Sponsor would be resposible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

2. the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

3. the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

   Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units.

Further, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

Lock-in on the Sponsor (Contractual)

The Sponsor shall not, without the prior written consent of the GCBRLMs and the BRLMs, during the period commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the listing of the Units, directly or indirectly: (i) in relation to any Units or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Units other than pursuant to the Issue, issue, offer, transfer, lend, pledge, sell, contract to sell or issue, sell any option or contract to sell or issue, grant any option, right or warrant to purchase, lend, or otherwise transfer, dispose of or create any encumbrances; ii) except as disclosed in the Draft Offer Document, enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Units or any securities convertible into or exercisable as or exchangeable for Units; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above; whether any such transaction described in (i) or (ii) above is to be settled by delivery of Units or securities, in cash or otherwise. The aforesaid restrictions shall not apply to any bank financing or refinancing proposed to be undertaken by any of the Project SPVs and any pledge of the equity shares held by the Sponsor in the Project SPV in relation to such bank financing or refinancing taken by the Project SPVs, provided that the overall bank debt of such Project SPV shall not be increased and that the Sponsor ensures the release of such pledge for the transfer of such equity shares to the Trust pursuant to the relevant Securities Purchase Agreement.

Lock-up on the Sponsor (Contractual)

The Sponsor shall not, without the prior written consent of the GCBRLMs BRLMs, during the periods (i) commencing from the date of filing of the Draft Offer Document and ending 180 calendar days from the date of filing the Draft Offer Document (which period shall be extendable by the mutual consent of the GCBRLMs and BRLMs and the Sponsor) and (ii) commencing from the listing of the Units and ending 180 calendar days thereafter, directly or indirectly undertake any offering of debt, equity, units of an infrastructure investment trust that proposes to invest in the road infrastructure sector in India or any other jurisdiction.

Further, none of the Sponsor or any of its Associates shall set up any infrastructure investment trust that proposes to invest in the road infrastructure sector in India or in any other jurisdiction subsequent to the filing of the Draft Offer Document by the Trust and until a period of 180 calendar days from the listing of the Units.

RELATED PARTY TRANSACTIONS

In accordance with the InvIT Regulations, 'related parties' shall mean 'related parties' as defined under the Companies Act or under applicable accounting standards, and shall also include (i) the Sponsor; (ii) the Investment Manager; (iii) the Project Manager; (iv) the Trustee; (v) any promoter, director or partner of the Sponsor, the Investment Manager, the Trustee or the Project Manager. Further, any transaction between the Trust and one or more infrastructure investment trusts having a common investment manager or sponsor, or a transaction where the Investment Manager or the Sponsor is an Associate of the investment manager or sponsor of the other infrastructure investment trust(s), shall be deemed to be related party transactions for such parties.

A. Procedure for Dealing with Related Party Transactions

General Requirements

In accordance with relevant provisions of the InvIT Regulations, all related party transactions shall be on an arms-length basis, in compliance with applicable accounting standards and any other guidelines issued by the SEBI from time to time. Such related party transactions shall be in the best interest of the Unitholders, and must be consistent with the strategy and investment objectives of the Trust.

Approval of the Unitholders

In the case of related party transactions proposed to be entered into after the Issue, an approval from Unitholders shall be obtained in the manner specified under Regulation 22 of the InvIT Regulations (where the votes cast in favour of a resolution shall be more than the votes cast against such resolution), prior to entering into any such subsequent transaction if:

a) the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets, whether directly or through a holding company or through an SPV, or investments into securities exceeds 5% of the value of the Trust Assets; or

b) the value of the funds borrowed from related parties, in a financial year, exceeds five per cent. of the total consolidated borrowings of the Trust, the holding company and the SPVs.

It is clarified that voting by any person who is a related party with respect to any transaction, as well as the voting by the Associates of such person, shall not be considered on the specific issue.

Role of the Investment Manager

The Investment Manager is responsible for formulating and maintaining all such internal processes and relevant controls with respect to related party transactions, so as to ensure compliance with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with any additional guidelines issued by the SEBI in the future.

Disclosure and Reporting

The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, including the status of compliance with the requirements specified under the InvIT Regulations in relation to related party transactions, within 30 days of the end of each quarter.

All related party transactions of the Trust shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreement to be entered into with the Stock Exchanges in relation to the listing of the Units. The Investment Manager shall adequately disclose the details of any fees or commissions received or to be received by such related parties to the Stock Exchanges.

Further, in accordance with the InvIT Regulations, the Investment Manager shall submit an annual report to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the financial year, which shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any projects, directly or through SPVs during the year, the value of which exceeded 5% of value of the Trust Assets.

B. Details of Related Party Transactions Undertaken Prior to the filing of the Draft Offer Document

The Trust has entered into the following related party transactions in the last three financial years and in the current financial year:

Sr. No.	Name of the Related Party	Nature of Relationship with the Trust	Nature of Transaction
1.	Reliance Infrastructure Limited	Sponsor	The Trust was settled with an initial settlement amount of Rs. 10,000 by the Sponsor.
2.	Reliance Nippon Life Asset Management Limited	Investment Manager	The Trustee (acting on behalf of the Trust) has entered into the Investment Management Agreement dated October 3, 2016, with the Investment Manager for managing and administering the Trust, in accordance with the InvIT Regulations. Further, going forth, the Investment Manager will be paid fees by the Trustee (acting on behalf of the Trust) with respect to the services provided by the Investment Manager, in accordance with the Investment Management Agreement. For details, see "*Background and Structure of the Trust*" and "*The Investment Manager*" on page 118 and page 297, respectively.
3.	Reliance Infrastructure Limited	Project Manager	The Trustee (acting on behalf of the Trust) has entered into the Project Implementation Agreements with the Sponsor (in its capacity as the Project Manager), with respect to each of the Project SPVs, which set out the obligations of the Project Manager with respect to the execution of each of the projects, in accordance with the InvIT Regulations. Further, going forth, the Project Manager will be paid fees by the respective Project SPVs, with respect to the operation and maintenance services provided, in accordance with the Project Implementation Agreements. For details, see "*Background and Structure of the Trust*" and "*The Project Manager*" and on page 118 and page 306, respectively.
4.	Reliance Infrastructure Limited	Sponsor	Pursuant to a separate trademark and tradename license, the Sponsor has granted to the Trust, each of the Project SPVs and the Investment Manager, the non-transferable and non-assignable right to use the "Reliance" trademark as part of their respective corporate names, if applicable, in connection with their respective businesses and any other ancillary purpose, on a non-exclusive basis.

For details of the related party transactions entered into by the Trust Group during the preceding three fiscal years, as per the requirements under Ind-AS 24 '*Related Party Disclosures*' and the relevant guidance note issued by the ICAI and as reported in the Condensed Combined Financial Statements, please refer to the "*Financial Statements*" on page 313.

C. Details of Related Party Transactions Proposed to be Undertaken

Transactions in Connection with the Issue

In connection with the completion of the Issue and prior to the Allotment of the Units in the Issue, the Trustee (on behalf of the Trust) will acquire the equity shares of the Project SPVs, all of which are currently wholly owned by the Sponsor. The Trustee (on behalf of the Trust) intends to acquire the equity shares of the Project SPVs after the Bid/Issue Closing Date and prior to the Allotment in the Issue. Subject to the receipt of requisite approvals, the Trust intends to acquire 100% of the equity shares in each of DS, JR, NK, SU, TD and TK, and 74% of the equity shares in GF. Further, along with the equity shares of the Project SPVs, the Trustee (on behalf of the Trust) simultaneously intends to acquire, all or part, of the subordinate debt certificates issued by certain Project SPVs to the Sponsor pursuant to the Securities Purchase Agreements. As consideration for the acquisition of the equity shares of, and the subordinate debt certificates issued by, the Project SPVs, the Trust will issue Units to the Sponsor on or around the Acquisition Date. The Securities Purchase Agreements for each Project SPV are in draft form and will be executed after the Bid/Issue Closing Date and on or before the Acquisition Date.

Further, almost all of the Net Proceeds of the Issue are proposed to be utilized towards (a) the Secured Trust Financing towards repayment/prepayment, in part or full, of certain loans/facilities availed by the Project SPVs from their respective senior lenders/lenders; and (b) the Unsecured Trust Financing towards prepayment, in part, of the unsecured subordinate debt provided to such Project SPVs by the Sponsor, and the prepayment, in full, of the unsecured loans/advances provided to such Project SPVs by the Sponsor. The aforesaid investments will be made by entering into the Debt Documentation with the Project SPVs.

Other Related Party Transactions

In order to conduct its business, the Trust may enter into transactions with related parties in the future, which will be carried out in compliance with the aforesaid procedure for dealing with related party transactions, applicable accounting standards and the provisions of the InvIT Regulations.

A summary of the such proposed transactions (other than the Formation Transactions and the Debt Documentation) is provided below:

Sr. No.	Name of the Related Party	Nature of Relationship with the Trust	Nature of Transaction
1.	Reliance Infrastructure Limited	Sponsor	The Sponsor, the Investment Manager and the Trustee (acting on behalf of the Trust) propose to enter into the Right of First Offer and Future Assets Agreement, which will enable the Trust to have the right to access DA, HK, KM and PS (the "**Sponsor's Other Assets**") and the future assets which are developed or acquired by the Sponsor's future subsidiaries after the Issue.
2.	Reliance Infrastructure Limited	Sponsor	In connection with the establishment and registration of the Trust, the Sponsor has incurred Rs. 1.10 million in expenses. The Trust shall reimburse the Sponsor the aforesaid set-up costs incurred in relation to the establishment and registration of the Trust from the Net Proceeds.

Further, as consideration for the services of each of the Trustee, the Investment Manager and the Project Manager, the Trust will be required to pay each of the Trustee, the Investment Manager and the Project Manager, such fees and expenses as agreed in their respective engagement letters. For additional details in relation to the fees and expenses charged or chargeable to the Trust by each of the Trustee, the Investment Manager and the Project Manager, see "*Background and Structure of the Trust – Fees and Expenses*" on page 140.

D. Potential Conflicts of Interest

We may be subject to potential conflicts of interest arising out of our relationship with our Sponsor and its Associates, including the Sponsor group, and we will enter into transactions with related parties in the future. Details in relation to our policies for dealing with related party transactions are provided herein above. Further, in accordance with the InvIT Regulations, not less than half the directors of the Investment Manager are independent, and are not directors or members of the governing board of another infrastructure investment trust.

We cannot assure you that our policies will succeed in eliminating the influence of any potential conflicts of interest. If they are not successful, decisions could be made that might fail to reflect fully the interests of all Unitholders. For additional details of the risks involved in transactions that involve potential conflicts of interest, see "*Risk Factors – We will enter into related-party transactions. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties*" on page 44.

While the Sponsor operates various infrastructure projects and accordingly, has interests in infrastructure assets apart from those of the Project SPVs, none of these other infrastructure assets compete or are likely to compete, directly or indirectly, with the activities of the Trust. The Sponsor confirms that it shall perform its duty in relation to the Trust independent of its related business.

Further, in order to enable the Trust to have the right to acquire the Sponsor's Other Assets and any other future assets which may be developed or acquired by any Sponsor Group Entity (as defined below) and acquire a controlling interest in the Sponsor's Other Assets or such future asset, after the InvIT Listing (as defined below), the Sponsor will enter into the Right of First Offer and Future Assets Agreement with the Trust (acting through the Trustee and the Investment Manager) after the Bid/Issue Closing Date but prior to Allotment. The Trust is required to distribute 90% of its Net Distributable Cash Flows to its Unitholders. Accordingly, any future acquisitions (including pursuant to the Right of First Offer and Future Assets Agreement) may require the Trust to raise capital, either through a further issue of Units or to borrow funds from lenders.

Right of First Offer and Future Assets Agreement

To enable the Investor to have the right to acquire the Existing Sponsor SPVs (as defined below) and any other future asset which may be developed or acquired by any Sponsor Group Entity (as defined below) after the InvIT Listing (as defined below), the Sponsor has agreed to undertake certain obligations on the terms set out below. The Sponsor has also agreed to undertake to transfer the remaining 26% of GF to the Trust once it is eligible to do so under the relevant concession agreement on the terms set out below.

Certain relevant definitions in the Right of First Offer and Future Assets Agreement are as follows:

"**Acquisition Date**" means the date on which a Sponsor Group Entity (i) executes a valid and binding concession agreement for a toll road project in India with any Authority or (ii) completes the direct or indirect acquisition of equity shares or interest in a toll road project in India and becomes the holder of such equity shares or interest;

"**Authority**" means the NHAI, any public works department and any other relevant concession authority granting the concession to the relevant asset;

"**Construction Completion Date**" means the date of receipt of a provisional or final completion certificate, as the case may be, for completion of construction of the full length of a project highway; provided that the full length of a project highway shall not include any portion of a project highway that is de-scoped from such project highway for the purpose of commercial operation by the relevant Authority in accordance with the terms of the relevant concession agreement;

"**Control**" shall have the meaning set forth under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the terms "**Controlling**" and "**Controlled**" shall be construed accordingly.

"**Equity**" shall have the meaning given to such term under the relevant concession agreement.

"**Existing Sponsor SPVs**" shall mean DA, HK, KM and PS;

"**Force Majeure Event**" shall have the meaning given to such term in the relevant concession agreement, for the relevant asset, and where such term is not defined in the relevant concession agreement, it shall mean the occurrence of any event, which prevents the relevant asset from performing its obligations and enforcing its rights under the relevant concession agreement and which act or event is (i) beyond the reasonable control and not arising out of the fault of the relevant asset, (ii) the relevant asset has been unable to overcome such act or event by the exercise of due diligence and reasonable efforts, skill and care, and (iii) has a material adverse effect on the relevant asset, including but not limited to collecting toll at the applicable rates in accordance with the relevant concession agreement;

"Future Asset" mean any entity set up or acquired by the Sponsor after the InvIT Listing and complying with each of the following conditions:

(i) which is or will be engaged solely and exclusively in the business of operating and managing toll roads located in India;

(ii) which is or will be the concessionaire of a toll road which is or will be developed or operated by a Sponsor Group Entity or in which a Sponsor Group Entity currently holds equity shares or other interest enabling it to exercise Control or otherwise exercises Control or has acquired equity shares or other interest after the InvIT Listing Date that enable it to exercise control or otherwise exercises Control after the InvIT Listing Date;

(iii) where the underlying toll road asset has completed less than 12 (twelve) months from its Project Completion Date or is not a Stabilized Revenue Asset as on the Acquisition Date; and

(iv) where the toll road asset for which such entity is the concessionaire is free from any Material Defects.

"**Future Mature Asset**" means any entity acquired by the Sponsor after the InvIT Listing and complying with each of the following conditions:

(i) which is engaged solely and exclusively in the business of operating and managing toll roads located in India;

(ii) which is the concessionaire of a toll road which is developed or operated by a Sponsor Group Entity or in which a Sponsor Group Entity currently holds equity shares or other interest enabling it to exercise Control or otherwise exercises Control or has acquired equity shares or other interest after the InvIT Listing Date that enable it to exercise control or otherwise exercises Control after the InvIT Listing Date;

(iii) where the Sponsor Group Entity is not restricted, pursuant to any Minimum Shareholding Requirement, from transferring more than 50% (fifty per cent.) of the equity shares or other interest and Control of such entity to the Investor as of the Acquisition Date;

(iv) where the underlying toll road asset has completed at least 12 (twelve) months from its Project Completion Date, or is a Stabilized Revenue Asset as of the Acquisition Date;

(v) which, as of the date of the proposed transfer of such Future Mature Asset to a third party, has not less than three years remaining until the expiry of the concession period under its concession agreement with the relevant Authority; and

(vi) where the toll road asset for which such entity is the concessionaire is free from any Material Defects.

"**Governmental Authority**" means any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental or statutory authority, agency, department, board, commission, public body or instrumentality of India and includes, without limitation, the Authority;

"**Investor**" means the Trust (acting through the Trustee) and the Investment Manager;

"**InvIT Listing**" means the listing and commencement of trading of the units of the Trust on the BSE Limited and the National Stock Exchange of India Limited;

"**InvIT Listing Date**" means the date of the InvIT Listing;

"**Material Defect**" in relation to a relevant asset, means any disputes, litigation or arbitration proceedings, pending approvals, each of which is reasonably likely to result in a material adverse impact on the business and results of operations of such entity or asset;

"**Minimum Shareholding Requirement**" means a requirement, if any, under any Law, regulation, contract or agreement, including the concession agreement with any Authority, applicable policy, rules or regulations issued by any Authority, agreement with other shareholders or lenders of the relevant asset who are not related, directly or indirectly, to the Sponsor, which stipulates that a Sponsor Group Entity shall hold a certain minimum percentage of the equity shares of or interest in a relevant asset at the relevant time;

"**Project Completion Date**" means the date on which the project receives a provisional completion certificate, or a completion certificate, as the case may be, in accordance with the terms of the relevant concession agreement;

"**Related Party**" shall have the meaning given to such term under Section 2(76) of the Companies Act, 2013 as well as under the applicable accounting standards and the InvIT Regulations;

"**Sponsor Group Entity**" means the Sponsor or any of the Sponsor's existing or future subsidiaries, LLPs or other entities that are Controlled by or under common Control with, the Sponsor. For the avoidance of doubt, "**Sponsor Group Entity**" shall exclude the Investment Manager and its subsidiaries, subsidiary entities, trusts and undertakings; and

"**Stabilized Revenue Asset**" means an entity,

(a) which has provisions in its concession agreement for the payment of certain fixed amounts by the relevant Authority to the concessionaire entity (the "**Fixed Payments**");
(b) where the quantum of Fixed Payments payable to such entity is not less than 90% of the total revenue to be collected by such entity in any financial period; and
(c) where Fixed Payments have actually been made, unconditionally and without any encumbrance by the concessioning authorities and received by such entity for at least one financial period.

I. EXISTING SPONSOR SPVs

The Sponsor will notify the Investor in writing within five (5) days of any of DA, KM or PS receiving a provisional completion certificate in accordance with their respective concession agreements which notice shall also specify (a) the date of receipt of the provisional completion certificate by such Existing Sponsor SPV and (b) the percentage of construction that has been recorded as having been completed in such provisional completion certificate; provided that in the case of KM, the Sponsor shall notify the Investor upon the receipt of any additional provisional completion certificate in accordance with KM's concession agreement.

On the date falling 24 (twenty-four) months from the Construction Completion Date, the respective Existing Sponsor SPV shall automatically, without any further action by any Person, be deemed to be a "**ROFO Threshold SPV**", provided that in the case of KM, it shall be deemed to be a ROFO Threshold SPV upon the later of (a) the completion of two (2) years from November 4, 2015 and (b) its Construction Completion Date.

Upon any of the Existing Sponsor SPVs becoming a ROFO Threshold SPV, the Sponsor shall notify the Investor in writing of such event within five (5) days thereof and such notice shall also specify whether the following conditions have been satisfied: the Existing Sponsor SPV is (i) free from Material Defects and (ii) the Sponsor Group Entity is not restricted, pursuant to any Minimum Shareholding Requirement, from transferring more than 50% (fifty per cent.) of the equity shares or other interest and Control of such Existing Sponsor SPV, provided that if such conditions have not been satisfied on the date of such Existing Sponsor SPV becoming a ROFO Threshold SPV, then the Sponsor shall notify the Investor only upon the satisfaction of such conditions (such date of notice of satisfaction of the conditions, the "**ROFO Threshold SPV Notice Date**").

Sale of a ROFO Threshold SPV

Invitation by the Sponsor to make an offer for HK and KM

The Sponsor shall make an irrevocable invitation to offer for the ROFO Threshold SPV Offer Shares of HK and KM (such shares or interest, the "**HK and KM ROFO Threshold SPV Offer Shares**") to the Investor on or before September 30, 2018; provided that such period may be extended beyond September 30, 2018 only upon mutual agreement of the Parties in writing (such period, including any extension(s) thereof, the "**HK and KM Threshold SPV Share Sale Offer Period**"). The Parties also agree that in the event of the occurrence of a Force Majeure Event at any time within the HK and KM ROFO Threshold SPV Share Sale Offer Period, the period for which such Force Majeure Event subsists shall not be considered for computing the HK and KM ROFO Threshold SPV Share Sale Offer Period.

Invitation by the Sponsor to make an offer for DA or PS

The Sponsor shall make an irrevocable invitation to offer for the ROFO Threshold SPV Offer Shares in relation to DA or PS (such shares or interest, the "**DA/PS ROFO Threshold SPV Offer Shares**") within a period of six (6) months from the ROFO Threshold SPV Notice Date for such ROFO Threshold SPV; provided that the period for making an invitation to offer may be extended beyond such six (6) month period only upon mutual agreement of the Parties in writing (such period, including any extension(s) thereof, the "**DA/PS ROFO Threshold SPV Share Sale Offer Period**"). The Parties also agree that in the event of the occurrence of a Force Majeure Event at any time within the DA/PS ROFO Threshold SPV Share Sale Offer Period, the period for which such Force Majeure Event subsists shall not be considered for computing the DA/PS ROFO Threshold SPV Share Sale Offer Period.

In the event the Sponsor does not make an invitation to offer to the Investor at any time during the HK and KM ROFO Threshold SPV Share Sale Offer Period or the DA/PS ROFO Threshold SPV Share Sale Offer Period, as applicable, and the Investor has not called for such invitation as described below, then upon the expiry of such HK and KM ROFO Threshold SPV Share Sale Offer Period or DA/PS ROFO Threshold SPV Share Sale Offer Period, as applicable, without any further action by any Person, the Sponsor shall automatically be required to make an irrevocable invitation to offer to the Investor within five (5) days of the expiry of the HK and KM ROFO Threshold SPV Share Sale Offer Period or the DA/PS ROFO Threshold SPV Share Sale Offer Period, as applicable (the date of invitation to offer by the Sponsor, the "**ROFO Post-Threshold SPV Share Sale Offer Period Invitation Date**") and the Investor shall have the right to make or decline to make an offer for the equity shares or interest in the ROFO Threshold SPV(s) in accordance with the terms of the Right of First Offer and Future Assets Agreement.

Investors' Right to Call for an Invitation to Offer

The Sponsor has granted the right (but not the obligation) to the Investor to, in relation to each of the Existing Sponsor SPVs, at any time after such Existing Sponsor SPV has become a ROFO Threshold SPV and the conditions for sale of such ROFO Threshold SPV have been satisfied (it having been agreed by the Sponsor that it shall confirm to the Investor that such conditions have been satisfied), to cause the Sponsor to invite the Investor to offer for all, but not less than all, of the equity shares or interest of the ROFO Threshold SPV held by the Sponsor, by the delivery of a notice to the Sponsor requesting the Sponsor to immediately make an invitation to offer under the Right of First Offer and Future Assets Agreement ("**ROFO Investor Call Notice**").

Valuation

Within seven (7) working days of receiving the ROFO Threshold SPV Notice, the Investor shall request the valuer of the Trust (the "**Valuer**") to undertake a valuation of the ROFO Threshold SPV(s). The Valuer shall within a period of 30 (thirty) days of such request provide the Sponsor and the Investor with (i) a valuation of the ROFO Threshold SPV(s) and (ii) the price for the KM and HK ROFO Threshold SPV Offer Shares or the DA/PS Threshold SPV Offer Shares, as applicable ((i) and (ii), together, the "**Investor ROFO Price and Terms**"). The Sponsor has agreed to provide the Valuer with access to all information and documentation, including access to the site, that is required or necessary for the Valuer to complete its valuation within such time period.

The Sponsor and the Investor have agreed that, in the event the Investor chooses to make an offer as specified below, the Investor ROFO Price and Terms provided by the Valuer shall be binding on the Parties..

Offer by the Investor

Within 15 (fifteen) days of the receipt of the Investor ROFO Price and Terms from the Valuer (the "**ROFO Threshold SPV Offer Period**"), the Investor shall either deliver a notice to the Sponsor making an offer to purchase all (and not less than all) of the ROFO Threshold SPV Offer Shares at the Investor ROFO Price and Terms (the "**ROFO Threshold SPV Offer**") or reject the ROFO Threshold SPV Notice; provided that, in case of an invitation to offer made by the Sponsor for the HK and KM ROFO Threshold SPV Offer Shares, the Investor shall have the right to make or decline to make an offer in respect of the ROFO Threshold SPV Offer Shares of either HK or KM or collectively for both HK and KM and in the event that the Investor declines to make an offer for the ROFO Threshold SPV Offer Shares of either HK or KM, then, subject to the provisions in relation to offer to a third party set out below, the Sponsor shall be entitled to sell such ROFO Threshold SPV Offer Shares in the ROFO Threshold SPV to a third party at the Third Party Price and Terms (defined below) within the Third Party Threshold SPV Transfer Period (defined below) and such Third Party Threshold SPV Transfer Period shall be calculated with reference to the Investor ROFO Threshold SPV Transfer Period (defined below) for the ROFO Threshold SPV for which the Investor makes an offer.

In the event the Investor has issued a ROFO Threshold SPV Offer, then the Sponsor shall (i) confirm to the Investor that the ROFO Threshold SPV remains free of Material Defects (provided however that if the Investment Manager disagrees with the assessment of the Sponsor with respect to the existence of such Material Defect, the Sponsor and the Investment Manager shall jointly appoint an independent third party (meeting the criteria specified in Regulation 2(1)(zzf)(b) of the InvIT Regulations) to determine the existence of a Material Defect, and such determination shall be binding on all Parties) and (ii) accept such offer and consummate the sale of such ROFO Threshold SPV Offer Shares, which shall, at the time of the transfer, be free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrances or transfer restrictions ("**Encumbrances**") at the Investor ROFO Price and Terms within six (6) months from the date of the ROFO Threshold SPV Offer by the Investor (the "**Investor ROFO Threshold SPV Transfer Period**").

Absence of offer by Investor

In the event the Investor (a) notifies the Sponsor of its intent not to purchase the ROFO Threshold SPV Offer Shares within the ROFO Threshold SPV Offer Period or (b) fails to respond to the ROFO Threshold SPV Notice within the ROFO Threshold SPV Offer Period, or (c) notifies the Sponsor of its intent to purchase the ROFO Threshold SPV Offer Shares within the ROFO Threshold SPV Offer Period but is unable complete such acquisition within the Investor ROFO Threshold SPV Transfer Period, then, subject to subject to the provisions in relation to offer to a third party set out below, the Sponsor shall be entitled to transfer and complete the sale of all, but not less than all, of the ROFO Threshold SPV Offer Shares to any third party purchaser within six (6) months of the end of the Investor ROFO Threshold SPV Transfer Period.

Offer to a third party

In the event the Sponsor identifies a third party purchaser for the ROFO Threshold SPV Offer Shares, the Sponsor shall be entitled to transfer and complete the sale of all, but not less than all, of the ROFO Threshold SPV Offer Shares to such third party at a price which is a minimum of 90% (ninety per cent) of the price offered pursuant to the Investor ROFO Price and Terms and on other terms which are not more favourable than the terms contained in the Investor ROFO Price and Terms (the "**Third Party Price and Terms**"), within a maximum period of six (6) months from the end of the Investor ROFO Threshold SPV Transfer Period (the "**Third Party Threshold SPV Transfer Period**").

In the event that the Sponsor is unable to complete the sale of all, but not less than all, of the ROFO Threshold SPV Offer Shares to a third party at the Third Party Price and Terms within the Third Party Threshold SPV Transfer Period, the Sponsor shall retain the ROFO Threshold SPV and shall be required to follow the procedure set out above, if it desires to sell the ROFO Threshold SPV Offer Shares of any ROFO Threshold SPV at a later date.

II. FUTURE ASSET THRESHOLD SPV

The Sponsor shall notify the Investor in writing within five (5) days of any asset held or acquired by the Sponsor becoming a Future Asset, which notice shall also include (i) all material information, including financial information, concession terms and other material contractual obligations, liabilities and litigation information in relation to the Future Asset, in legible and understandable form and (ii) the Project Completion Date, if applicable, of such Future Asset and the location of the toll road asset of which the Future Asset is the concessionaire.

On the date falling 24 (twenty-four) months from the Project Completion Date of a Future Asset, such Future Asset shall automatically, without any further action by any Person, become a "**Future Asset Threshold SPV**", provided that any period for which a Material Defect or a Force Majeure Event in respect of such Future Asset subsists shall not be considered for the computation of the 24 (twenty-four) month period above, provided however that if the Investment Manager disagrees with the assessment of the Sponsor with respect to the existence of such

Material Defect, the Sponsor and the Investment Manager shall jointly appoint an independent third party (meeting the criteria specified in Regulation 2(1)(zzf)(b) of the InvIT Regulations) to determine the existence of a Material Defect, and such determination shall be binding on all Parties.

Upon a Future Asset becoming a Future Asset Threshold SPV, the Sponsor shall notify the Investor in writing of such event within five (5) days thereof and such notice shall also specify whether each of the following conditions has been satisfied:

(a) the Sponsor Group Entity owns more than 50% (fifty per cent.) of equity shares or other interest in such Future Asset Threshold SPV and exercises Control over such Future Asset Threshold SPV;

(b) the Sponsor Group Entity is not restricted, pursuant to any Minimum Shareholding Requirement, from transferring more than 50% (fifty per cent.) of the equity shares or other interest and Control of such Future Asset Threshold SPV to the Investor; and

(c) the road asset of which the Future Asset Threshold SPV is the concessionaire is free from any Material Defects, provided however that if the Investment Manager disagrees with the assessment of the Sponsor with respect to the existence of such Material Defect, the Sponsor and the Investment Manager shall jointly appoint an independent third party (meeting the criteria specified in Regulation 2(1)(zzf)(b) of the InvIT Regulations) to determine the existence of a Material Defect, and such determination shall be binding on all Parties.

Provided that if any of the conditions set out above has not been satisfied on the date of the Future Asset becoming a Future Asset Threshold SPV, then the Sponsor shall notify the Investor only upon the satisfaction of all conditions (such date of notice of satisfaction of all conditions, the "**Future Asset Threshold SPV Notice Date**").

Sale in a Future Asset Threshold SPV

Invitation by the Sponsor to the Investor to make an offer

The Sponsor shall make the invitation to offer to the Investor for the acquisition of all (but not less than all) of the equity shares or interest held by all Sponsor Group Entities in the relevant Future Asset Threshold SPV within a period of 24 (twenty-four) months from the Future Asset Threshold SPV Notice Date; provided that the 24 (twenty-four) month period shall be automatically extended by 12 (twelve) months upon the written notice of either Party to take into account adverse, uncertain or illiquid market conditions, provided further that the period for making an invitation to offer may be extended beyond the initial 24 (twenty-four) months and any extension of 12 (twelve) months only upon mutual agreement of the Parties in writing (such period, including any extension(s) thereof, the "**Future Asset Threshold SPV Share Sale Offer Period**"). The Parties have also agreed that in the event of the occurrence of a Force Majeure Event at any time within the Future Asset Threshold SPV Share Sale Offer Period, the period for which such Force Majeure Event subsists shall not be considered for computing the Future Asset Threshold SPV Share Sale Offer Period.

In the event the Sponsor does not make an invitation to offer to the Investor for the acquisition of all (but not less than all) of the equity shares or interest held by all Sponsor Group Entities in the relevant Future Asset Threshold SPV at any time during the Future Asset Threshold SPV Share Sale Offer Period, then upon the expiry of such Future Asset Threshold SPV Share Sale Offer Period, without any further action by any Person, the rights, obligations and procedures as set out in the Right of First Offer and Future Assets Agreement shall automatically be triggered whereby the Sponsor shall be required to make an invitation to offer to the Investor within five (5) days of the expiry of the Future Asset Threshold SPV Share Sale Offer Period (the date of invitation to offer by the Sponsor, the "**Future Asset Post-Threshold SPV Share Sale Offer Period Invitation Date**") and the Investor shall have the right to make or decline to make an offer for the equity shares of or interest in a Future Asset Threshold SPV in accordance with the terms of the Right of First Offer and Future Assets Agreement.

Valuation

Within seven (7) working days of receiving the Future Asset Threshold SPV Notice, the Investor shall request the Valuer to undertake a valuation of the Future Asset Threshold SPV. The Valuer shall within a period of 45(forty-five) days of such request provide the Sponsor and the Investor with (i) a valuation of the Future Asset Threshold SPV and (ii) the price for the Future Asset Threshold SPV Offer Shares ((i) and (ii) together, the "**Future Asset Price and Terms**"). The Sponsor agrees to provide the Valuer with access to all information and documentation, including access to the site, that is required or necessary for the Valuer to complete its valuation within such time period.

The Sponsor and the Investor agree that, in the event the Investor chooses to make an offer as specified below**,** the Future Asset Price and Terms provided by the Valuer shall be binding on the Parties.

Offer by the Investor

Within 10 (ten) days of the receipt of the Future Asset Price and Terms from the Valuer (the "**Future Asset Threshold SPV Offer Period**"), the Investor shall either deliver a notice to the Sponsor making an offer to purchase all (and not less than all) of the Future Asset Threshold SPV Offer Shares at the Future Asset Price and Terms (the "**Future Asset Threshold SPV Offer**") or reject the Future Asset Threshold SPV Notice.

In the event the Investor has issued a Future Asset Threshold SPV Offer Notice, then the Sponsor shall (i) confirm to the Investor that the Future Asset Threshold SPV remains free of Material Defects (provided however that if the Investment Manager disagrees with the assessment of the Sponsor with respect to the existence of such Material Defect, the Sponsor and the Investment Manager shall jointly appoint an independent third party (meeting the criteria specified in Regulation 2(1)(zzf)(b) of the InvIT Regulations) to determine the existence of a Material Defect, and such determination shall be binding on all Parties) and (ii) accept such offer and consummate the sale of such Future Asset Threshold SPV Offer Shares free and clear of any Encumbrances at the Future Asset Price and Terms as determined by the Valuer, within 60 (sixty) days from the date of the Future Asset Threshold SPV Offer by the Investor.

Absence of offer by the Investor

In the event that the Investor (a) notifies the Sponsor of its intent not to purchase the Future Asset Threshold SPV Offer Shares within the Future Asset Threshold SPV Offer Period or (b) fails to respond to the Future Asset Threshold SPV Notice within the Future Asset Threshold SPV Offer Period, as the case may be, the Sponsor shall be entitled to (i) retain the Future Asset Threshold SPV; or (ii) transfer and complete the sale of all, but not less than all, of the Future Asset Threshold SPV Offer Shares to any other Person, without any restriction.

III. FUTURE MATURE ASSETS

Proposed Sale of a Future Mature Asset by the Sponsor Group Entity

Investor's Right of First Refusal

In the event that any Sponsor Group Entity intends to sell all or any portion of the equity shares or interest in any Future Mature Asset held by it to any Person other than a Related Party (any such Person, a "**Relevant Third Party**") (whether this intention to sell is triggered by such Relevant Third Party's indication of its interest to acquire such equity shares or interest, or under any other circumstances, including arising from any discontinuation or expiry or waiver of any contractual or regulatory obligation to maintain certain level of shareholding in the Future Mature Asset by the Sponsor Group Entity), it shall first offer such equity shares or interest to the Investor, in the manner specified below. The Investor shall have a right, but not an obligation, to purchase the equity shares or interest offered by the Sponsor Group Entity.

The Sponsor Group Entity shall deliver to the Investor a notice in writing specifying (i) the number of Future Mature Asset equity shares (or other interest) held by the Sponsor Group Entity, and the Sponsor Group Entity's right or obligation, if any, to own up to the Minimum Shareholding Requirement and any other terms and conditions in connection therewith (the "**Future Mature Asset Offer Shares**"), (ii) all material information, including financial information, concession terms and other material contractual obligations, liabilities and litigation information in relation to the proposed transaction to the Investor in legible and understandable form, and (iii) the price per Future Mature Asset Offer Share and terms at which it intends to sell the Future Mature Assets Offer Shares to the Relevant Third Person (the "**Future Mature Asset ROFR Notice**") offering to sell the Future Mature Asset Offer Shares to the Investor at the Future Mature Asset Offer Price and Terms (defined below). The terms set out in (i), (ii) and (iii) above are collectively hereinafter referred to as "**Future Mature Asset Offer Price and Terms**".

Within 45 (forty five) days of receiving the Future Mature Asset ROFR Notice (the "**Future Mature Asset ROFR Period**"), the Investor shall either agree to purchase all (but not less than all) of the Future Mature Asset Offer

Shares on the Future Mature Asset Offer Price and Terms by delivering a written notice to the Sponsor Group Entity (a "**Future Mature Asset ROFR Acceptance Notice**") or reject the Future Mature Asset ROFR Notice.

A Future Mature Asset ROFR Acceptance Notice shall be binding on the Sponsor Group Entity. If the Investor issues a Future Mature Asset ROFR Acceptance Notice, it shall be entitled to purchase the relevant Future Mature Asset ROFR Shares.

In the event the Investor has issued a Future Mature Asset ROFR Acceptance Notice, then the Sponsor Group Entity shall (i) confirm to the Investor that the Future Mature Asset remains free of Material Defects (provided however that if the Investment Manager disagrees with the assessment of the Sponsor with respect to the existence of such Material Defect, the Sponsor and the Investment Manager shall jointly appoint an independent third party (meeting the criteria specified in Regulation 2(1)(zzf)(b) of the InvIT Regulations) to determine the existence of a Material Defect, and such determination shall be binding on all Parties) and (ii) consummate the sale of such Future Mature Asset Offer Shares free and clear of any Encumbrances at the Future Mature Asset Offer Price and Terms, within 60 (sixty) days from the date of the Future Mature Asset ROFR Acceptance Notice by the Investor.

If the Investor does not issue the Future Mature Asset ROFR Acceptance Notice or fails to respond to the Sponsor Group Entity(s) within the period specified above or rejects the Future Mature Asset ROFR Notice, as the case may be, the Sponsor Group Entity shall, be entitled to transfer and complete the sale to the Relevant Third Party, on the Future Mature Asset Offer Price and Terms, the Future Mature Asset Offer Shares, within 180 (one hundred and eighty) days of the expiry of the Future Mature Asset ROFR Period. In the event that no Future Mature Asset ROFR Acceptance Notice from the Investor is received by the Sponsor during the Future Mature Asset ROFR Period, the Investor shall be deemed to have not accepted the offer under the Future Mature Asset ROFR Notice.

If the Sponsor Group Entity fails to transfer the Future Mature Asset Offer Shares within the period specified above to the Relevant Third Party, it shall not be entitled to transfer the Future Mature Asset Offer Shares thereafter to any other Person, without re-offering the Future Mature Asset Offer Shares to the Investor, in accordance with the provisions of the Right of First Offer and Future Assets Agreement.

IV. THE GF SHARES

The Sponsor currently holds 26% of the equity share capital of GF (the "**GF Shares**"). The Sponsor has undertaken that it shall continue to hold the GF Shares in accordance with the provisions of the relevant concession agreement and shall not transfer, sell, alienate or create any Encumbrances over the GF Shares without the prior consent of the Investor in writing. In the event the GF Shares become eligible to be transferred including pursuant to the relevant concession agreement and applicable Law, such GF Shares shall be transferred only to the Investor on mutually agreeable terms and conditions within a period of 6 (six) months of such GF Shares becoming eligible for transfer; provided that such period may be extended only upon mutual agreement of the Parties in writing. The Parties also agree that in the event of the occurrence of a Force Majeure Event at any time within such 6 (six) month period, the period for which such Force Majeure Event subsists shall not be considered for computing such 6 (six) month period.

Certain Confirmations

In the event the Investor notifies the Sponsor Group Entity of its intention to purchase any equity shares or interest pursuant to the Right of First Offer and Future Assets Agreement, but the Investor fails to complete its purchase of such equity shares or interest within the time period agreed between the Sponsor Group Entity and the Investor solely due to the Investor's failure (but not the Sponsor Group Entity's default or failure) to perform its contractual obligations in respect of such purchase, then without prejudice to the other rights of the Sponsor Group Entity, the Sponsor Group Entity shall have the right (but not the obligation) to sell all (but not less than all) such shares or interest to any other Person, without any restriction.

Further, in the event the Sponsor makes an invitation to offer to the Investor in connection with the ROFO Threshold SPV Offer Shares of more than one Existing Sponsor SPV or an offer in connection with the Future Assets Threshold SPV Offer Shares of more than one Future Asset Threshold SPV or an offer in connection with the Future Mature Asset Offer Shares of more than one Future Mature Asset, then the Investor shall evaluate each such invitation to offer for ROFO Threshold SPV Offer Shares in each Existing Sponsor SPV, Future Asset Threshold SPV Offer Shares in each Future Asset Threshold SPV or Future Mature Asset Offer Shares in each such Future Mature asset, as the case may be, as a separate and distinct invitation to offer and will not under any circumstances be required to make any collective offer or decline to make an offer in respect of the equity shares of or interest in such Existing Sponsor SPVs, Future Asset Threshold SPVs or Future Mature Assets, collectively. For the avoidance of doubt, it is clarified that the Investor retains the right to make or decline to make an offer in respect of the ROFO Threshold SPV Offer Shares in all or any Existing Sponsor SPVs under consideration, the Future Asset Threshold SPV Offer Shares in all or any of the Future Asset Threshold SPVs under consideration and to accept the offer in respect of the Future Mature Asset Offer Shares of in all or any Future Mature Asset, and all the rights of the Investor set forth in the Right of First Offer and Future Assets Agreement may be exercised separately with respect to each Existing Sponsor SPV, Future Asset Threshold SPV or Future Mature Asset under consideration.

The time period taken for obtaining approvals from any Governmental Authority under Law (including from the NHAI or other relevant concession authority under the concession agreement), any lender, or any third party for the transfer of equity shares or interest shall be excluded for the purpose of computing the time periods as set out in the Right of First Offer and Future Assets Agreement and the Parties have agreed to cooperate with each other to obtain all such approvals, if required. It is clarified that for the purpose of the six-month Investor ROFO Threshold SPV Transfer Period specified above, in the event that the Sponsor obtains all relevant approvals from any Governmental Authority under Law (including from the NHAI or other relevant concession authority under the concession agreement), any lender, or any third party for the transfer of equity shares or interest prior to the expiry of the Investor ROFO Threshold SPV Transfer Period, the time taken to obtain such approval by the Sponsor shall not be excluded for the computation of the Investor ROFO Threshold SPV Transfer Period. Further, the Parties agree that the time period taken for the InvIT to obtain unitholder approval, where required under applicable Law, and the time taken for the InvIT to raise financing for such acquisition (including through any issue of units or debt financing) in relation to acquisition of a Future Asset Threshold SPV (or Future Mature Asset Offer Shares shall be excluded for the purpose of computing the time periods as set out in the Right of First Offer and Future Assets Agreement.

The Parties have also agreed and confirmed that if after the exercise of the rights of the Investor in relation to a ROFO Threshold SPV, a Future Asset Threshold SPV or a Future Mature Asset, the Trust does not hold 100% (hundred per cent) of the equity shares in such ROFO Threshold SPV, Future Asset Threshold SPV or Future Mature Asset, the Parties shall enter into a shareholders' agreement containing customary rights and obligations and such shareholders' agreement shall be entered into prior to the Trust making an investment in the ROFO Threshold SPV, Future Asset Threshold SPV or Future Mature Asset, and no other shareholder or partner of such ROFO Threshold SPV, Future Asset Threshold SPV or Future Mature Asset shall have any rights that prevent the Trust from complying with the InvIT Regulations, in accordance with the terms of Regulation 18(3)(a) of the InvIT Regulations.

All time periods mentioned in the Right of First Offer and Future Assets Agreement may be altered by mutual agreement in writing between the Investor and the Sponsor.

Termination

The Right of First Offer and Future Assets Agreement may only be terminated as follows:

(i) if the InvIT Listing has not occurred on or prior to a date agreed by the Parties or any other date as may be mutually agreed by the Parties in writing;

(ii) by mutual consent of the Parties in writing;

(iii) by notice in writing by either Party, if the Sponsor and/or any Sponsor Group Entity ceases to hold 10% (ten per cent) of the total issued units in the Trust; or

(iv) by notice in writing by either Party, if the InvIT ceases to be listed on the BSE or the NSE.

VALUATION

In accordance with Regulation 21(7) of the InvIT Regulations, the Valuers have undertaken a valuation of the Project SPVs which are proposed to be acquired by the Trust pursuant to the Formation Transactions, and which will comprise the Trust Assets. Consequent to the aforesaid valuation, the Valuers have prepared a valuation report dated April 25, 2017 (the "**Valuation Report**"), which has been included as **Annex A** herewith.

A. Summary of the Valuation and Valuation Methodology

For details in relation to the summary of the valuation and valuation methodology, see the Valuation Report, included as **Annex A** herewith. The Valuation Report sets out the Valuers' opinion as to the fair enterprise value of the Project SPVs as on March 31, 2017.

B. Frequency of Valuation

In accordance with the InvIT Regulations, after the listing of the Units pursuant to the Issue, valuations will be carried out in the following manner:

a) a half-yearly valuation of the Trust Assets shall be conducted by the Valuers for the half-year ending September 30, for incorporating any key changes in the previous six months. The half-yearly valuation report shall be prepared within one month from the date of end of such half year; and

b) a full valuation of the Trust Assets (including physical inspection of each of the Trust's infrastructure projects) shall be conducted by the Valuers not less than once every financial year, and that such a full valuation shall be conducted at the end of each financial year, within two months from the end of such financial year.

The valuation reports received by the Investment Manager shall be submitted to Stock Exchanges within 15 days from the receipt of such valuation reports.

However, in case of any material development that may have an impact on the valuation of the Trust Assets, the Investment Manager shall require the Valuers to undertake a full valuation of the infrastructure project under consideration, within not more than two months from the date of such event, and disclose the same to the Trustee and the Stock Exchanges within 15 days of such valuation.

C. Declaration of NAV

The Investment Manager shall ensure that computation and declaration of NAV of the Trust is based on the valuation done by the Valuers, not later than 15 days from the date of valuation.

DISTRIBUTION POLICY

Distribution Policy

Distributions shall be made by the Trust to the Unitholders, from time to time, in accordance with the Indenture of Trust and the InvIT Regulations. The Trustee shall make and shall ensure that the Investment Manager declares distributions not less than once every six months in each Financial Year, as required under the InvIT Regulations. **However, Unitholders should note that there is no assurance or guarantee that distributions will be made in any amount or at all.**

The InvIT Regulations provide that not less than 90% of net distributable cash flows of each Project SPV are required to be distributed to the Trust in proportion of its holding in each of the Project SPVs subject to applicable provisions of the Companies Act. Further, not less than 90% of net distributable cash flows of the Trust shall be distributed to the Unitholders. Such distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration. The distributions to the Unitholders shall be made in the manner specified below.

The Trust's first distribution after the date of the listing of the Units will be for the period from the date of the listing of the Units to the date of 1st half year financials. The Trustee will make such distribution within 15 days of such date and no later. Subsequent distributions shall take place on semi-annual basis with the amount calculated as at March 31 and September 30 each year for the six-month period ending on each of the said dates. In the event distributions are not made within 15 days of declaration, the Investment Manager shall pay interest at the rate of 15% per annum until the distribution is made to the Unitholders. Such interest is not and will not be recoverable by the Investment Manager from the Trust in the form of fees or any other charges payable by the Trust to the Investment Manager.

Distributions shall be made *pro rata* to the total subscription amount of a Unitholder and in accordance with the provisions of the Indenture of Trust, the InvIT Regulations and this section. Distributions will be declared in Rupees and each Unitholder will receive its/her/his distribution in Rupees. The form, frequency and amount of future distributions on the Units will depend on the earnings, financial position and results of operations of the Trust, as well as contractual restrictions and the provisions of applicable law. Please see the "*Statement of Tax Consideration / Benefits*" on page 109, for information on tax implications.

Since the establishment of the Trust, there have not been any distributions made on the Units. The Trust's distribution policy is to distribute as per the Trust's net distributable cash flows (the "**Net Distributable Cash Flows**"). The Trust's distribution policy is to distribute at least 90% of the Net Distributable Cash Flows of the Trust.

The Net Distributable Cash Flows of the Trust are substantially based on the cash flow to be generated from the underlying operations undertaken by the Project SPVs. The cash flow will be received and distributed by the Trust in the form of:

a) interest accrued on and principal repayment upon repayment of the debt availed by each of the Project SPVs from the Trust. For further information in relation to the proposed infusion of debt, see "*Use of Proceeds*" on page 87; and

b) dividends and proceeds from capital reduction from the Project SPVs, subject to the provisions of the Companies Act.

See the section "*Risk Factors*" on page 17 for a description of factors that may adversely affect the ability of the Trust to make distributions to Unitholders.

Distribution Policy of the Trust

In accordance with the InvIT Regulations, and the applicable guidelines, as may be issued by SEBI from time to time:

a) Each Project SPV, and any other SPV that may be acquired by the Trust, shall distribute at least 90% of its respective net distributable cash flows to the Trust, subject to the applicable provisions under Companies Act/LLP Act or any Central Government Act, as applicable, not less than once every six months and such distributions shall be paid not later than 15 days from the date of their declaration; and

b) The Trust shall distribute at least 90% of the Net Distributable Cash Flows to the Unitholders not less than once every six months.

The framework for calculation of net distributable cash flows at a (i) standalone Project SPV level; and (ii) standalone Trust level, is as provided herein below:

A. Calculation of Net Distributable Cash Flows at a Standalone Project SPV Level

Sr. No.	Description
1.	**Profit after tax as per profit and loss account (standalone) (A)**
2.	**Less:** Any premium / negative grant payments to the Concessioning Authority (net of tax, as applicable)
3.	**Add:** Depreciation and amortisation as per profit and loss account
4.	**Add/less:** Loss/gain on sale of infrastructure assets
5.	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: • related debts settled or due to be settled from sale proceeds • directly attributable transaction costs • proceeds reinvested or planned to be reinvested as per para 18 (7) (a) of the InvIT Regulations
6.	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently net of any profit/(loss) recognized in the profit and loss account
7.	**Add/less:** Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to: • any decrease / increase in carrying amount of an asset or of a liability recognised in profit and loss account on measurement of the asset or the liability at fair value; • interest cost as per effective interest rate method; • deferred tax; and • any other items charged/credited to the P&L Account which do not involve corresponding cash flow.
8.	**Less:** Repayment of debt (principal) / redeemable preference shares / debentures, if deemed necessary by the Investment Manager
9.	**Total Adjustments (B)**
10.	**Net Distributable Cash Flows (C)=(A+B)**

A minimum of 90% of the net distributable cash flows arrived at in (C) above shall be distributed by each Project SPV and any other SPVs that may be acquired in the future, to the Trust, subject to the applicable provisions of Companies Act/LLP Act or any Central Government Act, as applicable, net of applicable taxes, if any, proportionate to the Trust's equity shareholding in such Project SPV.

B. Calculation of Net Distributable Cash Flows at the Standalone Trust Level

Sr. No.	Description
1.	Cash flows received from the project SPVs in the form of interest
2.	Cash flows received from the project SPVs in the form of dividend
3.	Any other income accruing at the Trust level and not captured above, including but not limited to interest / return on surplus cash invested by the Trust
4.	Cash flows received from the project SPVs towards the repayment of the debt issued to the Project SPVs by the Trust
5.	Proceeds from project SPVs for any capital reduction by way of buy back etc., subject to applicable law
6.	Proceeds from sale of assets of the project SPV not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested subsequently
7.	**Total cash inflow at the Trust level (A)**
8.	**Less:** Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager
9.	**Less:** Costs/retention associated with sale of assets of the project SPVs: • related debts settled or due to be settled from sale proceeds of project SPVs • transaction costs paid on sale of the assets of the project SPV • Capital gains taxes on sale of assets / share in project SPVs / other investments
10.	**Less:** Proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
11.	**Less:** Repayment of debt at the Trust level, if deemed necessary by the Investment Manager
12.	**Less:** Infusion of subordinate debt in SPV for debt servicing and/or major maintenance reserve, if deemed necessary by Investment Manager
13.	**Less:** Income tax (if applicable) at the Standalone Trust Level
14.	**Total cash outflows / retention at the Trust level (B)**
15.	**Net Distributable Cash Flows (C)=(A+B)**

A minimum of 90% of the Net Distributable Cash Flows arrived at in (C) above shall be distributed by the Trust to the Unitholders, subject to the applicable provisions of InvIT Regulations, net of applicable taxes, if any.

Distribution on Disposition

Disposition means any transaction or series of transactions whereby the Investment Manager in consultation with the Trustee, in accordance with the InvIT Regulations, sells or otherwise disposes for cash or other consideration the Trust's right, title and interest in and to any or all of the investments or from the sale of any Trust Asset or on account of closure of project or termination of project or winding up of a Project SPV ("**Disposition**").

The Trustee in consultation with the Investment Manager shall distribute the cash proceeds realized on any Disposition net of all fees, charges, taxes and costs relating to such Disposition, and net of all expenses *pro rata* to the total subscription amount of a Unitholder provided that such proceeds from Disposition are not used for investments in any project in which the Trust is permitted to invest, acquire or set up in accordance with InvIT Regulations or in any Project SPV, within a period of one year of such Disposition.

Any tax paid by the Trust on behalf of the Unitholder or tax deducted on investments made (including temporary investments) shall be considered to be towards amounts distributed as mentioned above.

Distribution on Dissolution

In the event of dissolution or winding up of the Trust, all of the Trust Assets or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:

a) First, towards the payment of the debts and liabilities of the Trust, including without limitation any fees, any amounts due to the Investment Manager, the Project Manager or a service provider and the expenses of liquidation;

b) Second, towards the setting up of any reserves which the Trustee or the authority in-charge of the dissolution of the affairs of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Trust; and

c) Third, towards the Unitholders in accordance with the terms of the Indenture of Trust, the InvIT Regulations, the Trusts Act, the Offer Document and the Final Offer Document.

Limitation to the Liability of the Unitholders

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust.

Deduction of Taxes

In accordance with the Indenture of Trust, the Trustee may in consultation with the Investment Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable laws before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise.

The Trustee may in consultation with the Investment Manager, also deduct any stamp duties or government taxes, registration fees or charges payable by it or for which the Trustee may be liable in respect of any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise, or in connection with any documents executed in that regard.

Subject to applicable law, the Trustee or the Investment Manager, as the case may be, shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee or the Investment Manager in good faith to any duly empowered revenue authority for taxes or other charges in any way arising out of or relating to any transactions of whatsoever nature under these presents, notwithstanding that any such payment ought not to be or need not have been made or suffered.

In-specie Distribution

Subject to the provisions of applicable law, the Trustee, in consultation with the Investment Manager, may anytime during the life of the Trust make in-specie distributions of the Trust Assets on such terms and conditions as it may deem appropriate and in a manner that is in accordance with the Indenture of Trust, the InvIT Regulations, the Trusts Act and applicable law.

RIGHTS OF UNITHOLDERS

Rights of Unitholders

Subject to the provisions of the InvIT Regulations, the Indenture of Trust, and applicable rules, regulations and guidelines, the rights of the Unitholders include:

a) right to receive income or distributions with respect to the Units held;

b) right to attend the annual general meeting and other meetings of the Unitholders of the Trust;

c) right to vote upon any matters/resolutions proposed in relation to the Trust;

d) right to receive periodic information having a bearing on the operation or performance of the Trust in accordance with the InvIT Regulations; and

e) right to apply to the Trustee to take up certain issues at meetings for Unitholders approval.

In accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over any other Unitholder, and there shall not be multiple classes of Units. There shall be only one denomination of Units. Notwithstanding the above, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate Units shall carry only inferior voting or any other rights compared to the other Units.

Limitation to the Liability of the Unitholders

The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

Annual Meeting of Unitholders

An annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of financial year and the time between two meetings shall not exceed 15 months (the "**Annual Meeting**"). Any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the Annual Meeting including:

a) latest annual accounts and performance of the Trust;

b) approval of the auditor of the Trust and fees of such auditor, as may be required;

c) latest valuation report;

d) appointment of the valuer of the Trust, as may be required; and

e) any other issue.

In relation to the aforesaid matters, an approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the InvIT Regulations.

Approval of Unitholders

In accordance with the InvIT Regulations, with respect to any matter requiring approval of the Unitholders:

a) a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage (as specified in InvIT Regulations) of votes cast against;

b) the voting may also be done by postal ballot or electronic mode;

c) a notice of not less than 21 days shall be provided to the Unitholders; and

d) voting by any person who is a related party (as understood in accordance with the InvIT Regulations and applicable accounting standards) in such transaction as well as the voting by any Associates of such person(s), shall not be considered on the specific issue.

The Investment Manager shall be responsible for all the activities pertaining to conducting of a meeting of the Unitholders, subject to the Trustee's oversight. However, in accordance with Regulation 22(2) of the InvIT Regulations, the Trustee shall convene and handle all activities pertaining to conduct of the meetings in respect of issues pertaining to the Investment Manager, such as change, removal or change in control of the Investment Manager. Further, in respect of issues pertaining to the Trustee, including any change in the Trustee, the Trustee shall not be involved in any manner in the conduct of the meetings of the Unitholders.

Matters for Approval

An approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution, with respect to the resolutions of the Unitholders on the following matters:

a) to increase the period for compliance with investment conditions under Regulation 18(5) of the InvIT Regulations to one year, in the event that the investment conditions specified with respect to (i) investment of not less than 80% of the value of the Trust Assets (proportionate to the holding of the Trust) in completed and revenue generating infrastructure projects subject to certain conditions, and (ii) investment of not more than 20% of the value of the Trust Assets (proportionate to the holding of the Trust) in, *inter alia*, listed or unlisted debt of companies or body corporates, equity shares of companies listed on a recognized stock exchange in India which derive not less than 80% of their operating income from the infrastructure sector as per their audited accounts of the previous Financial Year, government securities and money market instruments, liquid mutual funds or cash equivalents are breached due to market movements of the price of the underlying assets or securities, and the Investment Manager is unable to ensure that the aforesaid conditions are satisfied within six months of such breach;

b) after the Issue, to enter into subsequent transactions with any related party if (a) the total value of all related party transactions in a Financial Year pertaining to acquisition or sale of assets, whether directly or through a holding company or through an SPV, or investments into securities exceeds the prescribed percentage (presently 5%) of the value of the Trust Assets, or (b) the value of the funds borrowed from the related party exceeds the prescribed percentage (presently 5%) of the total consolidated borrowings of the Trust, as may be prescribed under the InvIT Regulations;

c) for any further borrowing if the aggregate consolidated borrowings and deferred payments of the Trust net of cash and cash equivalents to exceed the prescribed percentage (presently 25%) of the value of the Trust Assets;

d) for the purchase of any infrastructure project, whether directly or through a holding company or an SPV, where the asset is proposed to be purchased at a value greater than the prescribed percentage (presently 110%) of the value of such asset, as assessed by the valuer;

e) for the sale of any infrastructure project, whether directly or through a holding company or an SPV, where the asset is proposed to be sold at a value lesser than the prescribed percentage (presently 90%) of the value of such asset, as assessed by the valuer;

f) any transaction, other than any borrowing, where the value of such transaction is equal to or greater than the prescribed percentage (presently 25%) of the value of the Trust Assets;

g) any issue of Units after the Issue, in whatever form, other than any issue of Units which may be considered by SEBI under Regulation 22(5) of the InvIT Regulations;

h) any issue, which in the ordinary course of business, in the opinion of the Sponsor, the Trustee or the Investment Manager, is material and requires approval of the Unitholders;

i) any issue for which SEBI or the Stock Exchanges require the approval of the Unitholders under Regulation 22(4) of the InvIT Regulations; and

j) any issue taken up at the Annual Meeting, which requires approval of the Unitholders other than as specified in Regulation 22(6) of the InvIT Regulations.

An approval from the Unitholders shall be required where the votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution, with respect to the resolutions of the Unitholders upon the following matters:

a) any change in the Investment Manager, including removal or change in control of the Investment Manager;

b) any material change in the investment strategy of the Trust or its management fees;

c) any proposal by the Sponsor or the Investment Manager to seek delisting of the Units;

d) any issue, not in the ordinary course of business, which in the opinion of the Sponsor, the Investment Manager or the Trustee, requires approval of the Unitholders. In case of any failure to obtain an approval in relation to such an issue, the Sponsor or the Investment Manager or the Trustee, as the case may be, shall provide an exit option to the Unitholder to the extent and in the manner specified by SEBI;

e) any issue for which SEBI or the Stock Exchanges require the approval of the Unitholders under Regulation 22(5) of the InvIT Regulations;

f) any issue taken up at the request of not less than the prescribed percentage (presently 25%) of the Unitholders by value (other than any party related to such a transaction and its Associates), including:

    i) removal of the Investment Manager, and the appointment of another investment manager with respect to the Trust;

    ii) removal of the Auditor, and appointment of another auditor with respect to the Trust;

    iii) removal of the Valuers, and appointment of another valuer with respect to the Trust;

    iv) delisting of the Units, if the Unitholders have sufficient reason to believe that such delisting would act in their interest;

    v) any issue which the Unitholders have sufficient reason to believe is detrimental to their interest;

    vi) upon the receipt of applications from not less than the prescribed percentage (currently 60%) of the Unitholders by value, a change in the Trustee if the Unitholders have sufficient reason to believe that the acts of the Trustee are detrimental to their interests.

    In relation to any issue taken up at the request of not less than the prescribed percentage (presently 25%) of the Unitholders by value, as described hereinabove, the Trustee will require the Investment Manager to place the issue for voting in the manner specified in the InvIT Regulations on receipt of such applications.

g) Any alteration of the terms of the Units, including the terms of the Issue, which may adversely affect the interest of the Unitholders.

Periodic Information and Disclosures

The Investment Manager shall submit an annual report to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the Financial Year (the "**Annual Report**"). Further, the Investment Manager shall submit a half-yearly report to the Stock Exchanges within 45 days from the end of every half year ending March 31, and September 30. The Annual Report and the half-yearly report shall mandatorily contain the disclosures prescribed under Regulation 23(3) in the InvIT Regulations.

The Investment Manager shall disclose to the Stock Exchanges any information having a bearing on the operation or performance of the Trust as well as price sensitive information, which includes but is not restricted to information in relation to:

a) acquisition or disposal of any projects, directly or through a holding company or an SPV, the value of which exceeds the prescribed percentage (currently 5%) of value of the Trust Assets;

b) additional borrowing, at the level of a holding company or an SPV or the Trust, exceeding the prescribed percentage (currently 15%) of the value of the Trust Assets;

c) additional issue of Units by the Trust;

d) details of any credit rating obtained by the Trust and any change in such rating;

e) any issue which requires the approval of the Unitholders;

f) any legal proceedings which may have a significant bearing on the functioning of the Trust;

g) notices and results of the meetings of the Unitholders,

h) any instance of non-compliance with the InvIT Regulations, including any breach of any limits specified thereunder; and

i) any material issue that in the opinion of the Investment Manager or Trustee needs to be disclosed to the Unitholders.

Further, the Investment Manager (on behalf of the Trust) shall submit such information to the Stock Exchanges and Unitholders on a periodical basis as may be required under applicable law, including the requirements prescribed under SEBI circular no. CIR/IMD/DF/127/2016 dated November 29, 2016, and the listing agreement to be entered into with the Stock Exchanges in relation to the listing of the Units.

For details of the responsibilities of the Investment Manager in relation to making periodic disclosures with respect to the valuation of the Trust Assets, and the computation and declaration of NAV of the Trust, see "*Valuation*" on page 280.

AUDITORS

The Investment Manager, in consultation with the Trustee, has appointed Chaturvedi & Shah, Chartered Accountants (Firm Registration No. 101720W) as the auditors of the Trust ("**Auditors**"). The Auditors have audited the Condensed Combined Financial Statements, and their report in relation to such Condensed Combined Financial Statements dated April 24, 2017, has been included in this Draft Offer Document.

Policy for Appointment of Auditor(s)

The Investment Manager shall appoint an auditor of the Trust for a period of not more than five consecutive years, provided that an auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to the approval of the Unitholders in an Annual Meeting. With respect to the appointment of the auditor of the Trust and the fees of such an auditor, an approval from the Unitholders shall be required at the Annual Meeting in accordance with Regulation 22 of the InvIT Regulations, where the votes cast in favour of the resolution shall be more than the votes cast against the resolution or such other percentage as may be prescribed under the InvIT Regulations.

The Investment Manager shall ensure that the auditor carries out an audit of the accounts of the Trust not less than once in a year, and that a report in respect of such audit is submitted to the Stock Exchanges within 45 days of end of each financial year ending March 31, or any other such period as may be prescribed by applicable law.

In accordance with the InvIT Regulations, the auditor of the Trust shall:

a) conduct an audit of the accounts of the Trust and draft the audit report based on the accounts examined, after taking into account the relevant accounting and auditing standards, as may be specified by SEBI in this regard;

b) to the best of its information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Trust, including profit or loss and cash flow for the period and such other matters as may be specified;

c) have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and

d) have a right to require such information and explanation pertaining to activities of the Trust, as it may consider necessary for the performance of its duties as auditor from the employees of Trust or the Sponsor, the Investment Manager, the Project Manager or the Trustee or the Project SPVs or any other person in possession of such information.

Auditing Standards

The Auditors shall conduct an audit of the accounts of the Trust and issue the audit report based on the accounts examined, after taking into account the relevant accounting and auditing standards, as may be specified by SEBI and/or the ICAI, from time to time, in this regard.

VALUERS

The Investment Manager, in consultation with the Trustee, has appointed Walker Chandiok & Co LLP as the valuers of the Trust ("**Valuers**"), for a period of one year. In accordance with the InvIT Regulations, the Valuers have undertaken a financial valuation of the Project SPVs which are proposed to be acquired by the Trust pursuant to the Formation Transactions, and which will comprise the Trust Assets, and their report in relation to such valuation dated April 25, 2017, has been included in this Draft Offer Document.

The Valuers are not an Associate of the Sponsor, the Investment Manager or the Trustee, and have not less than five years of experience in the valuation of infrastructure assets.

TECHNICAL CONSULTANTS

The Investment Manager, in consultation with the Trustee, has appointed GMD Consultants and Systra MVA Consulting (India) Private Limited, both of which are firms of independent technical consultants, as the Traffic Consultants ("**Traffic Consultants**"). The Traffic Consultants have prepared the Traffic Reports, which are technical reports specific to the relevant sub-sector, with respect to the toll revenues and operation and maintenance cost projections for the underlying road projects operated by the Project SPVs (with GMD Consultants having prepared the Traffic Reports in relation to five Project SPVs, namely DS, NK, SU, TD and TK, while Systra MVA Consulting (India) Private Limited having prepared the Traffic Reports in relation to two Project SPVs, namely GF and JR), which have been included as Annex C hereto.

Mr. Shailendra Mohan, who is the signatory of the Traffic Reports on behalf of GMD Consultants, is (i) a fellow of the Institution of Engineers (India) (*Membership No. F-118411-5*); (ii) has minimum working experience of five years in relevant areas of valuation practice and in relation to relevant asset value and categories; and (iii) is a citizen of India. Further, Dr. M. Ravindranath Tagore, who is the signatory of the Traffic Reports on behalf of Systra MVA Consulting (India) Private Limited, is (i) a fellow of the Institution of Engineers (India) (*Membership No. F-116710-5*); (ii) has minimum working experience of five years in relevant areas of valuation practice and in relation to relevant asset value and categories; and (iii) is a citizen of India. The Traffic Consultants are not Associates of the Sponsor, the Investment Manager or the Trustee.

The Traffic Reports, which are technical reports specific to the relevant sub-sector, have been relied upon by the Valuers, and the contents of the Traffic Reports have been factored into the preparation of the Valuation Report.

SECTION V – PARTIES TO THE TRUST

THE SPONSOR

The Sponsor of the Trust is Reliance Infrastructure Limited. The Sponsor has settled the Trust pursuant to the Indenture of Trust dated September 12, 2016, as amended on April 12, 2017, and appointed the Trustee in accordance with the provisions of the InvIT Regulations.

The details of the Sponsor are as follows:

A. Details of the Sponsor

a) **Name:** Reliance Infrastructure Limited;

b) **Registered Office:** 'H' Block, 1st Floor Dhirubhai Ambani Knowledge City, Navi Mumbai-400710, Maharashtra;

c) **Correspondence Address:** 3rd Floor, North Wing, Reliance Centre, Santacruz (East), Mumbai 400055, Maharashtra;

d) **Telephone Number:** +91 22 3303 1000;

e) **Fax:** +91 22 3303 6664;

f) **Website:** www.rinfra.com

g) **E-mail:** rinfra.investor@relianceada.com

B. Details of the Contact Person of the Sponsor

a) **Name:** Mr. Aashay Khandwala;

b) **Telephone Number:** +91 22 3303 3550; and

c) **E-mail:** aashay.khandwala@relianceada.com

C. Background and Past Experience of the Sponsor

Our Sponsor is Reliance Infrastructure Limited, a private sector infrastructure development and construction company with a market capitalization of over Rs. 149, 000 million as of March 31, 2017 (*Source: www.bseindia.com*). The Sponsor has been listed on the Stock Exchanges since 1995. Excluding the toll-road assets that are being transferred by the Sponsor to us pursuant to the Formation Transactions, the Sponsor has four more toll-road assets, two of which are currently under construction (DA and PS), one of which is partially complete (KM) and one of which is complete (HK). For more information, please see the section headed "*Trust's Business*" in this Draft Offer Document. The Sponsor is also our Project Manager, and has a team of 40 persons to support its roads operations as of March 31, 2017.

The Sponsor has interests in energy, metro rail, infrastructure, EPC and defence projects. In the energy sector, the Sponsor, along with its associates and subsidiaries, engages in power generation, transmission, trading and distribution. The Sponsor, along with its subsidiary, also bids for and implements airport projects and has won lease rights to develop and operate five brown-field regional airports in Maharashtra. The Sponsor has received various industry recognitions, such as the "*Best Infrastructure Brand*" in 2016 by the Economic Times and the "*Best Metro of India*" for Mumbai metro in 2016 by the Indian Merchant Chambers.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Sponsor had a net worth of more than Rs. 1,000.00 million as on March 31, 2017. The Sponsor has experience of at least five years and where the Sponsor has been a developer, at least two projects of the Sponsor have been completed.

Further, neither the Sponsor, nor its promoters or directors:

a) is debarred from accessing the securities market by the SEBI;

b) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or

c) is in the list of the willful defaulters published by the RBI.

D. Brief Profiles of the Sponsor's Directors

a) **Mr. Anil D. Ambani**

Mr. Anil Ambani, aged 57 years, is non-executive and non-independent Director of the Sponsor. He has a Master's degree in business administration from the Wharton School, University of Pennsylvania. Mr. Anil D. Ambani has been associated with a number of prestigious academic institutions in India and abroad. He is a director on the board of various other companies, including Reliance Communications Limited, Reliance Defence and Engineering Limited, Dassault Reliance Aerospace Limited, Reliance Capital Limited and Reliance Power Limited.

b) **Mr. V. K. Chaturvedi,**

Dr. V. K. Chaturvedi, aged 74 years, is a non-executive non-independent director of the Sponsor. He holds a Bachelor's degree of science in engineering (mechanical) from Vikram University, Ujjain. He is the former chairman and managing director of Nuclear Power Corporation of India Limited, the former chairman of the World Association of Nuclear Operators ("**WANO**"), Tokyo Centre and has been a Governor on the International WANO Board, London. He was conferred the *Padma Shri* in 2001. Further, he received the NPCIL Life Time Achievement Award in 2011. Dr. V. K. Chaturvedi is also a director on the board of Reliance Power Limited.

c) **Mr. K. Ravikumar**

Mr. K. Ravikumar, aged 67, is an independent director of the Sponsor. He holds a Bachelor's degree of engineering, electrical branch from the Faculty of Engineering, University of Madras. Further, he holds a degree of Master of technology in electrical engineering from the Indian Institute of Technology, Madras and has a post-graduate diploma in business administration from Annamalai University. In 2007, he was conferred the Distinguished Alumnus Award by the National Institute of Technology, Tiruchirappalli, for his distinguished professional contributions. Mr. K. Ravikumar was the chairman and managing director of Bharat Heavy Electricals Limited. Currently, he is the chairman of the board of governors of the National Institute of Information Technology, Mizoram. Mr. Krishnaswamy Ravikumar is also a director on the board of SPEL Semiconductor Limited.

d) **Ms. Ryna Karani**

Ms. Ryna Karani, aged 49, is an independent director of the Sponsor. She holds a Bachelor's degree in Law from the Government Law College, University of Mumbai. Ms. Ryna Karani is a partner at ALMT Legal, Advocates and Solicitors. She has been a practicing lawyer since 1994 and her practice areas include advising on mergers and acquisitions, joint ventures, private equity investments, investment funds, banking and finance and real estate. Ms. Ryna Karani is also a director on the board of various other companies including Reliance Defence and Engineering Limited, Mumbai Metro One Private Limited and Innovation International India Private Limited.

e) **Mr. V.R. Galkar**

Mr. V.R. Galkar, aged 73, is an independent director of the Sponsor. He holds a Bachelor's degree in Commerce from the Shivaji University, Kolhapur and a Bachelor's degree in Law from Karnatak University, Dharwad. Mr. V.R. Galkar is a fellow of the Institute of Chartered Accounts of India. He was an executive director in the Life Insurance Corporation of India. Mr. V.R. Galkar is also a director on the board of SBICAP Securities Limited, Crest Ventures Limited and Crest Wealth Management Private Limited.

f) **Mr. Shiv Prabhat**

Mr. Shiv Prabhat, aged 59 years, is a non-independent non-executive director. He has a Bachelor's degree in arts (English Honour) from Ranchi University. He holds a degree of Master of Arts in English literature from Agra University. He is an executive director of Life Life Insurance Corporation of India, central office, Mumbai.

g) **Mr. S. Seth**

Mr. S. Seth, aged 61 years, is a non-executive non-independent director and is the vice-chairman of the board of directors of the Sponsor. Mr. S. Seth is also a fellow of the Institute of Chartered Accounts of India. Mr. S. Seth is also a director on the board of various other companies including Reliance Power Limited, Reliance Defence and Engineering Limited, Reliance Anil Dhirubhai Ambani Group Limited and Reliance Telecom Limited.

h) **Mr. S. S. Kohli**

Mr. S. S. Kohli, aged 71 years, is an independent director of the Sponsor. He holds a Bachelor's degree in science in mechanical engineering from Banaras Hindu University and has passed the certificate examination in industrial finance held by the Indian Institute of Bankers. In 2008, he was conferred the IT-BHU Alumni Award of Excellence by the Association of IT BHU Alumni, New Delhi. Further, Mr. S. S. Kohli was the chairman and managing director of the India Infrastructure Finance Company Limited, the Small Industries Development Bank of India, the Punjab and Sind Bank and Punjab National Bank. Mr. S. S. Kohli is also a director on the board of various other companies including IDFC Limited, IL&FS Financial Services Limited, IDFC Infrastructure Finance Limited and BLS International Services Limited.

E. Details of the Holding or the Proposed Holding by Sponsor in the Trust

In accordance with Regulation 12 of the InvIT Regulations, the Sponsor shall hold not less than 15% of the total Units of the Trust after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units, subject to the following:

(i) the Sponsor would be resposible for all acts, omissions and representations/covenants of the Trust related to the formation of the Trust, the sale/transfer of the asset/Project SPVs to the Trust;

(ii) the Trust/Trustee of the Trust shall also have recourse against the Sponsor for any breach in this regard;

(iii) the Project Manager shall be the Sponsor or an Associate of the Sponsor and shall continue to act in such capacity for a period of not less than three years from the date of listing of the Units unless a suitable replacement is appointed by the Unitholders through the Trustee.

Provided that the condition specified in (iii) herein above shall not be applicable where the Sponsor holds not less than 25% of the total Units of the Trust after the Issue, on a post-Issue basis, for a period of not less than three years from the date of listing of the Units.

Further, any Units in excess of 15% of the total Units after the Issue, or such other percentage as may be specified under applicable law, on a post-Issue basis, held by the Sponsor, shall be locked-in for a period of not less than one year from the date of listing of the Units, in accordance with Regulation 12 of the InvIT Regulations and applicable law.

For details in relation to the contractual lock-in applicable to the Sponsor, see "*Leverage - Lock-in on the Sponsor (Contractual)*" on page 267.

F. Summary of the Consolidated Financial Statements of the Sponsor

For a summary of the financial statements of the Sponsor, as derived from the consolidated financial statements of the Sponsor, (i) as of and for the financial years ended March 31, 2015 and 2016, prepared in accordance with Indian GAAP and the Companies Act; and (ii) as of and for the financial year ended March 31, 2017, prepared in accordance with Ind-AS and the Companies Act, with a transition date of April 1, 2015 (along with Ind-AS restated comparative figures for the financial year ended March 31, 2016), see "*Summary Financial Information*" on page 60.

G. Details of the Project Entities that are being retained by the Sponsor

The details of the Project Entities that are being retained by the Sponsor are as follows:

1. DA Toll Road Private Limited

Name of Concessionaire	DA Toll Road Private Limited
Type of Concession	BOT on a DBFO pattern
Length (in Lane Kms)	179.50
Location	Haryana, Uttar Pradesh
Start of Concession Period under the Concession Agreement (Appointed Date)	October 16, 2012
Period of concession since the Appointed Date	26 Years
Estimated End of Concession Period under the Concession Agreement	October 15, 2038
Sponsors' Shareholding as on date	100.00%
Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	January 11, 2017*
Provision of the Concession Agreement permitting divestment	Clause 5.3, Clause 7.1(k) and Article 48.1 : Definition of "Change in Ownership"

**Extention of time has been sought*

2. HK Toll Road Private Limited

Name of Concessionaire	HK Toll Road Private Limited
Type of Concession	BOT on a DBFO pattern
Length (in Lane Kms)	59.87
Location	Tamil Nadu
Start of Concession Period under the Concession Agreement (Appointed Date)	June 7, 2011
Period of concession since the Appointed Date	24 Years
Estimated End of Concession Period under the Concession Agreement	June 6, 2035
Sponsors' Shareholding as on date	100.00%
Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	April 5, 2016
Provision of the Concession Agreement permitting divestment	Clause 5.3, Clause 7.1(k) and Article 48.1 : Definition of "Change in Ownership"

3. KM Toll Road Private Limited

Name of Concessionaire	KM Toll Road Private Limited
Type of Concession	DBFOT basis
Length (in Lane Kms)	71.400
Location	Gujarat

Start of Concession Period under the Concession Agreement (Appointed Date)	January 19, 2011
Period of concession since the Appointed Date	25 Years
Estimated End of Concession Period under the Concession Agreement	January 18, 2036
Sponsors' Shareholding as on date	100.00%
Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	November 14, 2015
Provision of the Concession Agreement permitting divestment	Clause 5.3, Clause 7.1(k) and Article 48.1 : Definition of "Change in Ownership"

4. PS Toll Road Private Limited

Name of Concessionaire	PS Toll Road Private Limited
Type of Concession	DBFOT basis
Length (in Lane Kms)	140.35
Location	Maharashtra
Start of Concession Period under the Concession Agreement (Appointed Date)	October 1, 2010
Period of concession since the Appointed Date	24 Years
Estimated End of Concession Period under the Concession Agreement	September 30, 2034
Sponsors' Shareholding as on date	74.00%
Construction Completion Date or Scheduled Construction Completion Date under the Concession Agreement, as applicable	December 31, 2017*
Provision of the Concession Agreement permitting divestment	Clause 5.3, Clause 7.1(k) and Article 48.1 : Definition of "Change in Ownership"

**Independent engineer has recommended extention of time vide its letter dated February 2, 2017*

THE INVESTMENT MANAGER

Reliance Nippon Life Asset Management Limited is the Investment Manager of the Trust, and has been designated as such pursuant to the Investment Management Agreement dated October 3, 2016. The Investment Manager is responsible for making investment decisions with respect to the underlying assets or projects of the Trust, including any further investment or divestment of its assets, in accordance with the InvIT Regulations and the Investment Management Agreement.

The details of the Invesment Manager are as follows:

A. Details of the Investment Manager

a) **Name:** Reliance Nippon Life Asset Management Limited (formerly Reliance Capital Asset Management Limited);

b) **Registered Office:** H Block, 1st Floor Dhirubhai Ambani Knowledge City, Koparkhairane, Navi Mumbai, Thane - 400710, Maharashtra;

c) **Correspondence Address:** Reliance Centre, 7th Floor (South Wing), Off. Western Express Highway, Santacruz (East), Mumbai – 40055, Maharashtra;

d) **Telephone Number:** +91 22 3303 7000;

e) **Fax:** +91 22 3303 7664;

f) **Website:** www.rnlam.com; and

g) **E-mail:** customercare.invit@relainceada.com

B. Details of the Contact Person of the Investment Manager

a) **Name:** Mr. Praveen Joshi;

b) **Telephone Number:** +91 22 3303 3550; and

c) **Email:** praveen.joshi@relianceada.com

C. Background and Past Experience of the Investment Manager

The Investment Manager is a subsidiary of Reliance Capital Limited, which is an affiliate of the Sponsor. The Investment Manager is one of the largest asset managers in India. The Investment Manager possesses more than 20 years of experience in fund management and advisory services, where it has a diversified business that includes mutual funds, portfolio management services and pension funds and an experienced equity and fixed income team. Its clients include retail investors and large institutional clients.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Investment Manager had a net worth of more than Rs. 100.00 million as on March 31, 2017. The Investment Manager has not less than two employees, who have at least five years of experience each, in fund management or advisory services, and not less than one employee who has at least five years of experience in the relevant sub-sector in which the Trust proposes to invest, namely road infrastructure projects in India. Further, not less than half the directors of the Investment Manager are independent, and are not directors or members of the governing board of another infrastructure investment trust. The Investment Manager proposes to conduct operations pertaining to the Trust from its corporate office in Mumbai. The Investment Manager, in consultation with the Trustee, shall appoint majority of the board of directors or governing board of the Project SPVs.

The Investment Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Trust, in accordance InvIT Regulations, the Investment Management Agreement and applicable law.

Further, neither the Investment Manager, nor its promoters or directors:

a) is debarred from accessing the securities market by the SEBI;

b) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or

c) is in the list of the willful defaulters published by the RBI.

D. Brief Profiles of the Investment Manager's Directors

a) **Mr. Kanu Doshi**

Mr. Kanu Doshi, aged 79 years, is an independent director of the Investment Manager. He holds a Bachelor's degree in Commerce. He is an associate of the Institute of Chartered Accountants of India. He is also the Professor Emeritus - Finance, at Welingkar Institute of Management Development and Research, Mumbai. Mr. Kanu Doshi is also a director on the board of various other companies such as Edelweiss Asset Management Limited, Motilal Oswal Asset Management Company Limited, Gartner India Research & Advisory Services Private Limited and Dalton Capital Advisors (India) Private Limited.

b) **Mr. S. C. Tripathi**

Mr. S. C. Tripathi, aged 71 years, is an independent director of the Investment Manager. He holds a degree of M.Sc. Physics (Electronics) and is enrolled with Bar Council of Delhi and is a member of the Supreme Court Bar Association. Further, he is a former IAS Officer, a member of the All India Management Association and he holds a postgraduate diploma in Development Studies. Mr. S. C. Tripathi is also a director on the board of various other companies such as IL&FS Infrastructure Development Corporation Limited, IL&FS Energy Development Company Limited, Kailash Healthcare Limited, Gammon Infrastructure Projects Limited, Motherson Sumi Systems Limited, Ginni Filaments Limited, Kailash Hospitals Limited and Samvardhana Motherson Polymers Limited.

c) **Ms. Ameeta Chatterjee**

Ms. Ameeta Chatterjee, aged 44 years, is an independent director of the Investment Manager. She holds a Bachelor's degree in Commerce (Honours Course) from the University of Delhi and a post graduate diploma in Management from Indian Institute of Management, Bangalore. She was a columnist with Times of India, writing on issues faced by working women. She also supports the cause of children's healthcare by way of funding through Ekam foundation. Ms. Ameeta Chatterjee is also a director on the board of various other companies such as Thukral Industrial Investments Private Limited, Sterling Transtel Limited, Upper Crust Builders Private Limited, Karat Diamond Private Limited, JSW Infrastructure Limited, JSW Jaigarh Port Limited, South West Port Limited, JSW Nandgaon Port Private Limited and Espandere Advisors Private Limited.

d) **General Ved Prakash Malik (Retd.)**

General Ved Prakash Malik (Retd.), aged 77 years, is an independent director of the Investment Manager. He has graduated from the National Defence Academy, Khadakwasla, and the Indian Military Academy, Dehradun. He was appointed General Officer Commanding, Mountain Division in December 1989 and in August 1992, he assumed command of a Corps in Punjab. He has worked in the Indian Army as the Chief of the Army Staff from October 1, 1997 to September 30, 2000. Concurrently, he was appointed as the Chairman, Chiefs of Staff Committee of India from January 1, 1999. He continues to be Honorary Colonel of the Sikh Light Infantry Regiment for life. During his service in Indian Army, General Malik was awarded the Param Vishist Seva Medal in 1996 and the Ati Vishishta Seva Medal. He has also received 'Excellence in Leadership Award' by Atur Foundation, Pune, and 'Distinguished Fellowship' by the Institute of Directors, New Delhi in 1999. Further, he was awarded the 'Pride of the Nation Award' by the Doon Citizens' Council in July

2000. He is also a director on the board of various other companies such as Reliance Nippon Life Insurance Company Limited, Hero Motocorp Limited and HMC MM Auto Limited.

e) **Mr. Kazuhide Toda**

Mr. Kazuhide Toda, aged 53 years, is a director of the Investment Manager. He holds a degree of Bachelor of Economics from Sophia University. Presently, Mr. Toda is acting as an Executive Officer in Nissay Asset Management Corporation. He is as also a director with various other companies such as Nippon Life Global Investors Singapore Limited, Bangkok Life Assurance Public Company Limited, Nippon Life Asia Pacific (Regional HQ) Pte. Ltd and Reliance Nippon Life Insurance Company Limited.

f) **Mr. Takayuki Murai**

Mr. Takayuki Murai, aged 54 years, was appointed as a director of the Investment Manager on April 22, 2017. Mr. Murai is presently the General Manager / Overseas Business Development, International Planning & Operations Department of Nippon Life Insurance Company, Japan, and has been associated with Nippon Life Insurance Company group for last 30 years. During his association with Nippon Life Insurance Company group, Mr. Murai has worked in various departments and countries.

g) **Mr. Sundeep Sikka**

Mr. Sundeep Sikka, aged 44 years, holds a Master's degree in Business Administration from the University of Pune. He is the executive director and chief executive officer of the Investment Manager. He has also held both the position of Vice-Chairman and Chairman of the Association of Mutual Funds in India. Mr. Sundeep Sikka also serves on boards of various companies in India and overseas, including on the board of Association of Mutual Funds of India, Institution for Mutual Fund Intermediaries, Reliance Capital Pension Fund Limited, Reliance Asset Management (Mauritius) Limited, Institution for Mutual Fund Intermediaries, Reliance Asset Management (Singapore) Pte Limited and Reliance AIF Management Company Limited.

E. Brief Profiles of the Investment Manager's Key Personnel

a) **Mr. Sundeep Sikka**

For details in relation to Mr. Sundeep Sikka, see "- *Brief Profiles of the Investment Manager's Directors*".

b) **Mr. Ajay Patel**

Mr. Ajay Patel, aged 50 years, is the Head Banking Operations of the Investment Manager. He holds a Bachelor's degree in Commerce and is an associate member of the Institute of Chartered Accountants of India. He has over 17 years of professional experience. He has been associated with the Investment Manager since 2001. Previously, he was working with BOB Asset Management Company Limited.

c) **Mr. Prateek Jain**

Mr. Prateek Jain, aged 44 years, is the Chief Financial Officer of the Investment Manager. He holds a Bachelor's degree in Commerce, and is also a qualified chartered accountant, a qualified company secretary, and a qualified cost and works accountant. He has been associated with the Investment Manager since 2013.

d) **Mr. Deepak Mukhija**

Mr. Deepak Mukhija, aged 37 years, is the Compliance Officer of the Trust. He holds a Bachelor's degree in Law and is a qualified company secretary. Previously, he was associated with Kotak Investment Advisors Limited.

F. Details of the Holding or the Proposed Holding by the Investment Manager and its Directors in the Trust

The Investment Manager and its directors do not hold any Units as on date. Further, neither the Investment Manager nor its directors propose to hold any Units in the Trust upon the conclusion of the Formation Transactions or subsequent to the Issue.

G. Summary of the Consolidated Financial Statements of the Investment Manager

For a summary of the consolidated financial statements of the Investment Manager, as derived from the standalone financial statements of the Investment Manager, prepared in accordance with Indian GAAP and the Companies Act, as of and for the financial years ended March 31, 2015, 2016, 2017, see "*Summary Financial Information*" on page 60.

H. Functions, Duties and Responsibilities of the Investment Manager

Below is the brief description of the functions, duties and responsibilities of the Investment Manager provided in the Investment Management Agreement in accordance with the InvIT Regulations, which *inter alia* include:

a) to manage the day-to-day business and affairs of the Trust and provide administrative services in accordance with the provisions of Investment Management Agreement;

b) to make all investment decisions, concerning the investigation, selection, development, negotiation, structuring, restructuring, commitment or monitoring the investment decisions with respect to the Trust Assets, including any further investment or divestment of the assets and the appointment of the various advisors and service providers in connection with such investments, in accordance with the Trust's investment strategy and applicable laws;

c) to be responsible for the management of the Trust Fund along with the Trustee in accordance with the provisions of Investment Management Agreement, the Trust Documents and applicable laws;

d) to consult with the Trustee with regard to the appointment of the Project Manager and the execution of the Project Implementation Agreement;

e) to oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation Agreement, and to obtain a compliance certificate from the Project Manager, on a quarterly basis;

f) to ensure that the Trust Assets have proper legal titles, if applicable, and that all the material contracts entered into on behalf of the Trust or the Project SPV are legal, valid, binding and enforceable by and on behalf of the Trust or the Project SPV;

g) to ensure that the Trust's investments are in accordance with the InvIT Regulations and the Trust's investment strategy;

h) to, in consultation with the Trustee, appoint, remove or replace the Valuers, Auditor, registrar and transfer agent, merchant banker, custodian and any other intermediary or service provider or agent as may be applicable with respect to activities pertaining to the Trust in a timely manner and in accordance with the Trust Documents and InvIT Regulations;

i) to maintain proper books of accounts, financial statements, documents and records with respect to the matters of the Trust in accordance with the InvIT Regulations, or appoint a service provider and cause such service provider to maintain such proper books of accounts, documents and records;

j) to arrange for adequate insurance coverage for the Trust Assets and the Project SPVs other than those assets that are required to be insured by any other person under any other agreement or applicable law;

k) to handle all activities relating to issue of Units including filing of private placement memorandum with SEBI and the relevant Stock Exchange, filing the Draft Offer Document, Offer Document, Final Offer Document with SEBI and the Stock Exchanges within the prescribed time period, filing of any other document (including any information memorandum) with the Stock Exchanges as may be required, dealing with all matters up to Allotment of Units to the Unitholders, obtaining in-principle approval and final listing and trading approvals from the Stock Exchanges, and signing of due diligence certificate in accordance with applicable law, and dealing with all matters relating to issue, listing and delisting of the Units specified under the InvIT Regulations;

l) to ensure that the disclosures made in the Draft Offer Document, Offer Document, Final Offer Document, private placement memorandum, or to the Trustee or the Unitholders or to SEBI or to the Stock Exchanges are material, true, correct, adequate, and in accordance with the InvIT Regulations and applicable law;

m) to declare and make distributions to the Unitholders in a timely manner in accordance with the InvIT Regulations;

n) to obtain the consent of the Unitholders, as may be required under applicable law;

o) to assist in the payment of all taxes, duties and any other statutory charges or levies that may be payable by the Trust or on behalf of the Unitholders from the Trust Fund, subject to the provisions of the Trust Documents;

p) to, in consultation with the Trustee, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable law before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise;

q) to, in consultation with the Trustee, deduct any stamp duties or government taxes, registration fees or charges payable by the Trustee or for which the Trustee may be liable in respect of any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise, or in connection with any documents executed in that regard;

r) to consult with the Trustee in relation to the distribution of the disposition proceeds *pro rata* to the total subscription amounts of a Unitholder in accordance with the provisions of the Trust Documents provided that such proceeds from disposition are not being used for investments in any the infrastructure projects in which the Trust is permitted to invest in, acquire or set up or the Project SPVs;

s) to assist the Trustee in relation to creating reserves from the Trust Fund in order to meet the operating expenses, liabilities or contingent liabilities of the Trust;

t) to review the related party transactions carried out between the Project Manager and its Associates, and where the Project Manager has advised that there may be a conflict of interest, to obtain confirmation from the Auditors or the Valuers, as applicable, that such transaction is on arms-length basis;

u) To provide the Trustee with advice and recommendations regarding the extension of loans from the Trust Fund to the Project SPVs and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the Project SPVs from the Trust Fund or extension of loans from the Trust Fund in compliance with applicable laws;

v) to ensure adequate and timely redressal of all Unitholders' grievances pertaining to activities of the Trust and provide quarterly reports regarding the same;

w) to provide to SEBI, the Stock Exchanges, where applicable, and the Unitholders, any such documents and information as may be sought by the SEBI, such stock exchanges or the Unitholder pertaining to the activities of the Trust, subject to any confidentiality obligations in relation to such information;

x) to ensure that the valuation of the Trust Assets is done by the Valuers in accordance with the InvIT Regulations;

y) to submit the following to the Trustee:

   i) quarterly reports on the activities of the Trust including receipts for all funds received by it and for all payments made, position on compliance with the InvIT Regulations specifically compliance with respect to Regulations 18, 19 and 20 of InvIT Regulations, performance report, status of development of under-construction projects, within thirty days of end of such quarter;

   ii) valuation reports as required under the InvIT Regulations, within fifteen days of the receipt of the valuation report from the Valuers;

   iii) any decision to acquire or sell or develop or bid for any asset or the infrastructure projects in which the Trust is permitted to invest in, acquire or set up or expand existing completed assets or projects along with rationale for the same;

   iv) details of any action which requires approval from the Unitholders, as maybe required under the Trust Documents and applicable laws including the InvIT Regulations;

   v) details of any other material fact including change in its directors, change in its shareholding, any legal proceedings that may have a significant bearing on the activity of the Trust, within seven working days of such action;

   vi) details of any breach of the Trust's investment strategy on account of market movements of the price of the Trust's investments; and

   vii) details of any borrowings exceeding such percentage of the value of the Trust Assets as may be prescribed by the InvIT Regulations on account of market movements of the price of the Trust's investments.

z) to coordinate with Trustee, as may be necessary, with respect to operations of the Trust;

aa) from time to time file, to file such reports as may be required by the SEBI or other governmental agency under applicable law, with respect to the activities carried on by the Trust;

bb) to collect the income due to the Trust and to provide the Trustee with a certificate on a quarterly basis detailing such income;

cc) to prepare the annual report and the half yearly report in accordance with the InvIT Regulations;

dd) to submit the annual report of the Trust to all the Unitholders, either electronically or by physical copies, and to the designated Stock Exchange, within three months from the end of the Financial Year;

ee) to submit the half-yearly report of the Trust to the designated Stock Exchange, within forty-five days from the end of every half year ending March 31st and September 30th of that year;

ff) to ensure computation and declaration of NAV of the Trust, based on the valuation done by the Valuers, not later than fifteen days from the date of valuation;

gg) to ensure audit of the accounts of the Trust by the Auditor is done in accordance with the InvIT Regulations, but not less than once in a year;

hh) to ensure that the Auditor's report shall be submitted to the designated Stock Exchange in accordance with any agreement with such Stock Exchange and applicable law, and within 45 days of the end of the Financial Year or any other such period as may be prescribed by applicable law;

ii) to designate one of its employees or directors as the compliance officer for monitoring of compliance with the InvIT Regulations, and intimating SEBI in case of any non-compliance;

jj) to effectuate any transfer of Units by the Unitholders in accordance with applicable law;

kk) to convene meetings of the Unitholders in accordance with the Trust Documents and applicable law and not less than once every year and the period between such meetings shall not exceed 15 months;

ll) to maintain records pertaining to the meetings in accordance with applicable law;

mm) to place, before its board of directors, a report on activity and performance of the Trust at least once every quarter within thirty days of end of every quarter;

nn) to ensure that all activities of the Valuers, Auditors, registrar and transfer agent, merchant banker, custodian and any other intermediary or service provider or agent appointed by it in accordance with Investment Management Agreement are in accordance with applicable law;

oo) to disclose, in the form and manner specified in any agreement entered into by the Trust with such Stock Exchange as well as specified under applicable law, to the Stock Exchanges, within such time period in any agreement entered into by the Trust with such Stock Exchange as well as specified under applicable law, all information having a bearing on the operation or performance of the Trust as well as price sensitive information which includes the following:

 i) acquisition or disposal of any projects, directly or through a holding company or the Project SPV, value of which exceeds five per cent. of value of the Trust Assets;

 ii) additional borrowing, at level of a holding company or the Project SPV or the Trust, exceeding 15 per cent of the value of the Trust Assets;

 iii) additional issue of Units by the Trust;

 iv) details of any credit rating obtained by the Trust and any change in such rating;

 v) any issue which requires approval of the Unitholders;

 vi) any legal proceedings which may have significant bearing on the functioning of the Trust;

 vii) notices and results of meetings of Unitholders,

 viii) any instance of non-compliance with the InvIT Regulations including any breach of limits specified under the InvIT Regulations; and

 ix) any material issue that in the opinion of the Investment Manager or Trustee needs to be disclosed to the Unitholders;

pp) to execute such transaction documents in respect of the Trust's investments, as may be necessary, in accordance with the Trust's investment strategy and the Trust Documents and varying, amending or modifying the terms and conditions of the transaction documents in relation to such Investment, from time to time;

qq) to monitor the performance of the Trust's investments and, where appropriate, providing advice to the management of the Project SPVs during the life of the Investment;

rr) to actively manage the Trust's investments and exercising voting and other rights on behalf of the Trust in Project SPVs;

ss) to ensure that the Auditors follow all the rules and regulations under the InvIT Regulations and applicable law;

tt) appointing or advising the Trustee on the appointment of the Board observer / nominee / directors on the boards of the Project SPVs in accordance with the terms and conditions contained in the transaction documents of an investment and in accordance with the InvIT Regulations;

uu) to apply for and obtain the necessary approvals from relevant Governmental Agencies in relation to the Trust, its Investments and any of its activities;

vv) to make short term investments in accordance with the provisions of the Trust Documents;

ww) to maintain such books, records and accounts of the Trust in accordance with the Trust Documents and Indian GAAP;

xx) to issue Statement of Accounts or Unit Certificates (if requested) to the Unitholders on behalf of the Trustee. In case Unit Certificates have been issued to the Unitholders, to submit theses Units for dematerialisation and to make all applications and execute all documents with the depositories and depository participants as may be necessary in this regard;

yy) to maintain on-going relationships with the Unitholders and providing periodic reporting to keep the Unitholders abreast of the activities of the Trust;

zz) to open, and operate bank accounts, demat accounts and any other accounts maintained by the Trust in accordance with the Trust Documents;

aaa) to exercise all due diligence and vigilance in carrying out its duties and in protecting the rights and interest of each Unitholder;

bbb) to generally evolve, formulate and adopt from time to time such policies and procedures in accordance with the Trust Documents as may be conducive for the effective management of the Trust and the attainment of the Trust's investment strategy;

ccc) to maintain a skilled fund management team in accordance with the InvIT Regulations;

ddd) to cause the collection of all dividends, interests, properties and other payments due and receivable by the Trust and support the same, on a quarterly basis, with a compliance certificate from the Investment Manager in this regard;

eee) to ensure the payment of any money due to a Unitholder by cheque or by demand draft drawn on the bankers of the Trust and cause to be sent to the registered address of each Unitholder;

fff) to ensure, at all times, that the assets and liabilities of the Trust shall be segregated from, the assets and liabilities of any other trusts / funds managed by the Trustee and / or the Investment Manager and / or any other service provider;

ggg) to appoint, at its discretion, a custodian to provide such services and perform such functions as may be authorised by the Trustee;

hhh) to conduct its affairs and the affairs of the Trust in such a manner so as to ensure that no Unitholder has any personal liability or obligation with respect to the Trust;

iii) to devote such time and resources to the management of the Trust and its investments as the Investment Manager reasonably determines shall be necessary to conduct the affairs of the Trust in an appropriate manner;

jjj) to provide the prescribed compliance certificate to the Trustee, on a quarterly basis;

kkk) to intimate the Trustee on the occurrence of any event that may have a material impact on the Investment Manager and its ability to perform its obligations under Investment Management Agreement, including any change in control of the Investment Manager;

lll) to perform any duties and comply with any other obligations otherwise agreed in writing between the Investment Manager and the Trustee;

mmm) to ensure that the public holding of the Trust is in accordance with the InvIT Regulations;

nnn) to ensure that it, or its Associates, shall not obtain any commission or rebate or any other remuneration by whatever name called, arising out of transactions pertaining to the Trust other than as specified in the Draft Offer Document, Offer Document, Final Offer Document or placement Mmemorandum or any other document as may be specified by the SEBI for the purpose of issue of Units;

ooo) To ensure that all taxes and statutory levies are paid in time;

ppp) to submit copies of the valuation report received from the Valuers to the Stock Exchanges within 15 days of receipt of such valuation report;

qqq) to ensure that any Related Party Transaction in which it is involved are conducted on an arm's length basis;

rrr) to determine any change in name of the Trust along with the Trustee;

sss) to determine, along with the Trustee, the location of the other offices of the Trust;

ttt) to carry on activities of the Trust, on the instructions of the Trustee, throughout India and outside India, subject to the approval of the appropriate Governmental Agency, if any;

uuu) from time to time, to advise the Trustee on any review, revision, amendment, variation or alteration of the Trust's investment strategy in accordance with the Indenture of Trust, subject however to the provisions of the Trust Documents and applicable law;

vvv) to advise the Trustee on termination of the Trust, in accordance with the Trust Documents;

www) to assist and advise the Trustee on all steps required to be taken and all acts required to be done in connection with making an application to SEBI for the grant of a certificate to the Trust to carry on the activity of a infrastructure investment trust under the InvIT Regulations, within such period from the Effective Date as may be reasonably practical and as permissible under the InvIT Regulations, along with payment of the requisite fees as stipulated in the InvIT Regulations;

xxx) to set up such systems and procedures, and submit such reports, as may be required by the Trustee as necessary for effective monitoring of the functioning of the Trust; and

yyy) to perform any other duties specified in the InvIT Regulations.

I. Investment Committee

The Investment Manager may constitute an investment committee in accordance with the provisions of the Investment Management Agreement, and in compliance with the provisions of the InvIT Regulations. The members of the investment committee will be nominated by the Investment Manager.

THE PROJECT MANAGER

The Trustee and the Investment Manager have appointed the Sponsor, namely Reliance Infrastructure Limited, as the Project Manager, to carry out operations and management of the Project SPVs in accordance with the Project Implementation Agreements, the relevant concession agreements and the InvIT Regulations.

For details of the Sponsor, its contact persons, its background and past experience, see "*The Sponsor*" on page 292.

Functions, Duties and Responsibilities of the Project Manager

The Sponsor (in its capacity as the Project Manager) has agreed to provide professional services to carry out operations and management of the Project SPVs, including making arrangements for the appropriate maintenance, either directly or through the appointment of appropriate agents, in accordance with the terms and conditions of the relevant concession agreement and project implementation agreement, and the InvIT Regulations.

Brief Profiles of the Project Manager's Key Personnel

a) **Mr. Kaushik Pal**

Mr. Kaushik Pal, is the CEO - Roads of the Sponsor. Mr. Pal holds a Bachelor's degree in Civil Engineering and a Post-Graduate Diploma in Business Management. He is a member of Institution of Civil Engineers, and is a Chartered Civil Engineer. He has experience in project investment, business development and project implementation. Prior to joining the Sponsor, he served as the COO at Essel Infraprojects Limited, and before that, as the General Manager – Projects at L&T Infrastructure Development Projects Limited.

b) **Mr. Abhijit Tripathy**

Mr. Abhijit Tripathy, is the Vice President - Roads of the Sponsor. Mr. Tripathy holds a Bachelor of Science (Engineering) degree in Civil Engineering. He has experience in the fields of design and construction of structures and construction of highways. Prior to joining the Sponsor, he was associated with GMR Jadcherla Expressways Private Limited.

c) **Mr. Pushkar Priyadarshi**

Mr. Pushkar Priyadarshi, is the Vice President of the Sponsor. He holds a Bachelor's degree in Engineering (Civil) and a Post Graduate Diploma in Construction Management. Mr. Priyadarshini has experience in roads construction and operation and management. Prior to joining the Sponsor, he was associated with GMR Jadcherla Expressways Private Limited.

Pursuant to the approval dated March 27, 2017 issued by the NHAI, any replacement of the Project Manager shall be subject to the prior approval of the NHAI. Further, under the aforesaid NHAI letter, a change in the project manager can only be to an entity which is equal or better in terms of the prescribed O&M capacity requirements for a particular project. For further details, please see "*Government and Other Approvals*" on page 450.

THE TRUSTEE

The Sponsor has settled the Trust pursuant to the Indenture of Trust dated September 12, 2016, as amended on April 12, 2017, and appointed IDBI Trusteeship Services Limited (the "**Trustee**") in accordance with the provisions of the InvIT Regulations.

The details of the Trustee are as follows:

A. Details of the Trustee

a) **Name:** IDBI Trusteeship Services Limited;

b) **Registered Office:** Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001;

c) **Correspondence Address:** Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400 001;

d) **Telephone Number:** +91 22 4080 7000;

e) **Fax:** +91 22 6631 1776; and

f) **E-mail:** itsl@idbitrustee.com;

B. Details of the Contact Person of the Trustee

a) **Name:** Mr. Shivaji Gunware / Mr. Naresh Sachwani;

b) **Telephone Number:** +91 22 4080 7016; and

c) **E-mail:** sgunware@idbitrustee.com / naresh.sachwani@idbitrustee.com

C. Details of Trustee's Registration with SEBI

The Trustee registered with SEBI as a debenture trustee under the Debenture Trustees Regulations, having SEBI registration number IND000000460. The Trustee's SEBI registration certificate is valid unless it is suspended or cancelled by the SEBI.

D. Background of the Trustee

The Trustee is a trusteeship company, which has been registered with SEBI as a debenture trustee, and has been jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services.

The Trustee is permitted to engage in the following activities:

i) Debenture / bond trustee;
ii) Security trustee/ facility agent;
iii) Securitization trustee;
iv) Share pledge trustee / share monitoring agent;
v) Escrow agent;
vi) VCF trustees/ AIF Trustees;
vii) Safe keeping / lockers services;
viii) Management of private trusts / execution of wills; and
ix) Special corporate services (e.g. provision of nominee directors)

The Trustee has experience in providing trusteeship services to a range of corporates and institutions.

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, Trustee (i) is not debarred from accessing the securities market by the SEBI; (ii) is not a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust which is debarred from accessing the capital market under any order or directions made by the SEBI; or (iii) is not in the list of the willful defaulters published by the RBI.

To the best of the knowledge of the Trustee, none of the promoters or directors of the Trustee (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

E. Names and Profiles of the Directors of the Trustee

The names and profiles of board of directors of the Trustee, in a tabular form, are as follows:

Sr. No.	Name	Designation	DIN
1.	Mr. G. M. Yadwadkar	Chairman	01432796
2.	Mr. Pankaj Gupta	Director	00085831
3.	Mrs. Mythili Balasubramanian	Director	00038005
4.	Mr. B. Balachandra	Managing Director and CEO	07424524

The Trustee confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance InvIT Regulations, the Indenture of Trust and applicable law.

F. Functions, Duties and Responsibilities of the Trustee

a) Change in Control of the Trustee

The Trustee shall obtain the prior approval of the Unitholders in the event of a proposed change in control of the Trustee or change in the Trustee, in accordance with the InvIT Regulations and applicable law.

b) Change in Control of the Investment Manager

The Trustee shall obtain the prior approval of the Unitholders in the manner specified under Regulation 22 of the InvIT Regulations (where the votes cast in favour of a resolution shall not be less than one and a half times the votes cast against such resolution) in the event of a proposed change in control of the Investment Manager.

c) Change in Control of the Project Manager

The Trustee is required to obtain the prior approval of the relevant concessioning authority, where applicable, and such other person as may be required under the InvIT Regulations.

d) Change or Removal of the Investment Manager

The Trustee is required to ensure that a new investment manager of the Trust is appointed within such period as may be prescribed under the InvIT Regulations. Further, the Trustee is required to ensure that all the conditions in connection with removal of an investment manager and appointment of a new investment manager as prescribed under the InvIT Regulations are adhered to.

e) Change or Removal of the Project Manager

The Trustee is required to do all such acts and take all such steps as may be prescribed in the InvIT Regulations in the event of any change in the Project Manager for removal or otherwise.

f) Interests of the Unitholders

The Trustee shall at all times exercise due diligence in carrying out its duties and protect the interests of the Unitholders. The Trustee shall make distributions and ensure that the Investment Manager makes declarations of distributions to the Unitholders in a timely manner, in accordance with Regulation 18 of the InvIT Regulations.

g) Income Due to the Trust

The Trustee shall ensure that the Investment Manager undertakes prompt and proper collection of the income due to the Trust. The Trustee shall also ensure that the Investment Manager provides the Trustee with a certificate on a quarterly basis detailing such income.

Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Indenture of Trust or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the person or persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof, provided that the Trustee and such persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.

h) Transactions by Certain Persons

The Trustee shall ensure that all transactions executed and the activities carried out by the Investment Manager and any service provider to whom the Trustee has delegated any powers or duties, subject to the InvIT Regulations, are done in accordance with the Indenture of Trust, the Investment Management Agreement, the Project Implementation Agreements and any agreement executed with such service provider.

i) Trust Fund

The Trustee shall hold the Trust Fund in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts on behalf of the Trust. The Trustee must ensure that the Trust Fund is held in a bank account opened in the name of the Trust.

j) Trust Assets

The Trustee shall hold the Trust Assets in the name of the Trust and for the benefit of the Unitholders and shall also be responsible for opening and operating bank accounts in the name of the Trust.

k) Subscription amounts

The Trustee shall ensure that the subscription amounts are kept in a separate bank account in the name of the Trust and are only utilised for adjustment against Allotment of Units or refund of money to the applicants till the time such Units are listed.

l) Books of Accounts

The Trustee shall ensure that the Investment Manager shall cause to be maintained, the books of accounts of the Trust in accordance with the Indenture of Trust and the InvIT Regulations.

m) Valuation of the Trust Assets

The Trustee shall ensure that the Investment Manager shall ensure that a detailed valuation is undertaken of the Trust Assets by the valuers at such intervals and in the manner as may be prescribed under the InvIT Regulations. The Trustee shall ensure that the remuneration of the Valuers is not linked to or based on the value of the Trust Assets being valued.

n) Statutory charges or levies payable by the Trust

The Trustee shall ensure that the Investment Manager shall pay all taxes, duties and any other statutory charges or levies that may be payable by the Trust or on behalf of the Unitholders from the Trust Fund.

o) Reports to be filed by the Trust

The Trustee shall, and shall ensure that Investment Manager does, from time to time file such reports as may be required by the SEBI or other governmental agency under applicable law, with respect to the activities carried on by the Trust.

p) Documents and information to be provided to Unitholders

The Trustee shall, and shall ensure that Investment Manager shall, from time to time provide such documents and information to the Unitholders, as may be required under applicable law, with respect to the activities carried on by the Trust.

q) Confidentiality

The Trustee and its directors, officers, employees and agents shall at all times maintain confidentiality with respect to all the investments and all matters connected with the investments, and shall not disclose any confidential information to any person or use such information in a manner prejudicial to the interest of the Trust, subject to disclosure of information to any court or tribunal or regulatory, supervisory, governmental or quasi-governmental authority where so required under applicable law.

r) Segregation of assets and liabilities

The assets and liabilities of the Trust shall at all times be segregated from, the assets and liabilities of any other trusts managed by the Trustee. The assets held in the name of the Trust shall be held for the exclusive benefit of the Unitholders of the Trust and such assets shall not be subject to the claims of any creditor or other person claiming under any other trust administered by the Trustee or managed by the Investment Manager, as the case may be.

s) Attainment of Objects of the Trust

The Trustee shall ensure that all acts, deeds and things are done with a view to attain the objects of the Trust in compliance with the Trust's investment strategy, applicable law, Indenture of Trust, Investment Management Agreement and Project Implementation Agreements in order to secure the best interests of the Unitholders.

t) Winding up of the Trust

The Trustee shall wind up the Trust only as set out in the Indenture of Trust and in accordance with applicable law. Upon winding up of or dissolution the Trust, the Trustee shall surrender the certificate of registration to the SEBI.

u) Investments by the Trustee

The Trustee shall not invest in the Units unless permitted to do so under applicable law.

v) Grievance redressal

The Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager in accordance with the InvIT Regulations.

w) Delegation to Investment Manager

The Trustee shall delegate all such powers to the Investment Manager as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under applicable law.

The Trustee shall delegate all such powers to the relevant Project Manager as may be required by such Project Manager to carry out its obligations under the relevant Project Implementation Agreement and under applicable law.

x) Related Party Transactions

The Trustee shall review the transactions carried out between the Investment Manager and its Associates and obtain a certificate from a practising chartered accountant or valuer, as applicable, with respect to any related party transactions involving the Investment Manager and its Associates, where the Investment Manager has advised that there may be a conflict of interest, stating that such transactions have been done at an arms-length basis.

y) Monitoring

The Trustee may require the Investment Manager to set up such systems and procedures and submit such reports to the Trustee, as may be necessary for the effective monitoring or the functioning of the Trust. The Trustee shall oversee activities of the Investment Manager in the interest of the Unitholders, shall ensure that the Investment Manager is in compliance Regulation 10 of the InvIT Regulations at all times and shall obtain a compliance certificate from the Investment Manager. Further, the Trustee shall ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with the InvIT Regulations and in case of any delay or discrepancy, the Trustee will ensure that the Investment Manager rectifies such delay or discrepancy on an urgent basis.

The Trustee shall also oversee the activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation Agreement. The Trustee shall obtain a compliance certificate from the Project Manager in this regard.

z) Unitholders Meeting

The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations. The Trustee shall also oversee the voting by the Unitholders at such meetings. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than once every year and the period between such meetings shall not exceed 15 months. In issues pertaining to the Investment Manager such as change in the Investment Manager, including removal of the Investment Manager or change in control of the Investment Manager, the Trustee shall convene and handle all activities pertaining to the conduct of such meetings. In respect of issues pertaining to the Trustee, including any change in the Trustee or change in control of the Trustee, the Trustee will not be involved in any manner in the conduct of such meetings. The Trustee may take up with the SEBI and/or the Stock Exchanges, any matter which has been approved in any meeting of the Unitholders, if the matter requires such action.

aa) Others

The Trustee shall ensure that the activity of the Trust is operated in accordance with the Indenture of Trust, InvIT Regulations, the Final Offer Document and Offer Document. In the event, any discrepancy is noticed by the Trustee, then the Trustee shall promptly inform the SEBI in writing. The Trustee shall provide to the SEBI and Stock Exchange such information as may be sought by the SEBI or the Stock Exchanges pertaining to the activity of the Trust.

The Trustee shall promptly inform the SEBI about any act which is detrimental to the interest of the Unitholders.

bb) Compliance Certificate

The Trustee shall obtain a compliance certificate in the form and manner prescribed under applicable law on a quarterly basis, from each of the Investment Manager and the Project Manager.

cc) Power to appoint the Investment Manager

The Trustee shall have the power to appoint the Investment Manager as the investment manager of the Trust. The Trustee shall have the power to execute the Investment Management Agreement or any other agreement or arrangement, from time to time, with the Investment Manager in this regard.

dd) Power to appoint the Project Manager

The Trustee shall in consultation with the Investment Manager have the power to appoint the Project Manager. The Trustee shall have the power to execute the Project Implementation Agreement or any other agreement or arrangement, from time to time, with the Project Manager and the Project SPV in this regard.

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

RELIANCE INFRASTRUCTURE INVIT FUND

CONDENSED COMBINED FINANCIAL STATEMENTS

Year ended March 31, 2017

(7 SPVs)

DS, NK, SU, TD, TK, JR , GF (74%)

Independent Auditors' Report on Condensed Combined Financial Statements of proposed Project SPVs of the Reliance Infrastructure InvIT Fund in connection with the proposed Initial Public Offer of the Units.

To

IDBI Trusteeship Services Limited
(As the Trustee of the Reliance Infrastructure InvIT Fund)
Asian Building, Ground Floor
17, R. Kamani Marg
Ballard Estate
Mumbai - 400 001
India.

Reliance Infrastructure InvIT Fund ("Fund")
502, Plot No. 91/94
Prabhat Colony
Santacruz (East)
Mumbai - 400 055
India.

Reliance Nippon Life Asset Management Limited
(As the Investment Manager of the Reliance Infrastructure InvIT Fund)
'H' Block, 1st Floor
Dhirubhai Ambani Knowledge City
Koparkhairne, Navi Mumbai
Thane - 400 710
India.

Dear Sirs,

Report on Condensed Combined Financial Statements

We have audited the attached Condensed Combined Financial Statements of 7 subsidiaries of **Reliance Infrastructure Limited** ("Sponsor"), namely GF Toll Road Private Limited, DS Toll Road Limited, NK Toll Road Limited, TK Toll Road Private Limited, TD Toll Road Private Limited, SU Toll Road Private Limited and JR Toll Road Private Limited respectively (together called as "Project SPVs" or "Project SPV Group" and individually a "Project SPV") which are proposed to be transferred from the Sponsor to **Reliance Infrastructure InvIT Fund** (the "Fund") pursuant to the proposed Initial Public Offering of Units of the Fund ('IPO'), which comprise the condensed combined balance sheet as at March 31, 2017, 2016 and 2015, the condensed combined statement of profit and loss, condensed combined statement of cash flows, combined statement of change in equity for the years ended March 31, 2017, 2016 and 2015, and the combined statement of total return at fair value for the year ended March 31, 2017 and 2016 and combined statement of net assets at fair value as at March 31, 2017 and a summary of significant accounting policies, notes and other explanatory Information (collectively called the "Condensed Combined Financial Statements") annexed to this report for the purpose of inclusion in the Updated Draft Offer Document, prepared in connection with the proposed IPO.

These Condensed Combined Financial Statements have been prepared in accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014, as amended from time to time including by any guidelines and circulars issued thereunder (the "InvIT Regulations"). Accordingly these Condensed Combined Financial Statements have been prepared, as if the Fund structure was in place and 100% interest in 6 Project SPVs and 74% interest in 1 Project SPVs was part of the Fund since April 1, 2013 and have been approved by the Investment Manager of the Fund, however pursuant to the requirements of the InvIT Regulations, the financial information for the preceding three financial statements only has been presented.

Management's Responsibilities for the Condensed Combined Financial Statements

The Investment Manager of the Fund is responsible for the preparation of Condensed Combined Financial Statements that give a true and fair view of the condensed combined financial position, condensed combined financial performance, condensed combined cash flows, combined statement of change in equity in accordance with the Indian Accounting Standard ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules and other accounting principles generally accepted in India. The Management is also responsible for ensuring that the Fund complies with the requirements of InvIT Regulations.

The respective managements of the Project SPVs are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Project SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

For the purposes of preparation of the Ind AS condensed financial statements of each Project SPV, the financial statements prepared in accordance with Generally Accepted Accounting Principles of India ('Indian GAAP') including the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014/ Section 211 (3C) of the Companies Act, 1956 for the years ended March 31, 2016 and 2015 audited by their respective auditors were converted by the respective managements of the Project SPVs in accordance with the Ind AS, which have been used for the purpose of preparation of the Condensed Combined Financial Statements by the Investment Manager of the Fund, as aforesaid.

The financial statements of each of the Project SPVs for the year ended March 31, 2017 is prepared as per Ind AS, and has been audited by their respective auditors of Project SPVs and have been used for the purpose of preparation of Condensed Combined Financial Statements by the Investment Manager of the Fund.

Auditor's Responsibility

Our responsibility is to express an opinion on these Condensed Combined Financial Statements based on our audit. While conducting the audit, we have taken into account (a) the terms of reference vide our engagement letter dated April 20, 2017 , to carry out work on such financial information included in the Updated Draft Offer Document of the Fund in connection with its proposed IPO; (b) Guidance note on Combined and Carve-out financial statements and (c) the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India, to the extent applicable to these Condensed Combined Financial Statements.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Condensed Combined Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Condensed Combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Condensed Combined Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the Condensed Combined Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Investment Manager of Fund, as well as evaluating the overall presentation of the Condensed Combined Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Condensed Combined Financial Statements.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us:

a) The condensed combined balance sheet gives a true and fair view of the state of affairs of the Project SPV Group as at the March 31, 2017, 2016 and 2015;

b) The condensed combined statement of profit and loss gives a true and fair view of the losses of the Project SPV Group for the years ended on March 31, 2017, 2016 and 2015;

c) The condensed combined cash flow statement gives a true and fair view of the cash movements of the Project SPV Group for the years ended on March 31, 2017, 2016 and 2015;

d) The combined statement of changes in equity gives a true and fair view of the movement of the equity holder's fund of the Project SPV Group for the years ended on March 31, 2017, 2016 and 2015;

e) The combined statement of net assets at fair value gives a true and fair view of the net assets of the Project SPV Group as at March 31, 2017; and

f) The combined statement of total return at fair value gives a true and fair view of the total return of the Project SPV Group for the years ended on March 31, 2017 and 2016.

Emphasis of Matter Paragraph

We draw attention to Note no. 1(b) of the Condensed Combined Financial Statements, wherein the Investment Manager on December 13, 2016 for the purpose of inclusion in a draft offer document dated December 15, 2016 had prepared the Condensed Combined Financial Statements of Fund for the years / six months ended on March 31, 2016, 2015 and 2014 and September 30, 2016 and September 30, 2015, and our audit report issued thereon dated December 13, 2016. The said condensed combined financial statements were based on ten toll road projects. Subsequent to the filing of the draft offer document, based on approval obtained from regulatory and other authorities, the investment manager decided to have only seven toll road projects in the fund's portfolio. Pursuant to which, the investment manager of the Fund has prepared Condensed Combined Financial Statement of seven toll road Project SPVs for the years ended on March 31, 2017, 2016 and 2015. This Auditors' Report on Condensed Combined Financial Statement is issued in substitution of our earlier report dated December 13, 2016.

Our opinion is not modified in respect of the above matter.

Other matters

We have conducted the audit of Condensed Ind AS financial statements of each of the respective Project SPVs i.e. Audited Converted Financial Statements ("ACFS") in the accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. The financial statements of Project SPVs as at and for the years ended March 31, 2016 and 2015, which were drawn up in accordance with Indian GAAP including the Accounting Standards specified in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014/Section 211 (3C) of the Companies Act, 1956 were audited by their respective statutory auditors' and have been relied upon by us (refer Standard on Auditing (SA) 600 "Using the Work of another Auditor" to the extent applicable) for our audit of ACFS.

The financial statements of each of the Project SPVs for the year ended March 31, 2017 is prepared as per Ind AS, and have been audited by their respective auditors of Project SPVs and have been used for the purpose of preparation of Condensed Combined Financial Statements by the Investment Manager of the Fund and have been relied upon by us (refer Standard on Auditing (SA) 600 "Using the Work of another Auditor" to the extent applicable) for our audit of ACFS.

The audit for the years ended March 31, 2015, March 31, 2016 and March 31, 2017 was conducted by the respective auditors of Project SPV. The list of the same is as under:

Project SPV	Statutory Auditor
SU Toll Road Private Limited	MKPS & Associates
TD Toll Road Private Limited	MKPS & Associates
TK Toll Road Private Limited	MKPS & Associates
DS Toll Road Limited	Thakur,Vaidyanath Aiyar & Co.
NK Toll Road Limited	Thakur,Vaidyanath Aiyar & Co.
GF Toll Road Private Limited	Grewal & Singh
JR Toll Road Private Limited	MKPS & Associates

This report should not in any way be construed as a reissuance or re-dating of any of the previous reports issued by the SPV's Auditor nor should it be construed as a new opinion on any of the financial statements referred to herein.

Report on other Regulatory Requirements

We report that:

(i) We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

(ii) The condensed combined balance sheet, the condensed combined statement of profit and loss, condensed combined statement of cash flows, the combined statement of changes in equity for the years ended March 31, 2017, 2016 and 2015 and the combined statement of total return at fair value for the year ended March 31, 2017 and 2016 and the combined statement of net assets at fair value as at March 31, 2017 are in agreement with the relevant books of account considering the adjustments required for preparation of ACFS as maintained for the purpose of preparation of Condensed Combined Financial Statements;

(iii) The Condensed Combined Financial Statements do not contain any extraordinary items.

(iv) There are no qualifications / reservations / remarks / adverse remarks / Emphasis of Matter in the auditors' reports on the ACFS of the Project SPVs as at and for each of the years ended March 31, 2017, 2016 and 2015, which require any adjustments to the Condensed Combined Financial Statements.

(v) We have also audited the following in the condensed combined financial information (the "Information") included in the Updated Draft Offer Document:

   a. Operating cash flow from the Project SPVs (project-wise) for the years ended March 31, 2017, 2016, and 2015;

   b. Debt payment history providing details on payment of interest and principal history for the years ended March 31, 2017, 2016 and 2015;

   c. Capitalization Statement showing total debt, net worth, and the debt/equity ratios.

(vi) In our opinion, the Condensed Combined Financial Statements (including the Information) are in compliance with the requirements of InvIT Regulations and Ind AS.

We have no responsibility to update our report for events and circumstances occurring after the date of this report.

Restrictions on Use

This report is intended solely for your information and for inclusion in the Updated Draft Offer Document prepared in connection with the proposed IPO of the Fund and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Sd/-

Vijay Napawaliya
Partner
Membership No: 109859

Place: Mumbai
Date: April 24, 2017

Reliance Infrastructure InvIT Fund
Condensed Combined Balance Sheet

` Millions

Particulars	Note	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
ASSETS				
Non-current assets				
(a) Intangible assets	4	35,381.00	36,310.72	36,682.48
(b) Intangible assets under development	4	9.05	12.05	552.92
(c) Financial Assets				
- Other Financial Assets	5f	191.87	506.39	993.20
(d) Deferred tax assets (net)	28	1,291.87	975.16	685.92
(e) Other non - current assets	6	37.18	34.87	34.50
		36,910.97	37,839.19	38,949.02
Current assets				
(a) Financial Assets				
(i) Investments	5a	175.34	166.56	158.34
(ii) Cash and cash equivalents	5b	419.99	215.94	185.01
(iii) Bank balances other than (ii) above	5c	498.99	253.42	198.88
(iv) Loans	5d	740.00	740.00	4,904.00
(v) Other financial assets	5e	341.74	264.10	1,946.19
(b) Current Tax Assets (Net)		20.61	39.35	54.07
(c) Other current assets	7	233.93	377.42	285.13
		2,430.60	2,056.79	7,731.62
Total Assets		**39,341.57**	**39,895.98**	**46,680.64**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital		530.62	530.62	530.62
(b) Subordinated debt (in nature of Equity)	9a	5,757.95	6,278.71	5,594.41
(c) Other equity		2,022.59	3,001.83	4,465.40
Equity attributable to owners		8,311.16	9,811.16	10,590.43
Non-controlling interest		409.99	374.72	410.19
Total Equity		8,721.15	10,185.88	11,000.62
LIABILITIES				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10a	22,959.15	24,671.71	26,032.25
(ii) Other financial liabilities	12b	13.03	546.35	467.64
(b) Provisions	13b	699.82	1,687.34	1,399.74
(c) Deferred tax liabilities (net)	27	90.31	126.95	56.10
		23,762.31	27,032.35	27,955.73
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	10b	1,575.00	75.00	-
(ii) Trade payables	11	500.62	392.56	1,034.56
(iii) Other financial liabilities	12a	2,619.54	1,515.16	877.11
(b) Other current liabilities	14	43.39	53.95	5,372.06
(c) Provisions	13a	2,102.37	641.08	440.56
(d) Current tax liabilities (net)		17.19	-	-
		6,858.11	2,677.75	7,724.29
		30,620.42	29,710.10	35,680.02
Total Equity and Liabilities		**39,341.57**	**39,895.98**	**46,680.64**

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Condensed Combined Financial Statements

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Condensed Combined Statement of Profit and Loss

` Millions

Particulars	Note	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Revenue	15	3,782.92	3,572.08	3,409.14
Other Income	16	234.63	252.23	851.61
Total Income		4,017.55	3,824.31	4,260.75
Expenses				
Toll Operation and Maintainence expenses	17	1,181.76	1,326.66	1,117.75
Employee benefits expense	18	55.03	48.09	36.47
Finance costs	19	3,149.94	3,294.45	3,343.69
Amortisation expense	4	916.76	803.54	659.46
Other expenses	20	132.59	172.26	208.33
Total expenses		5,436.08	5,645.00	5,365.70
Profit / (loss) before tax		**(1,418.53)**	**(1,820.69)**	**(1,104.95)**
Tax expense				
Current tax		34.26	12.03	138.37
Deferred tax charge/(credit)		(352.68)	(218.28)	(238.20)
Income tax for earlier years		(0.90)	-	-
		(319.32)	(206.25)	(99.83)
Profit/(Loss) after tax		**(1,099.21)**	**(1,614.44)**	**(1,005.12)**
Other Comprehensive Income				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of net defined benefit plans : Gains / (Loss)		(1.93)	(0.39)	(0.23)
(ii) Income tax relating to items that will not be reclassified to profit or loss				
Remeasurements of net defined benefit plans		(0.66)	(0.11)	0.01
Other Comprehensive Income / (Loss)		**(1.27)**	**(0.28)**	**(0.24)**
Total Comprehensive Income / (Loss)		**(1,100.48)**	**(1,614.72)**	**(1,005.36)**
Profit/(Loss) after tax				
Attributable to:				
Equity holders		(977.97)	(1,463.29)	(867.66)
Non-controlling interests		(121.24)	(151.15)	(137.46)
Other Comprehensive Income / (Loss)				
Attributable to:				
Equity holders		(1.26)	(0.26)	(0.17)
Non-controlling interests		(0.01)	(0.02)	(0.07)
Total Comprehensive Income / (Loss)				
Attributable to:				
Equity holders		(979.23)	(1,463.56)	(867.84)
Non-controlling interests		(121.25)	(151.16)	(137.53)
Earnings/ (Loss) per equity share of `10 each				
Basic & Diluted	31	(20.52)	(30.14)	(18.76)

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Condensed Combined Financial Statements

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Condensed Combined Cash flow Statement

` Millions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
A CASH FLOW FROM OPERATING ACTIVITIES:			
Profit/(Loss) before tax	**(1,418.53)**	**(1,820.69)**	**(1,104.95)**
Adjustments for:			
Amortisation expenses	916.76	803.54	659.46
Interest income	(200.03)	(232.95)	(833.74)
Dividend income	(11.41)	(17.07)	(16.68)
Interest expense	3,149.94	3,294.45	3,343.70
	2,436.73	**2,027.28**	**2,047.78**
Cash Generated from Operations before working capital changes			
Adjustments for:			
(Increase)/decrease in financial assets except for investments	144.25	606.14	378.80
(Increase)/decrease in other current assets	143.49	(92.29)	(117.50)
Increase/(decrease) in trade payables	108.06	(642.00)	58.65
Increase/(decrease) in other financial liabilities	74.25	10.72	(0.80)
Increase/(decrease) in provisions	356.21	314.58	663.91
Increase/(decrease) in other non- current liabilities	-	-	(5,138.68)
Increase/(decrease) in other current liabilities	(10.55)	(5,318.13)	5,098.16
	815.71	**(5,120.98)**	**942.54**
Cash generated from / (used in) operations	**3,252.44**	**(3,093.70)**	**2,990.32**
Direct Taxes (paid) net of refunds	2.55	2.66	(178.34)
Net cash generated from / (used in) operating activities - [A]	**3,254.99**	**(3,091.04)**	**2,811.98**
B CASH FLOW FROM INVESTING ACTIVITIES:			
(Purchase) / Sale proceeds of intangible assets (including intangible assest under development) (Net)	33.51	134.29	(227.70)
(Purchase) / sale proceeds from current investments (Net)	(8.78)	(8.56)	(10.11)
Intercorporate deposits received	-	4,904.00	145.00
Intercorporate deposits given	-	(740.00)	-
Interest received	47.08	1,740.73	73.04
Dividend received	11.41	17.07	16.68
Net cash generated from / (used in) investing activities - [B]	83.22	6,047.53	(3.09)
C CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds / (Repayment) from Sub-ordinated debt	(364.24)	800.00	2,386.01
Proceeds (net) from short term borrowings	1,500.00	75.00	(1,973.00)
Proceeds from long term borrowings	-	-	6,649.60
Repayment of long term borrowings	(1,305.52)	(744.81)	(6,648.43)
Interest paid	(2,964.42)	(3,055.74)	(3,226.71)
Net cash used in financing activities - [C]	(3,134.18)	(2,925.55)	(2,812.53)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	204.05	30.94	(3.64)
Add: Cash and cash equivalents at the beginning	215.94	185.01	188.65
Cash and cash equivalents at the end (Refer Note 5b)	419.99	215.94	185.01
Components of Cash and cash equivalents			
Balances with banks - in Current accounts	140.90	126.53	123.45
Deposits with maturity of less than three months	265.22	73.45	46.65
Cash on hand	13.87	15.96	14.91
Total Cash and cash equivalents	419.99	215.94	185.01

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying summary of significant accounting policies and other explanatory informtaion (notes) are an integral part of the Condensed Combined Financial Statements

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Combined Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

` Millions

Particulars	Notes	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year (A)	Non-controlling interest (B)	Total (A - B)
For the year ended March 31, 2015		535.72	-	535.72	5.10	530.62
For the year ended March 31, 2016		535.72	-	535.72	5.10	530.62
For the year ended March 31, 2017		535.72	-	535.72	5.10	530.62

` Millions

B. OTHER EQUITY

Particulars	Note	Share application money pending allotment (Note 9b)	Equity Component of compoud financial instruments (Note 9c)	Reserves and Surplus			Sub-total (A)	Non-controlling interest (B)	Total (A - B)
				Securities Premium Account (Note 9e)	Retained Earnings (Note 9d)	Debenture Redemption Reserve (Note 9f)			
Balance as at April 01, 2014		**63.89**	**39.10**	**6,174.56**	**(596.75)**	**-**	**5,680.80**	283.68	**5,397.12**
Profit / (Loss) for the year		-	-	-	(1,005.12)	-	**(1,005.12)**	(137.46)	**(867.66)**
Debenture Redemption Reserve	9f	-	-	-	(15.14)	15.14	-	-	-
Other comprehensive income for the year		-	-	-	(0.24)	-	**(0.24)**	(0.07)	**(0.17)**
Total comprehensive income for the year		**-**	**-**	**-**	**(1,020.50)**	**15.14**	**(1,005.36)**	(137.53)	**(867.83)**
Transaction with owners in their capacity as owners :									
Converted into Sub-ordinated debt	9b	(63.89)	-	-	-	-	**(63.89)**	-	**(63.89)**
		(63.89)	-	-	-	-	**(63.89)**	-	**(63.89)**
Balance as at March 31, 2015		**-**	**39.10**	**6,174.56**	**(1,617.25)**	**15.14**	**4,611.55**	146.15	**4,465.40**
Balance as at April 01, 2015		**-**	**39.10**	**6,174.56**	**(1,617.25)**	**15.14**	**4,611.55**	146.15	**4,465.40**
Profit / (Loss) for the year		-	-	-	(1,614.45)	-	**(1,614.45)**	(151.15)	**(1,463.30)**
Debenture Redemption Reserve	9f	-	-	-	(17.52)	17.52	-	-	-
Other comprehensive income for the year		-	-	-	(0.28)	-	**(0.28)**	(0.02)	**(0.26)**
Total comprehensive income for the year		**-**	**-**	**-**	**(1,632.25)**	**17.52**	**(1,614.73)**	(151.16)	**(1,463.57)**
Balance as at March 31, 2016		**-**	**39.10**	**6,174.56**	**(3,249.50)**	**32.66**	**2,996.82**	(5.01)	**3,001.83**
Balance as at April 01, 2016		**-**	**39.10**	**6,174.56**	**(3,249.50)**	**32.66**	**2,996.82**	(5.01)	**3,001.83**
Profit / (Loss) for the year		-	-	-	(1,099.22)	-	**(1,099.22)**	(121.24)	**(977.98)**
Debenture Redemption Reserve	9f	-	-	-	(14.84)	14.84	-	-	-
Other comprehensive income for the year		-	-	-	(1.27)	-	**(1.27)**	(0.01)	**(1.26)**
Total comprehensive income for the year		**-**	**-**	**-**	**(1,115.33)**	**14.84**	**(1,100.49)**	(121.25)	**(979.24)**
Balance as at March 31, 2017		**-**	**39.10**	**6,174.56**	**(4,364.83)**	**47.50**	**1,896.33**	(126.26)	**2,022.59**

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Combined Statement of Net Assets at Fair Value as at March 31, 2017

` Millions

	Particulars	Book value	Fair value
A	**Assets**		
	Non-current assets		
	Intangible assets	35,381.00	42,249.00
	Intangible assets under development	9.05	9.05
	Financial Assets	191.87	191.87
	Deferred tax assets	1,291.87	1,291.87
	Other non - current assets	37.18	37.18
		36,910.97	**43,778.97**
	Current assets		
	Financial Assets	2,176.06	2,176.06
	Current Tax Assets (Net)	20.61	20.61
	Other current assets	233.93	233.93
		2,430.60	**2,430.60**
	Total assets - A	**39,341.57**	**46,209.57**
B	**Liabilities**		
	Non current liabilities		
	Financial Liabilities	22,972.18	23,027.49
	Provisions	699.82	699.82
	Deferred tax liabilities (Net)	90.31	90.31
		23,762.31	**23,817.62**
	Current liabilities		
	Financial Liabilities	4,695.16	4,641.41
	Provisions	2,102.37	2,102.37
	Other current liabilities	43.39	43.39
	Current Tax Liabilities (Net)	17.19	17.19
		6,858.11	**6,804.36**
	Total Liabilities - B	**30,620.42**	**30,621.98**
	Net Assets (A - B)	**8,721.15**	**15,587.59**

Note : Since the number of units are not available, hence required disclosure of number of units and NAV are not given.

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Project SPV wise Fair Value of the Net Assets as at March 31, 2017

` Millions

	Particulars	Total	GF	JR	SU	TK	TD	DS	NK
		Fair Values	**Fair Values**	**Fair Values**	**Fair Values**	**Fair Values**	**Fair Values**	**Fair Values**	**Fair Values**
A	**Assets**								
	Non-current assets								
	Intangible assets	42,249.00	7,663.00	4,670.00	10,709.00	7,977.00	4,621.00	4,160.00	2,449.00
	Intangible assets under development	9.05	-	-	-	-	-	-	9.05
	Financial Assets	191.87	-	-	-	-	190.36	1.51	-
	Deferred tax assets	1,291.87	-	380.87	360.53	134.61	317.16	-	98.70
	Other non - current assets	37.18	0.36	0.42	0.37	30.38	0.51	3.21	1.93
		43,778.97	**7,663.36**	**5,051.29**	**11,069.89**	**8,141.99**	**5,129.03**	**4,164.72**	**2,558.68**
	Current assets								
	Financial Assets	2,176.06	58.36	61.87	616.39	21.56	95.71	962.39	359.78
	Current Tax Assets (Net)	20.61	0.06	3.12	-	4.05	9.61	3.77	-
	Other current assets	233.93	10.77	10.13	144.00	7.56	3.28	3.86	54.33
		2,430.60	**69.19**	**75.12**	**760.39**	**33.17**	**108.60**	**970.02**	**414.11**
	Total assets - A	**46,209.57**	**7,732.55**	**5,126.41**	**11,830.28**	**8,175.16**	**5,237.63**	**5,134.74**	**2,972.79**
B	**Liabilities**								
	Non current liabilities								
	Financial Liabilities	23,027.49	3,731.51	3,311.70	6,514.39	2,884.78	2,673.85	2,846.74	1,064.51
	Provisions	699.82	0.97	282.94	1.96	238.16	2.29	85.92	87.58
	Deferred tax liabilities (Net)	90.31	-	-	-	-	-	90.31	-
		23,817.62	**3,732.48**	**3,594.65**	**6,516.35**	**3,122.94**	**2,676.14**	**3,022.97**	**1,152.09**
	Current liabilities								
	Financial Liabilities	4,641.41	1,215.89	391.17	74.26	809.85	237.55	298.79	1,613.90
	Provisions	2,102.37	469.97	0.01	891.32	0.08	740.97	0.02	-
	Other current liabilities	43.39	1.88	2.04	3.59	1.96	5.94	27.48	0.50
	Current Tax Liabilities (Net)	17.19	-	-	16.24	-	-	-	0.95
		6,804.36	**1,687.74**	**393.22**	**985.41**	**811.89**	**984.46**	**326.29**	**1,615.35**
	Total Liabilities - B	**30,621.98**	**5,420.22**	**3,987.86**	**7,501.77**	**3,934.83**	**3,660.60**	**3,349.26**	**2,767.44**
	Net Assets (A - B)	**15,587.59**	**2,312.33**	**1,138.54**	**4,328.51**	**4,240.33**	**1,577.03**	**1,785.48**	**205.35**

Note : Since the number of units are not available, hence required disclosure of number of units and NAV are not given.

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Combined Statement of Total Return at Fair Value

` Millions

Particulars	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**
Total comprehensive income (as per statement of profit and loss)	(1,100.48)	(1,614.73)
Add / Less : Other changes in fair value not recognised in total comprehensive income	-	-
Total return	(1,100.48)	(1,614.73)

As per our attached report of even date

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Note 1: Corporate information

(a) The **Reliance infrastructure** InvIT Fund (the "Fund" / "Trust") is a trust constituted by "The Indenture of Trust" dated September 12, 2016 registered under the Registration Act, 1908 and registered vide Certificate of Registration dated November 24, 2016 under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Fund is settled by the Sponsor, Reliance Infrastructure Limited ("Rinfra" or the "Sponsor"), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the "Trustee"). Investment manager for the Fund is Reliance Nippon Life Asset Management Limited (the "Investment Manager").

The Fund has been formed to invest in infrastructure assets primarily being in the road sector in India. All of the Fund's road projects are implemented and held through special purpose vehicles ("Project SPVs" together as "Project SPV Group"). The Fund's portfolio subsequent to the completion of the proposed offering will comprise of seven road projects as listed below:-

Project SPV Name	Residual Concession life*	Proposed Shareholding	Nature of Investment	Status	Principal Activities	Country of incorporation
DS Toll Road Limited (DS)	9 years 3 months 29 days	100%	Subsidiary	Operating	Construction and operation of road including toll collection	India
NK Toll Road Limited (NK)	9 years 3 months 29 days	100%	Subsidiary	Operating		India
GF Toll Road Private Limited (GF)	9 years 2 months 1 day	74%	Subsidiary	Operating		India
JR Toll Road Private Limited (JR)	11 years 4 months 20 days	100% **	Subsidiary	Operating		India
TD Toll Road Private Limited (TD)	20 years 9 months 20 days	100 %**	Subsidiary	Operating		India
TK Toll Road Private Limited (TK)	20 years 9 months 20 days	100 %**	Subsidiary	Operating		India
SU Toll Road Private Limited (SU)	15 years 9 months 19 days	100 %**	Subsidiary	Operating		India

*Represents residual concession life as at March 31, 2017 as per original concession period (without considering extension of concession period, if any).

**SU, TD & TK became subsidiary with 98% shareholding w.e.f September 28, 2016 and 100% shareholding w.e.f October 7, 2016 in case of TD& TK and 100% shareholding w.e.f November 8, 2016 in case of SU. JR became subsidiary with 74% shareholding w.e.f October 19, 2016 and 100% shareholding w.e.f December 13, 2016.

The Condensed Combined financial Statements of the Project SPV Group for the year ended March 31, 2017, March 31, 2016 and March 31, 2015 were authorised for issue by the Committee appointed by the Board of Directors of the Investment Manager on April 24, 2017.

(b) The Investment Manager on December 13, 2016 for the purpose of inclusion in a Draft Offer Document dated December 15, 2016 had prepared the Condensed Combined Financial Statements of Fund for the years / six months ended on March 31, 2016, 2015 and 2014 and September 30, 2016 and September 30, 2015. The said condensed combined financial statements were based on ten toll road Project SPVs. Subsequent to the filing of the Draft Offer Document, based on approval obtained from regulatory and other authorities, the investment manager decided to have only seven toll road Project SPVs in the Fund's portfolio. Pursuant to which, the investment manager of the Fund has prepared Condensed Combined Financial Statements of seven toll road Project SPVs for the years ended on March 31, 2017, 2016 and 2015.

Note 2: Basis of preparation

This special purpose Condensed Combined Financial Statements of Project SPV Group comprises of Condensed Combined Balance Sheets as at March 31, 2017, March 31, 2016 and March 31, 2015 and Condensed Combined Statement of Profit and Loss, Condensed Combined Cash Flow Statement and Combined Statement of Changes in Equity for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 and Combined Statement of Net Assets at Fair Value as at March 31, 2017 and the Condensed Combined Statement of Total Return at fair value for the year ended March 31, 2017 and March 31, 2016, a summary of significant accounting policies, notes and other explanatory information. The Condensed Combined Financial Statements have been prepared for inclusion in the Updated Draft Offer Document (the "Updated Draft Offer Document") to be issued in connection with the proposed offering (the "Offering") of the Fund.

The Condensed Combined Financial Statements of the Project SPV Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with relevant rules and other accounting principles. The Condensed Combined Financial Statements have been prepared on a historical cost basis, except for certain assets and liabilities which have been measured at fair value.

For all years up to and including the year ended March 31, 2017, the Project SPVs prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013 (the Act) [Companies(Indian Accounting Standards) Rules, 2015] and other relevant provisions of the act. For the purpose of preparation of these Condensed Combined Financial Statements, the transition date to Ind AS is considered as April 1, 2013 for the Project SPVs.

In accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations 2014, as amended from time to time including by any guidelines and circulars (the "InvIT Regulations"), since the Fund is newly set up on September 12, 2016, to present the financial position and performance of the proposed Project SPV Group, the historical Condensed Combined Financial Statements have been prepared, as if the Fund structure was in place and interests of the Project SPVs was part of the Fund since April 1, 2013. However, pursuant to the requirements of InvIT Regulations, the financial information for the preceding three financial statements only has been presented.

The Condensed Combined Financial Statements are presented in ` Millions, except where otherwise indicated.

Accounting standards issued but not yet effective

Ind AS 115 'Revenue from contracts with customers' have been published by Ministry of Corporate Affairs (MCA) but are not yet effective. Ind AS 115 establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contract with customers. Ind AS 115 supersedes other revenue standards i.e. Ind AS 11 and Ind AS 18 notified by MCA. Management has undertaken an assessment of the impact of this standard and does not believe that the impact would be material.

Basis of preparation of Condensed Combined Financial Statements

The Condensed Combined Financial Statements comprise the financial statements of the Project SPV Group prepared in accordance with the 'Guidance note on Condensed Combined/Carve Out Financial Statements' issued by Institute of Chartered accountants of India (ICAI).

Condensed Combined Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of all Project SPVs used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31. Considering the proposed 100% acquisition of shares in Project SPV Group following combination procedures has been followed:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of Project SPVs.

b) Eliminate in full intra Project SPVs assets and liabilities, income, expenses and cash flows relating to transactions between Project SPVs of the Project SPV Group (profits or losses resulting from intra Project SPV Group transactions that are recognized in assets). Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Project SPV Group.

c) Disclose non-controlling interest for the SPV where 100% shares are not proposed to be transferred to the Fund.

Note 3: Summary of Significant accounting policies

3.1 Current versus non-current classification

The Project SPV Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Project SPV Group has identified twelve months as its operating cycle.

3.2 **Foreign currencies**

Functional and presentation currency
Items included in the financial statements of each of the Project SPV Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The condensed combined financial statements are presented in Indian Rupees (`) in Millions, which is the Project SPV Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit and Loss with an exception of the following:-

Under Ind AS 21 exchange differences arising on the translation/settlement of non-monetary item should be treated as income or loss in Statement of Profit and Loss. However, Ind AS 101 gives an exemption for existing long term foreign currency non-monetary items wherein the Project SPV Group can continue the policy adopted for treatment of exchange differences arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset for items recognized on or before March 31, 2013.

For any new long term foreign currency non-monetary item recognized from or after first Ind AS financial reporting period, deferral/amortization of exchange difference will not be allowed, rather the Project SPV Group will apply Ind AS 21 for recognition of gains and losses.

3.3 **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Project SPV Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Project SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Project SPV Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Project SPV Group's Management determines the policies and procedures for both recurring and non – recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Project SPV Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Project SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions of Financial instruments (including those carried at amortised cost) (note 23) and Quantitative disclosures of fair value measurement hierarchy (note 24).

3.4 **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Project SPV Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Project SPV Group's activities, as described below.

Toll revenue

The income from toll revenue from operations of the facility is accounted on receipt basis.

Contract revenue (construction contracts)

Contract revenue associated with the construction of road is recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

Contract cost includes costs that relate directly to the specific contract and allocated costs that are attributable to the construction of the toll roads. Cost that cannot be attributed to the contract activity such as general administration costs are expensed as incurred and classified as other operating expenses.

Others

Insurance and other claims are recognized as revenue on certainty of receipt basis.

Income on investment is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

3.5 **Accounting of intangible assets under service concession arrangement**

Project SPV Group has Toll Road Concession rights where it Designs, Builds, Finances, Operates and Transfers (DBFOT) infrastructure used to provide public service for a specified period of time. These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

These arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Project SPV Group receives a right (a license) to charge users of the public service. The financial asset model is used when the Project SPV Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Project SPV Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Intangible assets model
Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the Project SPV Group has a contractual right to charge users of service when the projects are completed.

The intangible assets is measured at the fair value of consideration transferred to acquire asset, which is the fair value of consideration received or receivable for the construction services delivered.

Amortization of concession intangible assets
The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits. Refer note no 29 for description and significant terms of the concession arrangements.

Financial assets model
The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

Financial Assets resulting from application of Appendix A and Appendix B of Ind AS 11 are recorded in the condensed combined statement of financial position under the heading Other Financial Assets and recognized at amortised cost.
However in case of certain arrangements, the contract may include a payment commitment on the part of the concession grantor covering only part of investment, with the balance to be recovered from by charging users of service . In such arrangements the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the Intangible asset model.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Maintenance obligations
Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the Infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date for which next resurfacing would be required as per the concession arrangement .
The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

3.6 **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Project SPV Group operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.7 **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.8 Leases

Operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

3.9 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Project SPV Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The contingent liability is not recognised in the books of account but its existence is disclosed in the Financial Statements.

3.10 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.11 Provisions

Provisions are recognized when the Project SPV Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Project SPV Group expects some or all of a provision to be reimbursed the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

3.12 Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Leave obligations

The group provides sick leave and privilege leave to its employees.

Privilege and sick leave obligation is provided based on actuarial valuation which takes into account the estimated portion of leave that will be encashed, availed and the portion that will lapse. The portion that is expected to be encashed is provided for based on the basic salary of the employee and for the portion that is expected to be availed, the valuations are based on the employees' total compensation. The liability for earned leave is also classified as current where it is expected to be availed/ encashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

(iii) Post - employment obligations

The group operates various post-employment schemes, including
(a) defined benefit plans such as gratuity
(b) defined contribution plans such as provident fund.

Gratuity Obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution plans

The group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.13 **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Project SPVs cash management.

3.14 **Derivatives**

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

3.15 **Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.16 **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through Statement of Profit and Loss, net of directly attributable transaction cost to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Project SPV Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVTOCI)

Financial Assets at amortised cost

Financial Assets are measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Project SPV Group. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement such financial assets are subsequently measured at amortised cost using the Effective Interest Rate

(EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to loans and other receivables.

Financial Assets at Fair Value through Statement of Profit and Loss/Other Comprehensive Income

All investments in scope of Ind AS 109 are measured at fair value. Project SPVs has investment in Mutual fund which are held for trading, are classified as at FVTPL. The Project SPV Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Project SPV Group decides to classify an instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income (OCI) to the Statement of Profit and Loss, even on sale of investment. However, the Project SPV Group may transfer the cumulative gain or loss within equity. Instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Project SPV Group of similar financial assets) is primarily derecognized (i.e. removed from the Project SPV Group's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Project SPV Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Project SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the Project SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Project SPV Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Project SPV Group continues to recognize the transferred asset to the extent of the Project SPV Group's continuing involvement. In that case, the Project SPV Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Project SPV Group has retained.

Impairment of financial assets

The Project SPV Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Project SPV Group has three types of financial assets subject to Ind AS 109’s expected credit loss model:

- Loans receivables measured at amortised cost
- Retentions receivable, grant receivable from NHAI
- Loans given to employees

The impairment methodology for each class of financial assets stated above is as follows:

Loans receivables measured at amortised cost: Loans receivables at amortised cost are generally short term in nature considered to be low risk, and thus the impairment provision is determined as 12 months expected credit losses.

Loans given to employees: For loans given to employees outstanding as on the reporting dates, the Group has determined reliably that assessing the probability of default at the initial recognition of each and every loan or receivable would result in undue cost and effort. As permitted by Ind AS 109, the credit provision will be determined based on whether credit risk is low only at each reporting date, until the loan is derecognized. Using the impairment methodology the Group has assessed that no loan loss allowance needs to be recorded in the books of accounts.

Expected credit loss ('ECL') impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head ‘other expenses’ in the P&L. The balance sheet presentation for various financial instruments is described below:

Financial assets measured as at amortized cost and other contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Project SPV Group does not reduce impairment allowance from the gross carrying amount.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Statement of Profit and Loss, loans and borrowings, trade payables or other payables.

All financial liabilities are recognized initially at fair value.

The Project SPV Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Project SPV Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. However, the Project SPVs has borrowings at floating rates. The impact of restatement of effective interest rate, year on year due to reset of interest rate, is not material. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the transaction cost amortization process.

Retention money payable

This is the category most relevant to the Project SPV Group. Retention money is measured at Fair value initially. Subsequently, they are measured at amortised cost using the EIR (Effective interest rate) method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative financial instruments

Initial recognition and subsequent measurement

The Project SPV Group uses derivative financial instruments –principal only swaps to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

3.17 **Segment information**

The Project SPV Group is engaged in “Road Infrastructure Projects” which in the context of Ind AS 108 “Operating Segment" is considered as the only segment. The Project SPV Group’s activities are restricted within India and hence, no separate geographical segment disclosure is considered necessary.

3.18 **Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Project SPV Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below.

(i) Applicability of service concession arrangement accounting to toll roads concessionaire arrangements

The group has determined that Appendix A of Ind AS 11 'Service concession arrangements' is applicable to the Project SPV group which provides on accounting by the operators for public-to-private service concession arrangements. The Project SPV group has entered into concession arrangement with NHAI as per which the group would participate in the Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads infrastructure. After the end of the concession arrangement, the Project SPV group has to transfer the infrastructure i.e. toll roads constructed to National Highway Authorities of India (NHAI).

Accordingly Project SPV Group has recognized the intangible assets recognized as per the accounting policy mentioned in Note no 3.5 'Accounting of intangible assets under service concessionaire arrangement'.

(ii) Income taxes

The Group has recognized deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxation authority against which the unused tax losses can be utilized. However, the utilization of tax losses also depends on the ability of the Project SPV Group to satisfy certain tests at the time the losses are recouped. Management has forecasted future taxable profits and has therefore recognized deferred tax assets in relation to tax losses.

(iii)Amortization of concession intangible assets

The Intangible asset recognized are amortised over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections; Amortization is revised in case of any material change in the expected pattern of economic benefits.

(iv) Impairment of concession intangible assets

The Group tests intangible assets and cash generating units have suffered any impairment, in accordance with the accounting policy stated in note 3.10. The recoverable amount of each cash generating unit has been determined based on the greater of value-in-use and fair value less costs to sell calculations. These calculations require the use of assumptions regarding traffic flows, discount rates, growth rates and other factors affecting operating activities of the cash generating units.

(v) Fair valuation of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgments to select a variety of methods and makes assumptions that are mainly based on market conditions existing at each balance sheet date.

(vi) Provision for resurfacing obligation (major maintenance expenditure)

The Project SPV group records the resurfacing obligation for its present obligation as per the concession arrangement to maintain the toll roads at every five years during the concession period. The provision is included in the financial statements at the present value of the expected future payments. The calculations to discount these amounts to their present value are based on the estimated timing of expenditure occurring on the roads.

The discount rate used to value the resurfacing provision at its present value is determined through reference to the nature of provision and risk associated with the expenditure.

Note 4 - Intangible assets (including intangible assets under development) ` Millions

Particulars	Toll Collection rights	Intangible assets under development
Year ended March 31, 2015		
Opening gross carrying amount	38,529.12	518.47
Additions	1.49	34.45
Capitalised / Adjustment	-	-
Closing gross carrying amount	38,530.61	552.92
Accumulated Amortisation		
Opening accumulated amortisation and impairment	1,188.69	-
Amortisation for the year	659.46	-
Capitalised	-	-
Closing accumulated amortisation	1,848.15	-
Net carrying amount	**36,682.48**	**552.92**
Year ended March 31, 2016		
Opening gross carrying amount	38,530.61	552.92
Additions	523.91	5.54
Capitalised / Adjustment	(92.13)	(546.41)
Closing gross carrying amount	38,962.39	12.05
Accumulated Amortisation		
Opening accumulated amortisation and impairment	1,848.15	-
Amortisation for the year	803.54	-
Capitalised	-	-
Closing accumulated amortisation	2,651.69	-
Net carrying amount	**36,310.72**	**12.05**
Year ended March 31, 2017		
Opening gross carrying amount	38,962.39	12.05
Additions	-	-
Capitalised / Adjustment	(12.94)	(3.00)
Closing gross carrying amount	38,949.45	9.05
Accumulated Amortisation		
Opening accumulated amortisation and impairment	2,651.69	-
Amortisation for the year	916.76	-
Capitalised	-	-
Closing accumulated amortisation	3,568.45	-
Net carrying amount	**35,381.00**	**9.05**

Note 5 - Financial Assets - Current

` Millions

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 5 (a) - Investments			
(Investments at fair value through Profit and Loss)			
Investment in mutual funds - Non trade			
Quoted			
Reliance Liquid Fund - Daily Dividend Plan *	175.34	166.56	158.34
March 31, 2017 : 157,375.89 Units @ `1,114.15			
March 31, 2016 : 149,496.74 units @ `1,114.15			
March 31, 2015 : 142,119.73 units @ `1,114.15			
	175.34	**166.56**	**158.34**
* Investments restricted by way of lien			
Aggregate market value of investments	175.34	166.56	158.34
Note 5 (b) - Cash and Cash equivalents			
Cash and cash equivalents			
Balances with banks			
- in current accounts	140.90	126.53	123.45
Deposits with original maturity of less than three months	265.22	73.45	46.65
Cash on hand	13.87	15.96	14.91
	419.99	**215.94**	**185.01**
Note 5 (c) - Other bank balances			
Deposits with original maturity of more than three months but less than twelve months	498.99	253.42	198.88
	498.99	**253.42**	**198.88**

Cash balance not available for use:
Certain Project SPVs are required to maintain restricted cash which can only be used as a reserve for servicing the debt under financing arrangements. These restricted cash balances have not been included in the year end cash balances for the purposes of preparation of Cash Flow Statement.

Cash held on restricted fixed deposits

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Fixed Deposits	564.79	253.42	300.38
	564.79	**253.42**	**300.38**
Note 5 (d) - Loans			
Unsecured, considered good, unless otherwise stated			
Loans to others	740.00	740.00	4,904.00
	740.00	740.00	4,904.00

` Millions

Reliance Infrastructure InvIT Fund
Notes to the Condensed Combined financial statements

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 5 (e) - Other financial assets - current			
Grant receivable from NHAI	148.06	192.49	231.59
Security deposits	3.64	1.05	1.36
Interest accrued on fixed deposits	3.18	1.40	6.77
Retention money receivable from NHAI	9.35	9.35	8.59
Interest accrued on loan and others	99.23	59.79	1,697.88
Claims receivable from NHAI (Refer Note 35)	78.28	-	-
	341.74	**264.10**	**1,946.19**
Note 5 (f) - Other financial assets - Non - current			
Grant receivable from NHAI	190.36	503.41	880.11
Security Deposits	1.51	2.98	2.09
Deposits with original maturity of more than twelve months	-	-	111.00
	191.87	**506.39**	**993.20**
(Restricted fixed deposits included under cash held on restricted fixed deposits in Note 5 (c) above)			
Note 6 - Other non-current assets			
Capital Advance	30.69	30.69	30.69
Prepaid Expenses	4.80	1.96	1.21
Gratuity - Advance	1.69	2.23	2.59
	37.18	**34.87**	**34.50**
Note 7 - Other Current assets			
Advance to vendors	152.11	296.05	106.10
Advance to employees	3.09	3.78	4.65
Prepaid Expenses / Claims Receivable	62.51	56.75	7.35
Duties and taxes receivable	16.22	20.84	167.04
	233.93	**377.42**	**285.13**

` Millions

Note 8 - Share Capital and Other equity

Note 8a - Authorised Share Capital	**Nos of Shares**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**
At the beginning of the year	27,74,00,000	2,774.00	2,774.00	2,774.00
Add : Increase during the year	of `10 each	-	-	-
At the end of the year		2,774.00	2,774.00	2,774.00
Note 8b - Issued, subscribed and paid-up equity share capital				
At the beginning of the year	5,35,71,634	535.72	535.72	535.72
Add : Shares issued during the year	of `10 each	-	-	-
At the end of the year		535.72	535.72	535.72

Note 8c - Terms and rights attached to equity shares

The Project SPVs have only one class of shares referred to as Equity Shares having a Par Value of `10/-.

Note 8d - Reconciliation of nos of Shares			
Nos of Shares at the beginning of the year	5,35,71,634	5,35,71,634	5,35,71,634
Add : Nos of Shares issued during the year	-	-	-
Nos of Shares at the end of the year	5,35,71,634	5,35,71,634	5,35,71,634
Note 8e - Shares held by the Sponsor Company or their subsidiaries/associates			
Reliance Infrastructure Limited (The Sponsor including it's nominees)	5,35,71,634	3,21,90,523	3,21,90,523

Note 8f - Details of Shareholders holding more than 5% shares in the Project SPVs

Reliance Infrastructure Limited (including it's nominees)			
Nos of Shares	5,35,71,634	3,21,90,523	3,21,90,523
% of holding	100.00%	60.09%	60.09%
Space Trade Enterprises Private Limited			
Nos of Shares	-	68,44,365	68,44,365
% of holding		12.78%	12.78%
Trustee : Space Trade Enterprises Private Limited(Trust: Reliance Toll Road Trust)			
Nos of Shares	-	8,41,040	8,41,040
% of holding		1.57%	1.57%
Spice Commerce and Trade Private Limited			
Nos of Shares	-	68,48,556	68,48,556
% of holding		12.78%	12.78%
Skyline Global Trade Private Limited			
Nos of Shares	-	68,44,365	68,44,365
% of holding		12.78%	12.78%

The Sponsor has pledged Equity Shares of the Project SPVs for availing various term loans.
Shares pledged are - NK : 3,626,370 shares, DS : 4,220,100 shares, GF : 588,330 shares, SU : 14,545,685 shares, JR : 5,138 shares, TD : 3,223,476 shares, TK : 3,826,695 shares.

` Millions

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 9a - Sub-ordinated debt (in nature of equity)			
At the beginning of the year	6,653.34	5,853.34	3,403.44
Received during the year	1,030.17	800.00	2,517.90
Refund during the year	(1,394.41)	-	(68.00)
	6,289.10	6,653.34	5,853.34
Less: Non-controlling Interest	531.15	374.63	258.93
At the end of the year	5,757.95	6,278.71	5,594.41

Terms and rights attached to Sub-ordinated debts infused by Sponsor alongwith its Subsidiaries

i) Subordinated debt is the part of Sponsors Equity from the promoters of the Project SPVs for the project, which is unsecured and interest free as per Common Loan Agreement with the lenders;

ii) No repayment/redemption/interest servicing allowed during the moratorium period of the long term project loan.

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 9b - Share application money pending allotment			
At the beginning of the year	-	-	63.89
Increase during the year	-	-	-
Converted into sub-ordinated debt during the year	-	-	63.89
At the end of the year	-	-	-

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 9c - Corporate Guarantee (in nature of equity)			
At the beginning of the year	39.10	39.10	39.10
Increase / (decrease) during the year	-	-	-
At the end of the year	39.10	39.10	39.10

` Millions

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 9d - Retained Earnings			
At the beginning of the year	(3,249.50)	(1,617.25)	(596.75)
Profit /(Loss) for the year	(1,099.22)	(1,614.45)	(1,005.12)
Items of other comprehensive income recognised directly in retained earnings			
- Remeasuremens of post-employements obligations (net of tax)	(1.27)	(0.28)	(0.24)
Debenture Redemption Reserve (net)	(14.84)	(17.52)	(15.14)
At the end of the year	(4,364.83)	(3,249.50)	(1,617.25)

Note 9e - Securities Premium Account

At the beginning of the year	6,174.56	6,174.56	6,174.56
Premium on shares issued during the year	-	-	-
At the end of the year	6,174.56	6,174.56	6,174.56

Nature and purpose of securities premium
Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the act.

Note 9f - Debenture Redemption Reserve

At the beginning of the year	32.66	15.14	-
Reserve created during the year	18.08	19.16	15.48
Reserve utilised during the year	(3.24)	(1.64)	(0.34)
At the end of the year	47.50	32.66	15.14

Nature and purpose of Debenture Redemption Reserve

As per the Companies (Share Capital and Debentures) Rules, 2014 (amended), Project SPV's are required to create debenture redemption reserve out of profits equal to 25% of the amount of debentures issued. Accordingly the SPV's has appropriated 25% of the debentures issued which would be utilised for redemption of debentures during its maturity.

` Millions

Note 10 (a) - Borrowings - Non current	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Secured			
Debentures			
Non convertible debentures (redeemable at par)	1,211.18	1,257.42	793.05
Term loans			
From banks			
Rupee term loan	18,756.44	20,278.63	16,840.59
From financial institutions			
Rupee term loan	2,991.53	3,135.66	8,398.61
Total	**22,959.15**	**24,671.71**	**26,032.25**

1) Debentures, Rupee Term Loan from Banks & Financial Institutions :

The Borrowings are secured by the way of terms stated in Common Loan Agreement entered between the all respective Project SPV's and Consortium of lenders which are as under:-
(i) a first ranking pari passu mortgage/charge over all the Borrower's immoveable and movable properties, both present and future, except the Project Assets. ;

(ii) a first ranking pari passu charge on all the Borrower's bank accounts including, but not limited to the Escrow Account/ its Sub-Accounts where all revenues, Disbursements, receivables shall be deposited and in all funds from time to time deposited therein and in all Permitted Investments or other securities representing all amounts credited to the Escrow Account.

(iii) a first ranking pari passu charge on all movable tangible and intangible assets of the Borrower (other than those specified in paragraphs (ii) above and (iv) below) including but not limited to its goodwill, undertaking and uncalled capital, both present and future, except the Project Assets.;

(iv) a first ranking pari passu charge over / assignment of the right, title, interests, benefits, claims and demands of the Borrower in, to and under any letter of credit, guarantees (except the guarantees issued in favour of NHAI) including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents.

(v) the applicable interest rate for Rupee Term Loans varies from 10% to 13% p.a.

2) The Sponsor Company has provided Corporate Guarantee for JR in form and manner satisfactory to the lenders as per Common Loan Agreement.

3) The Sponsor company has pledged 2,657,100 equity shares of DS, 2,283,270 equity shares of NK and 9,022,007 equity shares of SU with the respective consortium lenders for availing various loans.

Note 10 (b) - Borrowings - Current

Unsecured			
Loan from Sponsor (Refer Note 28)	75.00	75.00	-
Commercial Paper	1,500.00	-	-
	1,575.00	**75.00**	**-**

Note 11 - Trade Payables

Due to Micro and Small Enterprises	-	-	-
Due to other than Micro and Small Enterprises	500.62	392.56	1,034.56
	500.62	**392.56**	**1,034.56**

Dues to Micro and Small Enterprises:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Project SPVs regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Project SPVs. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

` Millions

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 12 (a) - Other financial liabilities - current			
Current Maturities of long term debt	1,723.33	1,305.59	679.66
Security Deposits	5.01	6.62	5.12
Interest accrued but not due	18.25	19.67	-
Creditors for Capital expenditure	173.93	173.93	192.20
Other payable	85.21	9.35	0.13
Retention money payable	613.81	-	-
Total	**2,619.54**	**1,515.16**	**877.11**
Note 12 (b) - Other financial liabilities - Non - current			
Non - Current			
Retention money payable	13.03	546.35	467.64
Total	**13.03**	**546.35**	**467.64**
Note 13 (a) - Provisions - Current			
Current			
Provision for employee benefits (Refer note 30)			
- Gratuity	-	-	-
- Leave encashment	0.31	0.26	0.23
Others			
- Resurfacing expenses (Refer Note 36 (c))	2,102.06	640.82	440.33
	2,102.37	**641.08**	**440.56**
Note 13 (b) - Provisions - Non - Current			
Provision for employee benefits (Refer note 30)			
- Gratuity	0.10	0.02	0.00
- Leave encashment	8.55	6.47	4.69
Others			
- Resurfacing expenses (Refer Note 36 (c))	691.17	1,680.85	1,395.05
	699.82	**1,687.34**	**1,399.74**
Movement of Resurfacing provisions is as follows:			
At the beginning of the year	2,321.67	1,835.38	1,045.83
Charged / (credited) to Statement of Profit and Loss:			
Provision made during the year	355.94	736.57	664.05
unused amount reversed	-	(43.68)	-
unwinding of discount	115.63	173.15	125.50
Amount utilised during the year	-	(379.76)	-
At the end of the year	2,793.23	2,321.67	1,835.38

Resurfacing provisions - significant estimates

As per the service concession arrangement with NHAI, the Project SPV Group is obligated to carry out resurfacing of the roads under concession. The Project SPV Group estimates the likely provision required towards resurfacing and accrues the costs on a straight line basis over the period at the end of the which resurfacing would be required, in the Statement of Profit and Loss in accordance with Ind AS 37 ' Provisions, Contingent Liabilities and Contingent Assets.

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Note 14 - Other current liabilities			
Advances from Customers	4.87	32.38	32.27
Duties and taxes payable	38.02	21.57	14.80
Unearned revenue from Sponsor	0.50	-	5,324.99
	43.39	**53.95**	**5,372.06**

Particulars	**Year ended March 31, 2017**	**Year ended March 31, 2016**	**Year ended March 31, 2015**
Note 15 - Revenue			
Operating income			
- Income from toll collections	3,563.36	3,570.19	3,329.79
Other Operating income			
- Compensation towards toll suspension (Refer Note 35)	217.12	-	-
- Others	2.44	1.88	79.35
	3,782.92	**3,572.08**	**3,409.14**
Note 16 - Other income			
Dividend Income on current investment	11.41	17.07	16.68
Interest income on -			
- financial assets carried at amortised cost	161.21	209.74	811.53
- fixed deposits	35.79	21.15	20.54
- Others	3.03	2.06	1.66
Excess provision for Gratuity written back (Refer note 30)	0.96	-	0.02
Insurance claim received	21.33	0.99	0.24
Miscellaneous income	0.90	1.21	0.94
	234.63	**252.23**	**851.61**
Note 17 - Toll Operation and Maintainence expenses (Refer Note 36)			
Subcontracting expenses	279.20	287.66	211.83
Maintainence of Roads	790.80	913.61	798.19
Electricity expenses	39.28	40.26	32.72
Other miscellaneous expenses	6.72	6.29	5.23
Site and other direct expenses	65.76	78.85	69.80
	1,181.76	**1,326.66**	**1,117.75**
Note 18 - Employee benefits expenses			
Salaries wages and bonus	46.83	41.96	31.11
Contribution to provident funds and other funds	2.43	2.09	1.64
Gratuity Expenses (Refer note 30)	0.96	0.67	0.68
Leave encashment (Refer note 30)	3.87	2.04	1.79
Staff welfare expenses	0.94	1.32	1.27
	55.03	**48.09**	**36.47**
Note 19 - Finance Costs			
Interest on loans from banks/financial institutions	2,912.86	2,997.15	3,111.49
Unwinding of discount on provisions	115.63	173.15	125.50
Other finance charges	60.84	68.72	56.24
Unwinding of discount on retention money	60.61	55.42	50.47
	3,149.94	**3,294.45**	**3,343.69**
Note 20 - Other expenses			
Rent	0.85	0.88	0.75
Rates & taxes	2.10	0.79	0.21
Insurance	19.38	23.37	17.90
Legal and Professional Charges	60.59	97.93	65.92
Auditors Remuneration (to Project SPVs Auditors)	4.32	3.86	3.17
Travelling and Conveyance	3.66	5.29	3.62
Other miscellaneous expenses	38.81	40.13	116.75
	132.59	**172.26**	**208.33**

Reliance Infrastructure Ltd InvIT Fund

Notes to Condensed Combined Financial Statements

Note 16A : Gross toll collection and details of revenue share to NHAI

` Millions

Year ending March 2017

Particulars	DS	NK	TD	TK	SU	GF	JR	Total
Toll collection (gross)	587.37	308.47	307.02	496.39	826.91	636.11	415.90	3,578.17
Less: revenue share to NHAI	-	-	-	18.37	-	-	-	18.37
Toll collection (net) (A)	587.37	308.47	307.02	478.02	826.91	636.11	415.90	3,559.81
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	21.92	-	-	-	21.92
Less: payment to NHAI	-	-	-	18.37	-	-	-	18.37
Toll collection charges (net) (B)	-	-	-	3.55	-	-	-	3.55
Income from toll collection (net of revenue share) (A+B)	587.37	308.47	307.02	481.57	826.91	636.11	415.90	3,563.36

Year ending March 2016

Particulars	DS	NK	TD	TK	SU	GF	JR	Total
Toll collection (gross)	586.78	319.60	290.14	522.47	824.65	604.07	438.54	3,586.24
Less: revenue share to NHAI	-	-	-	19.90	-	-	-	19.90
Toll collection (net) (A)	586.78	319.60	290.14	502.57	824.65	604.07	438.54	3,566.34
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	23.75	-	-	-	23.75
Less: payment to NHAI	-	-	-	19.90	-	-	-	19.90
Toll collection charges (net) (B)	-	-	-	3.85	-	-	-	3.85
Income from toll collection (net of revenue share) (A+B)	586.78	319.60	290.14	506.42	824.65	604.07	438.54	3,570.19

Year ending March 2015

Particulars	DS	NK	TD	TK	SU	GF	JR	Total
Toll collection (gross)	568.94	324.45	285.70	474.93	772.60	507.08	410.57	3,344.27
Less: revenue share to NHAI	-	-	-	17.96	-	-	-	17.96
Toll collection (net) (A)	568.94	324.45	285.70	456.97	772.60	507.08	410.57	3,326.31
Toll collection for additional stretch as per supplementary agreement with NHAI	-	-	-	21.43	-	-	-	21.43
Less: payment to NHAI	-	-	-	17.96	-	-	-	17.96
Toll collection charges (net) (B)	-	-	-	3.47	-	-	-	3.47
Income from toll collection (net of revenue share) (A+B)	568.94	324.45	285.70	460.44	772.60	507.08	410.57	3,329.79

Note 21 – Contingent liabilities **` Millions**

Sr No.	Particulars	March 31, 2017
1	**Income-tax matters:** In case of NK – Income tax department under section 156 had levied penalty of `17.74 millions for A.Y 2012-13. NK has appealed against the same and has paid ` 8.87 millions out of the same under protest	**17.74**
2	In case of TD - As per Assessment order for AY 2013-14, a demand of ` 1.14 million was raised by IT department. TD had defended the demand and approached to CIT Appeals and an amount of ` 0.41 million was deposited under protest.	**1.14**
3	Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The Project SPVs expect to settle these soon and do not anticipate any further liability on account of interest.	**36.82**

Note 22 – Arbitration Claims by Project SPVs

NK had initiated arbitration proceedings against National Highways Authority of India claiming an amount of `1,058.70 millions on account non-payment of various claims by NHAI inter alia the extended stay costs, loss of revenue and interest for delay on the release of grant etc. The arbitral tribunal has by way of its Award dated August 31, 2016, inter alia, allowed a sum of `699.42 millions (includes interest of `363.59 millions till the date of Award) payable to NK by NHAI. NHAI had preferred an appeal against the arbitration award passed by tribunal before the Hon'ble High Court of Delhi. The Hon'ble High Court on March 23, 2017 dismissed the plea of NHAI on merits. On January 7, 2017 NHAI as per directions of arbitral tribunal agreed to pay an amount of `11.89 millions towards cost of arbitration amounting to `4.77 millions and compensation of grant during construction period `7.21 millions, which was subsequently received.

DS had initiated arbitration proceedings against National Highways Authority of India claiming an amount of `1,649.95 millions on account non-payment of various claims by NHAI inter alia the extended stay costs, loss of revenue and interest for delay on the release of grant etc. The arbitral tribunal has by way of its Award dated July 7, 2016, inter alia, allowed a sum of `1,017.35 millions (includes interest of `531.69 millions till the date of award) payable to DS by NHAI. Further, the Tribunal has also awarded cost of Arbitration of `5.92 millions and an interest of 12% from the date of Award till the date of realization if the awarded amount is not paid within 60 days from the date of Award. Subsequently NHAI challenged the Award before the Hon'ble High Court of Delhi which is pending.

TD had initiated arbitration proceedings against National Highways Authority of India. The disputed amount that is being referred to arbitration is `2,821.66 millions on account non-payment of various claims by NHAI inter alia the extended stay costs, loss of revenue due to delay in COD and loss of revenue due to shifting of toll plaza location. Additional claim of `225.21 millions is also being referred to arbitration on account of (a) additional cost incurred on account of independent consultant's remuneration during extended construction period, (b) interest for delay in disbursement of grant, (c) compensation for additional cost incurred on account of 'Change in Law' provision under the concession agreement and (d) loss in revenue due to non execution of the 1 Km. stretch from Km. 333+000 to 334+000. The Above matters are pending before arbitral tribunal.

GF initiated arbitration proceedings against Haryana PWD claiming an amount of `945.92 millions. In turn, Haryana PWD filed counter claim of `1,606.90 millions towards various issues. On February 28, 2017 GF also amended its Statement of Claim and filed supplementary claims amounting to for `6,607.20 millions (including interest of `3,140.46 millions). In turn, HPWD further filed additional claims thereby amending its counter claim amount to `2,179.59 millions on April 1, 2017 (including interest of `727.87 millions). The said matter is pending before arbitral tribunal.

The management of the Project SPV's believes that their claims are tenable and are confident that the arbitration award would be in their favour.

EPC Contractors have made various claims against the Project SPVs viz. `1,305.74 millions on DS, `953.55 millions on NK, `2,968.58 millions on TD, and `3,384.15 millions on GF. The amounts referred are including interest on delayed payment. However, it has been agreed between the EPC contractors and Project SPV's that the payments for the claims would be made only to the extent to such EPC Contractors claims that have been accepted and paid by NHAI.

In order to mitigate the risk of EPC Contractor claims and other counterclaims against Project SPVs and Reliance Infrastructure InvIT Fund (InvIT), Reliance Infrastructure Ltd. has agreed to indemnify Project SPVs and InvIT, from all the consequences of the aforesaid arbitral proceedings with NHAI and Haryana PWD, as well as from the claims made by the EPC Contractor. This indemnity will come into effect upon execution of a share purchase agreement inter alia between Reliance Infrastructure Ltd., the respective Project SPV and InvIT, as a precursor to the proposed public issue of the InvIT, resulting in the transfer of shareholding of Project SPVs into InvIT. In consideration, the InvIT and Project SPVs have agreed that the outcome of the arbitration proceedings will be to the account of Reliance Infrastructure Ltd. upon receiving necessary approvals and consents.

Note 23 – Fair value measurements

Financial Instruments by category

a) Significance of financial instruments

` Millions

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Financial assets			
At amortized Cost:			
Loans	740.00	740.00	4,904.00
Grant receivable from NHAI	338.42	695.90	1,111.70
Security Deposits	5.15	4.03	3.45
Fixed deposits with maturity of more than 12 months	-	-	111.00
Interest accrued on fixed deposits	3.18	1.40	6.77
Interest accrued on loan and others	105.10	59.79	1,697.88
Retention Money receivable from NHAI	9.35	9.35	8.59
Cash and Cash equivalent	419.99	215.94	185.01
Other bank balances	498.99	253.42	198.88
Claims receivable from NHAI	72.41	-	-
At Fair value through profit & loss			
Mutual fund Investments	175.34	166.56	158.34
Total financial assets	2,367.93	2,146.39	8,385.62
Financial liabilities			
At amortized Cost			
Borrowings	25,046.29	24,794.88	25,918.85
Debentures	1,211.18	1,257.42	793.05
Trade Payables	500.62	392.56	1,034.56
Retention money payable	626.84	546.35	467.64
Security Deposits	5.01	6.62	5.12
Interest accrued but not due	18.25	19.67	-
Other payables	85.22	9.35	0.13
Creditors for capital expenditure	173.93	173.93	192.20
Total financial liabilities	27,667.34	27,200.78	28,411.55

Note 24 – Fair value Hierarchy

a) Fair value hierarchy - Recurring fair value measurements

` Millions

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Financial assets			
At Fair value through profit & loss			
Level 1			
Mutual fund Investments	175.34	166.56	158.34
Total financial assets	175.34	166.56	158.34

b) Fair value hierarchy - Assets and liabilities which are measured at amortized cost for which fair values are disclosed

` Millions

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Financial assets			
Level 3			
Grant receivable from NHAI	338.42	695.90	1,111.70
Total financial assets	338.42	695.90	1,111.70
Financial liabilities			
Level 3			
Floating Rate Borrowings	24,994.74	24,796.08	25,927.35
Debentures	1,264.30	1,169.00	747.00
Retention money payable	626.84	546.35	467.64
Total financial liabilities	26,885.88	26,511.43	27,141.99

Recognized fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for borrowings, debentures, Retention money payable included in level 3

c) Fair value of financial assets and liabilities measured at amortised cost

` Millions

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Financial assets			
Carrying value of financial assets at amortised cost			
Grant receivable from NHAI	338.42	695.90	1,111.70
Total Financial assets at amortised cost	338.42	695.90	1,111.70
Fair value of financial assets carried at amortised cost			
Grant receivable from NHAI	338.42	695.90	1,111.70
Total Fair value of financial assets	338.42	695.90	1,111.70
Financial liabilities			
Carrying value of financial liabilities at amortised cost			
Borrowings	25,046.29	24,794.88	25,918.85
Debentures	1,211.18	1,257.42	793.05
Retention money	626.84	546.35	467.64
Total	26,884.31	26,598.65	27,179.54
Fair value of financial liabilities carried at amortised cost			
Borrowings	24,994.74	24,796.08	25,927.35
Debentures	1,264.30	1,169.00	747.00
Retention money	626.84	546.35	467.64
Total	26,885.88	26,511.43	27,141.99

The carrying value amounts of fixed deposits, interest accrued on deposits, retention money receivable, cash and cash equivalents, trade payables, interest accrued, employee benefits payable and creditors for capital expenditure approximate their fair value due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 25 – Financial risk management

The group activities expose it to market risk, liquidity risk and credit risk.
This note explains the source of risk which the entity is exposed to and how the entity is manage the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Market risk — foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Actively Managed
Market risk — interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Actively Managed
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The group`s risk management is carried out by a project finance team and central treasury team (group treasury) under policies approved by board of directors. Group treasury identifies, evaluates and hedges financial risk in close co-operation with the group`s operating units. The Management of the Project SPV Group provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instrument and non-derivative financial instrument, and investments of excess liquidity.

Commodity risk:

The Project SPV requires for implementation (construction, operation and maintenance) of the projects, such as cement, bitumen, steel and other construction materials. For which, the Project SPV entered into fixed price contract with the EPC contractor and O&M Contractor so as to manage our exposure to price increases in raw materials. Hence, the sensitivity analysis is not required.

Market risk — interest rate risk

The Bank loans in various SPVs follows floating rates with resets defined under various agreements. While interest rate fluctuations carry a risk on financials, the SPVs earn toll income which is linked to WPI thus providing a natural hedge to the interest rate risk. Further around `1,200 millions of Debt is in form of Debentures which follow interest rates fixed rates of interest.

a) Interest rate risk exposure

` Millions

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Variable rate borrowings	23,471.29	24,719.88	25,918.85
Fixed rate borrowings	2,711.18	1,257.42	793.05
Total borrowings	26,182.47	25,977.30	26,711.90

b) Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from borrowings as a result of changes in interest rates.

` Millions

Impact on profit after tax	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Interest rate increases by 100 basis points	(185.42)	(195.29)	(204.76)
Interest rate decreases by 100 basis points	185.42	195.29	204.76

Liquidity risk:

Liquidity risk is the risk that the Project SPV may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Project SPV's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Project SPV closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt from banks at an optimized cost. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 60 days. The carrying amounts are assumed to be a reasonable approximation of fair value. The following table analyses financial liabilities by remaining contractual maturities.

The table below analyses the group's non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

` Millions

As at March 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	430.83	2,867.52	2,231.76	9,846.41	10,957.79	26,334.31
Trade and other payables	125.17	375.47	-	-	-	500.64
Other financial liabilities	624.45	312.95	-	-	-	937.40
Total non-derivatives	1,180.45	3,555.94	2,231.76	9,846.41	10,957.79	27,772.35

` Millions

As at March 31, 2016	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	326.37	1,054.11	1,723.36	8,511.75	14,512.11	26,127.70
Trade and other payables	98.14	294.42	-	-	-	392.56
Other financial liabilities	-	209.57	612.42	-	-	821.99
Total non-derivatives	424.51	1,558.10	2,335.78	8,511.75	14,512.11	27,342.25

` Millions

As at March 31, 2015	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Non-derivatives						
Borrowings	173.99	570.88	1,305.48	6,681.58	18,065.63	26,797.56
Trade and other payables	258.64	775.92	-	-	-	1,034.56
Other financial liabilities	-	207.54	-	589.69	-	797.23
Total non-derivatives	432.63	1,554.34	1,305.48	7,271.27	18,065.63	28,629.35

Note 26 - Capital risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

- Maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Project SPV's capital management, capital includes issued equity capital, share premium, sub-debts and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Project SPV's capital management is to maximize the shareholder value.

The Project SPV manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Project SPV may adjust the dividend payment to shareholders, return capital to shareholders or issue interest free sub-ordinate debt. The Project SPV monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Project SPV's policy is to keep optimum gearing ratio. The Project SPV includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

In order to achieve this overall objective, the Project SPV's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and March 31, 2015.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt including total borrowings (net of cash and cash equivalents)

divided by

Equity

The group's strategy is to maintain a debt to equity ratio within 1.86 to 4.00.The debt equity and gearing ratios at March 31, 2017, March 31, 2016 and March 31, 2015 were as follows:

` Millions

Debt Equity ratio	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Net debt (a)	25,837.49	25,836.36	26,526.89
Equity (b)	8,721.15	10,185.88	11,000.62
Net debt to equity ratio (a) / (b)	2.96	2.54	2.41

` Millions

Gearing Ratio	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Net debt (a)	25,837.49	25,836.36	26,526.89
Equity (b)	8,721.15	10,185.88	11,000.62
Net debt plus Equity (c = a+b)	34,558.64	36,022.24	37,527.50
Gearing ratio (a) / (c)	0.75	0.72	0.71

Note 27 - Deferred tax (liability) / Asset

` Millions

The balance comprises temporary differences attributable to :

Particulars		As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities on account of:				
Intangible assets including Intangible assets under development		(1,518.91)	(1,260.59)	(864.38)
Grant receivable from NHAI		(96.11)	(250.36)	(394.26)
Borrowings recognised at amortised cost		(24.47)	(27.26)	(29.85)
Deferred tax assets on account of:				
Unused tax losses carried forward		2,039.25	1,770.59	1,397.73
Unwinding impact of retention money payable		786.08	610.31	422.58
Retirement benefit obligation		2.22	1.76	1.29
Other items		13.52	3.75	96.71
Net deferred tax (liability)/asset		**1,201.56**	**848.21**	**629.82**

Note 28 - Related Party Transactions

As per accounting standard Ind AS 23 as prescribed under the Companies (Accounting Standard) Rules, 2015, the InvIT's related parties and transactions are disclosed below :

(i) Parties to the InvIT

Reliance Infrastructure Limited (Sponsor and Project Manager)
Reliance Nippon Life Asset Management Limited (Investment Manager)
IDBI Trusteeship Services Limited (Trustee of the Fund) (ITSL)

List of Promoters, Directors & Partners of the persons mentioned in (i) above:

Particulars	Reliance Infrastructure Limited (Sponsor and Project Manager)	Reliance Nippon Life Asset Management Limited (Investment Manager)	IDBI Trusteeship Services Limited (Trustee of the Fund)
Promoters	Mr. Anil D. Ambani Mr. Jai Anshul A Ambani Mr. Jaianmol A. Ambani Ms. Kokila D. Ambani Ms. Tina A Ambani Reliance Big Private Limited Reliance Innoventures Private Limited Reliance Project Ventures And Management Private Limited	Reliance Capital Limited	IDBI Bank Limited Life Insurance Corporation General Insurance Corporation
Directors	Mr. Anil D. Ambani Mr. S. Seth Mr. V. K. Chaturvedi Mr. Shiv Prabhat **Independent Directors** Mr. K. Ravikumar Ms. Ryna Karani Mr. V.R. Galkar Mr. S. S. Kohli	Mr. Sundeep Sikka Mr. Tomonao Gotoda Mr. Kazuhide Toda **Independent Directors** General Ved Prakash Malik (Retd.) Mr. Kanu Doshi Mr. S. C. Tripathi Ms. Ameeta Chatterjee	Mr. G.M.Yadwadkar Mr. Pankaj Gupta Ms. Mythili Balasubramanian Mr. B.Balachandra

(ii) Key Management Personnel

Mr. Kaushik Pal - Chief executive officer (w.e.f. October 1, 2015)
Mr. Sudhir R Hoshing - Chief executive officer (till February 28, 2015)
Mr. Madan Biyani - Chief financial officer (w.e.f. March 31, 2015)
Ms. Prachi Potnis - Company secretary (w.e.f. March 31, 2015)
Mr. Anirudh Dharwadkar - Company secretary (w.e.f. May 14, 2016)
Mr. Prakash Khedekar - Company secretary (w.e.f. February 7, 2017)

(iii) Person having significant influence on the Sponsor Company

Mr. Anil .D. Ambani

(iv) Enterprises over which person described in (iii) above has significant influence

Reliance Communications Enterprises Private Limited (formerly AAA Communications Private Limited) (RCEPL)

(v) Fellow subsidiaries

Spice Commerce and Trade Private Limited (SCTPL) upto September 27, 2016

Space Trade Enterprises Private Limited (STEPL) along with trustee : Space Trade Enterprise Private Limited (Trust : Reliance Toll Road Trust) upto September 27, 2016

Skyline Global Trade Private Limited (SGTPL) upto September 27, 2016

Note 28 - Related Party Transactions

` Millions

Details of transactions and closing balance :

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Transactions during the year:			
Material/services received towards EPC contract			
R Infra	-	-	1.63
Toll operation and maintenance expenses (including project execution support services)			
R Infra	64.53	54.74	51.77
Reimbursement of expenditure paid by			
R Infra	6.77	10.67	5.59
Services received			
ITSL	0.83	1.10	0.22
Sub-debts received (in nature of equity)			
R Infra	1,030.17	800.00	2,517.90
Sub-debts paid (in nature of equity)			
R Infra	1,394.41	-	68.00
Inter-corporate deposit received			
R Infra	-	75.00	-
Inter-corporate deposit repaid			
R Infra	-	-	413.00
Closing Balances :			
Inter-corporate deposit			
R Infra	75.00	75.00	-
Retention Money			
R Infra	357.74	357.74	367.83
Other current liabilities			
R Infra	307.71	223.64	6,079.57
Sub-debts (in nature of equity)			
R Infra	6,289.10	6,653.34	5,853.34
Equity share capital (excluding premium)			
R Infra	535.72	321.91	321.91
SCTPL	-	68.49	68.49
RECPL	-	0.03	0.03
STEPL	-	68.44	68.44
SGTPL	-	68.44	68.44
Trustee : Space Trade Enterprise private limited (Trust : Reliance Toll Road Trust) (RT Trust)	-	8.38	8.38
Guarantees issued on behalf of the Project SPVs			
R Infra	3,902.10	4,164.30	4,164.30

Note: Since there are no transactions with related parties involving acquisition or disposal of an InvIT Asset, hence no information pursuant to the InvIT Regulations is given in the Condensed Combined Financial Statements

Note 29 - Concession arrangements - Main features

` Millions

Name of entity	Description of the arrangement	Significant terms of the arrangement	Intangible Assets		Financial Asset
			Gross book value	Net book value	
DS Toll Road Limited	Financing, design, building and operation of 53 kilometre long four lane toll road between Dindugal and Samyanallore on National Highway 7	Period of concession: 2006 - 2026 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 3,888.94 **March 31, 2016** 3,888.94 **March 31, 2015** 3,888.94	**March 31, 2017** 2,960.03 **March 31, 2016** 3,104.87 **March 31, 2015** 3,247.55	**March 31, 2017** - **March 31, 2016** - **March 31, 2015** -
GF Toll Road Private Limited	Financing, design, building and operation of 66 kilometre long four lane toll road between Gurgaon and Faridabad and Ballabhgarh Sohna Road.	Period of concession: 2009 - 2026 Remuneration : Toll Investment grant from concession grantor : Negative grant Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Once in 3 years Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 7,712.20 **March 31, 2016** 7,712.20 **March 31, 2015** 7,712.20	**March 31, 2017** 6,927.55 **March 31, 2016** 7,191.11 **March 31, 2015** 7,416.84	**March 31, 2017** - **March 31, 2016** - **March 31, 2015** -
JR Toll Road Private Limited	Financing, design, building and operation of 52 kilometre long four lane toll road between Jaipur and Reengus on National Highway 11	Period of concession: 2010 - 2028 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 4,685.50 **March 31, 2016** 4,685.50 **March 31, 2015** 4,167.34	**March 31, 2017** 4,248.08 **March 31, 2016** 4,392.71 **March 31, 2015** 3,999.22	**March 31, 2017** - **March 31, 2016** - **March 31, 2015** 17.86
NK Toll Road Limited	Financing, design, building and operation of 41 kilometre long four lane toll road between Namakkal and Karur on National Highway 7	Period of concession: 2006 - 2026 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 3,179.62 **March 31, 2016** 3,179.62 **March 31, 2015** 3,179.62	**March 31, 2017** 2,611.74 **March 31, 2016** 2,717.59 **March 31, 2015** 2,803.08	**March 31, 2017** - **March 31, 2016** - **March 31, 2015** -
SU Toll Road Private Limited	Financing, design, building and operation of 136 kilometre long six lane toll road between Salem and Ulunderput on National Highway 68	Period of concession: 2008 - 2033 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 8,604.42 **March 31, 2016** 8,604.42 **March 31, 2015** 8,604.42	**March 31, 2017** 8,041.22 **March 31, 2016** 8,204.08 **March 31, 2015** 8,358.13	**March 31, 2017** 92.81 **March 31, 2016** 323.39 **March 31, 2015** 608.03
TD Toll Road Private Limited	Financing, design, building and operation of 87 kilometre long six lane toll road between Trichy and Dindigul on National Highway 45	Period of concession: 2008 - 2038 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 3,906.56 **March 31, 2016** 3,906.56 **March 31, 2015** 3,900.81	**March 31, 2017** 3,769.83 **March 31, 2016** 3,805.41 **March 31, 2015** 3,825.43	**March 31, 2017** 245.61 **March 31, 2016** 372.51 **March 31, 2015** 485.81
TK Toll Road Private Limited	Financing, design, building and operation of 61 kilometre long six lane toll road between Trichi and Karur on National Highway 67	Period of concession: 2008 - 2038 Remuneration : Toll Investment grant from concession grantor : Yes Infrastructure return at the end of concession period : Yes Investment and renewal obligations : Nil Re-pricing dates : Yearly Basis upon which re-pricing or re-negotiation is determined : Inflation Premium payable to grantor : Nil	**March 31, 2017** 6,972.20 **March 31, 2016** 6,985.17 **March 31, 2015** 7,077.29	**March 31, 2017** 6,822.55 **March 31, 2016** 6,894.95 **March 31, 2015** 7,032.22	**March 31, 2017** - **March 31, 2016** - **March 31, 2015** -

Note 30 - Gratuity and other post-employment benefit plans ` Millions

a) Defined contribution plan

The following amount recognized as an expense in Statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Contribution to provident fund and other funds	1.66	1.32	1.06
Total	**1.66**	**1.32**	**1.06**

a) Defined benefit plan

The Project SPV Group has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972 with total ceiling on gratuity of Rs.1,000,000/-. The said gratuity plan is funded.

The following tables summaries the The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening defined benefit liability / (assets)	6.56	4.69	4.16
Net employee benefit expense recognised in the employee cost			
Current service cost	1.11	0.85	0.85
Past service cost	-	-	-
Interest cost on benefit obligation	0.51	0.36	0.36
(Gain) / losses on settlement	-	-	-
Net benefit expense	1.62	1.21	1.21
Amount recorded in Other Comprehensive Income (OCI)			
Measurement during the period due to :			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
Actuarial loss / (gain) arising from change in financial assumptions	0.72	0.03	0.49
Actuarial loss / (gain) arising on account of demographic assumptions	0.67	0.05	0.20
Experience (gains)/losses	0.75	0.58	(0.57)
Amount recognized in OCI	2.14	0.66	0.12
Benefits payments from plan	(1.43)	-	(0.80)
Closing net defined benefit liability / (asset)	8.89	6.56	4.69

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Opening fair value of plan assets	8.96	7.49	6.37
Net employee benefit expense recognised in the employee cost			
Interest cost / (income) on plan asset	0.67	0.55	0.57
(Gain) / losses on settlement	-	-	-
Net benefit expense	0.67	0.55	0.57
Amount recorded in Other Comprehensive Income (OCI)			
Measurement during the period due to :			
Return on plan assets, excluding amounts included in interest expense/(income)	0.01	-	0.35
Actuarial loss / (gain) arising from change in financial assumptions	-	-	-
Actuarial loss / (gain) arising on account of demographic assumptions	-	-	-
Experience (gains)/losses	-	-	-
Asset ceiling not recognised as an asset	0.20	0.27	(0.46)
Amount recognized in OCI	0.21	0.27	(0.11)
Employer contributions/premiums paid	2.83	0.65	1.46
Benefits Paid	(1.43)	-	(0.80)
Assets acquired / (settled)	-	-	-
Closing fair value of plan assets	11.25	8.96	7.49

The net (liability)/asset disclosed above relates to funded plan is as follows:

` Millions

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Present value of funded obligations	8.89	6.56	4.69
Fair value of plan assets	11.25	8.96	7.49
Amount not recognised as an asset (asset ceiling)	0.55	0.20	0.22
	(1.81)	(2.20)	(2.58)
Net liability is bifurcated as follows :			
Current	-	-	-
Non-current	(1.81)	(2.20)	(2.58)
Total	**(1.81)**	**(2.20)**	**(2.58)**

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Discount rate	0.08	0.08	0.08
Expected rate of return on plan assets (p.a.)			
Salary escalation rate (p.a.)	0.08	0.08	0.08
Mortality pre-retirement	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative analysis for significant assumption is as shown below:

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Assumptions -Discount rate			
Sensitivity Level	50 bp	50 bp	50 bp
Impact on defined benefit obligation -in % increase	(0.05)	(0.05)	(0.06)
Impact on defined benefit obligation -in % decrease	0.05	0.05	0.06
Assumptions -Future salary increases			
Sensitivity Level	50 bp	50 bp	50 bp
Impact on defined benefit obligation -in % increase	0.05	0.05	0.06
Impact on defined benefit obligation -in % decrease	(0.05)	(0.05)	(0.06)

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Within the next 12 months (next annual reporting period)	0.27	0.21	0.18
Between 2 and 5 years	1.26	1.02	0.73
Between 6 and 9 years	4.13	3.05	2.18
For and Beyond 10 years	16.77	14.63	10.99
Total expected payments	**22.43**	**18.91**	**14.08**
The average duration of the defined benefit plan obligation at the end of the reporting period	10.56 years	10.47 years	11.56 years

Plan Assets Composition

	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Non Quoted			
Insurer Managed Funds	11.25	8.96	7.49
	11.25	**8.96**	**7.49**

A reconciliation of the asset ceiling during the inter-valuation period is given below:

Opening value of asset ceiling	0.26	0.50	0.09
Add : Interest on opening balance on asset ceiling	0.05	0.07	0.04
Remeasurement due to :			
Changes in surplus/deficit	(0.20)	(0.31)	0.37
closing value of asset ceiling	**0.11**	**0.26**	**0.50**

Note 31 – Earnings per share

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Profit / (Loss) attributable to equity shareholders (` millions) (A)	(1,099.21)	(1,614.44)	(1,005.12)
Weighted average number of equity shares for basic and diluted earnings per share (B)	5,35,71,634	5,35,71,634	5,35,71,634
Earnings / (Loss) per share (Basic and diluted) (`) (A/B)	(20.52)	(30.14)	(18.76)
Nominal value of equity shares (`)	10.00	10.00	10.00

Note 32 – Capitalisation Statement

` Millions

Particulars	Pre Issue as at March 31, 2017	Post Issue as at #
Total Debt	**26,257.48**	
Unit holders' Funds-		
Unit Capital	-	
Equity Share Capital	530.62	
Subordinated debt (in nature of Equity)	5,757.95	
Other Equity	2,022.59	
Equity attributable to owners	**8,311.16**	
Non-controlling interest	409.99	
Total Equity	**8,721.15**	
Debt/Equity Ratio	**3.01**	

corresponding details post IPO are not available, hence the required disclosures in respect of the same have not been provided in the above table.

Note 33 – DS, NK, SU, TD, TK, JR and GF, had received provisional COD for the full stretch, pending completion of punch list items and tolling for the same had commenced. In view of capitalisation being on provisional basis, effect of necessary changes, if any, at the time of completion of punch list item shall be given in the year in which the same is completed.

Further SU, TD, TK, JR and GF had executed supplementary agreements with NHAI under which the scheduled dates in some cases have been revised. In view of the same, the Project SPVs do not anticipate any demand from NHAI for non-achievement of Milestone.

Note 34 - During the year ended March 31, 2016, there have been heavy floods in the state of Tamil Nadu which had an impact on the Project SPVs SU, TD, TK, DS & NK. The project SPVs had preferred claim for the loss due to the same. Pending settlement of the same, amounts paid for restoration of damages at site have been booked under claims receivable.

Note 35 - Consequent upon the de-monetisation of currency notes by the Central Government, toll collection had been suspended from November 9, 2016 to December 2, 2016 for which the SPV Group has raised claims on NHAI for reimbursement of the expenses incurred during this period as per the provisions of the Concession Agreement entered into between the company and NHAI read along with NHAI circular dated November 29, 2016 and December 6, 2016 in this regard. Amount of `217.12 millions claimed, being contractually enforceable and certain of recovery has been recognised as other operating income. As at March 31, 2017, `78.28 millions was receivable and disclosed under Other Financials Assets – Current.

Note 36 – Toll Operation and Maintenance Expenses (Refer Note 17) for the year ended March 31, 2017 includes the following:

a) In the month of December 2015, due to heavy floods in the state of Tamil Nadu which had an impact on the project assets of the SPVs DS, NK, SU, TD, TK. These SPVs had preferred claim for the loss due to the floods. Pending settlement of the same, the amounts incurred during the year ended March 31, 2016 and year ended March 31, 2017 for restoration of damages at site were booked under advances as Claims Receivable. During the year ended March 31, 2017, the insurance claims were settled at `166.37 millions. Accordingly the difference of Claims Receivable and the Insurance Claims actually received, amounting to `155.26 millions was charged off to the Statement of Profit & Loss under the head Maintenance of Roads forming part of Toll Operation and Maintenance expenses during the year ended March 31, 2017.

b) The Project SPVs, incurred certain expenditure pertaining to installation of Weigh-in-Motion (WIM) systems in tolling lanes at toll plazas, an additional toll collection lane including toll management system and other items amounting to `104.12 millions. The same has been charged off to Statement of Profit and Loss under the head Toll Operation and Maintenance Expenses for the year ended March 31, 2017.

c) Pursuant to the NHAI Circular dated November 15, 2016, wherein NHAI prescribed that micro surfacing may be used for the renewal course, maintenance and repair on national highways for at least 25% to 30% of the total length. Based on the said circular the Project SPVs have estimated the provision for Resurfacing expenses in the books of accounts.

Note 37 - First time adoption of Ind AS

The Project SPV Group has prepared this Condensed Combined Financial Statements which comply with Ind AS applicable for the year ending March 31, 2017 together with the Comparative period data as at and for the year ended March 31, 2016 and March 31, 2015 as described in the summary of significant accounting policies. In preparing these financial statements, the Project SPV Group has considered April 01, 2013 as the date of transition and has adjusted the amounts reported previously in the financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the act (previous GAAP or Indian GAAP)

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards.

In preparing these Ind AS financial statements, the Project SPV Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognized directly in equity (retained earnings).

This note explains the adjustments made by the Project SPV Group in restating its previous GAAP financial statements, including the Balance Sheet as at April 01, 2013.

A. Exemption from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Project SPV Group has elected to apply the following optional exemptions from retrospective application of Ind AS:

(a) Amortization of intangible assets arising from service concession arrangements

The Project SPV Group has used exemption under Ind AS 101 and has continue to adopt the accounting policy of previous GAAP for amortization for intangible assets arising from service concession arrangements relating to concession toll roads intangible assets recognized in the financial statements.

B. Exceptions from retrospective application

The Project SPV Group has applied the following exceptions from full retrospective application of IndAS as mandatorily required under IndAS 101:

(a) Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Project SPV Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Project SPV Group for the relevant reporting dates, reflecting conditions existing as at that date.

(b) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

C. Transition to Ind AS – Reconciliations

Ind AS 101 requires an entity to reconcile equity, cash flows for the prior periods. The following table represents the reconciliations from previous Indian GAAP to Ind AS for the year ended March 31, 2013.

I. Reconciliation of equity as at the date of transition
II. Reconciliation of total equity as at the date of transition

I. Reconciliation of equity as at the date of transition (April 01, 2013)

` Millions

Particulars	Notes to first time adoption	Indian GAAP*	Ind AS adjustments	Ind AS
Assets				
Non-current assets				
(a) Intangible assets	Note (i)	27,462.37	(3,801.29)	23,661.08
(b) Intangible assets under development	Note (i)	16,722.90	(2,960.04)	13,762.86
(c) Financial Assets				
- Other Financial Assets		1.92	1,826.84	1,828.76
(d) Deferred tax assets (net)	Note (iii)	-	392.52	392.52
(e) Other non - current assets		64.93	0.23	65.16
Current assets				
(a) Financial Assets				
(i) Investments	Note (ii)	117.95	(0.07)	117.88
(ii) Cash and cash equivalents		199.21	-	199.21
(iii) Bank balances other than (ii) above		5.00	-	5.00
(iv) Loans		5,285.50	-	5,285.50
(v) Other financial asset		743.36	257.87	1,001.23
(b) Current Tax Assets (Net)		12.55	-	12.55
(c) Other current assets		104.61	-	104.61
Total assets		50,720.30	(4,283.94)	46,436.36
Equity and Liabilities				
Equity				
(a) Equity share capital		530.62	-	530.62
(b) Subordinated debt (in nature of Equity)	Note (iv)	-	870.93	870.93
(c) Other equity		11,207.64	(4,513.38)	6,694.27
(d) Non-controlling interest		422.18	(5.07)	417.10
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	Note (iv) & (v)	27,145.54	(952.15)	26,193.39
(ii) Other financial liabilities	Note (iv) & (vii)	792.88	(251.90)	540.98
(b) Provisions	Note (vi)	4.49	492.68	497.17
(c) Deferred tax liabilities (Net)	Note (iii)	-	74.72	74.72
(d) Other non - current liabilities		5,242.43	0.01	5,242.44
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		2,907.20	-	2,907.20
(ii) Trade payables		918.99	-	918.99
(iii) Other financial liabilities	Note (iv) & (vii)	1,357.89	-	1,357.89
(b) Other current liabilities		190.26	0.22	190.48
(c) Provisions		0.14	-	0.14
(d) Current tax liabilities (Net)		0.04	-	0.04
Total Equity and Liabilities		50,720.30	(4,283.94)	46,436.36

II. Reconciliation of total equity as on April 01, 2013

Particulars	Notes to first time adoption	April 01, 2013
Total equity (shareholder's funds as per Indian GAAP)		12,160.44
Adjustments:		
Discounting of Retention money payable	Note (vii)	(13.43)
Retrospective application of service concessionaire arrangements	Note (i)	(697.99)
Capital Reserve recognized as financial asset	Note (i)	(5,758.64)
Discounting impact of Financial assets recognized under concessionaire Arrangement	Note (i)	1,927.27
Others		51.41
Resurfacing provision recognized as per Ind AS 37 (including unwinding of discount on resurfacing provision)	Note (vi)	(364.96)
Sub-ordinated debt in nature of equity	Note (iv)	870.93
Borrowings	Note (v)	20.11
Tax effects on adjustments	Note (iii)	317.79
Total adjustments		(3,647.51)
Total equity (shareholder's funds as per Ind AS)		8,512.93

*The presentation requirements under Previous GAAP differs from and hence the Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped Previous GAAP information is derived based on the audited financial statements of the Project SPVs for the year ended 31st March, 2013.

Notes to First time adoption of Ind AS

Note (i) - Application of service concessionaire arrangement as per Appendix A of Ind AS 11

Appendix A of Ind AS 11 'Service Concessionaire Arrangement' is applicable to Project SPV's Companies which provides guidance on accounting by the operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for provision of public services. All the Project SPV's are engaged in to Design, Build, Finance, Operate and Transfer (DBFOT) basis the toll roads including operation and maintenance thereof during the concession period. After the expiry of the concession period all the Project SPV's are required to handover the infrastructure i.e. the toll roads to the grantor i.e. National Highway Authorities of India (NHAI).

As per the salient feature of the concession arrangement, the operator has a twofold activity based on which revenue is recognized in the financial statements which is in line with the requirement of Appendix A of Ind AS 11.

- a construction activity in respect of its obligation to design, build and finance an asset that it makes available the grantor : revenue is recognized on a stage of completion basis in accordance with Ind AS 11 during the construction phase of the toll roads.
- an operating and maintenance activity in respect of the assets under the concession during the operational : revenue is recognized in accordance with Ind AS 18.

In return of its activities, the Project SPV's Group receives consideration from users of toll roads as right to receive toll for usage of toll roads in consideration for the financing and construction of the infrastructure for which an intangible assets is recognized in the financial statements. Also as per the concession arrangement in case of some of the project SPV's SU, JR & TD part of the project cost is covered by an unconditional right to receive payments from the grantor i.e. NHAI which has been recognized as an 'Grant receivable from NHAI' under the head 'financial asset' and intangible assets has been recognized to the extent of unguaranteed balance, of which the amount is dependent on the extent of use of the infrastructure.

Retrospective application of 'Service Concessionaire arrangement' has led to change in the accounting policy of the Project SPV Group as on the transition date for classification, recognition and measurement of construction of assets and maintenance obligations under the service concession arrangements.

On account of above there has been decrease in intangible assets arising on account of toll collection rights by `5,758.64 millions wherein the Project SPV's SU & TD has an unconditional right to receive payments from the grantor i.e. NHAI which has been deducted from the cost of intangible assets and recognized as an financial assets amounting to `5,758.64 millions which earlier under the Indian GAAP was considered as a promoter's contribution and was recognized as 'Capital Reserve' in accordance with AS 12 'Accounting for Government grants'.

Further, discounting impact of financial assets recognised under concessionaire arrangement amounting to `1,927.27 millions

Moreover there has been decrease in intangible assets arising on account of application of service concession arrangement in case of certain Project SPVs by `697.99 millions wherein the Project SPVs have no guaranteed amount receivable from NHAI.

Note (ii) - Fair value of mutual fund investments

Ind AS 109 requires mutual fund investments to be measured at fair value. The resulting fair value changes in these investments have been recognized in the retained earnings as on the transition date and subsequently in the statement of profit & loss account.

Under the previous GAAP, investments in mutual funds were classified as current investment and were carried at lower of cost and fair value.

On account of above there has been decrease in value of investments by `0.07 million with a corresponding adjustment to retained earnings for recognition of fair value change of mutual fund investment as on the transition date.

Note (iii) - Recognition of deferred tax assets/liability as per Ind AS 12

Ind AS 12 requires an entity to recognize deferred tax using balance sheet approach, which is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements. Deferred tax is provided in full for all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Project SPV group recognizes deferred tax assets for all deductible temporary differences including unused tax losses carried forward to the extent that it is probable that taxable profits would be available against which the deductible temporary differences can be utilized.
Under Indian GAAP deferred tax was recognized based on income approach and deferred tax assets in case of unused tax losses carried forward are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same. Hence on account of above deferred tax assets was not recognized under the Indian GAAP.

On account of above there has been increase in deferred tax asset (net) by `317.79 millions mainly on account of Ind AS adjustments pertaining to retrospective application of service concession arrangement and deferred tax asset recognized for unused tax losses carried forward as per Ind AS 12.

Note (iv)- Classification of subordinate debt Instruments (in nature of equity)

Ind AS 32 requires classification of financial instruments issued into financial liabilities or equity. Subordinate debt instruments issued do not meet the definition of a financial liability, as the terms do not cast a contractual obligation on the Project SPVs to make any payment of principal and accrued interest thereon in cash or other financial asset. Further, since the instruments are non-convertible, the Project SPVs are not required to settle the contracts by issuance of their own equity instruments.

Under Indian GAAP, these instruments are reported as borrowings of the Project SPVs.

On account of above there has been decrease by `870.93 millions in borrowings of certain Project SPVs with a corresponding increase in other equity of the Company by `870.93 millions.

Note (v) - Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. The same is recognized as interest as part of the effective interest rate method over the period of the borrowing. Under Indian GAAP, these were capitalised to intangible assets as per AS 16 'Borrowing cost' as and when incurred. Accordingly, borrowings as on 31 March 2013 have been reduced by `20.11 millions with a corresponding adjustment to intangible assets.

Note (vi) - Resurfacing obligation recognized as per Ind AS 37

As per service concession arrangement, the Project SPVs is obligated to carry out resurfacing of the roads under the concession period every five years. The Project SPV's group estimates the likely provision required towards resurfacing and accrues the costs on an straight line basis over the period at the end of which resurfacing would be required in the Statement of Profit and Loss.

Under Indian GAAP the same obligation was recognized in the year in which resurfacing was required as per the concession arrangement.

On account of above there has been increase in provisions by `364.96 millions as on the transition date.

Note (vii) - Discounting of Retention money

Ind AS 109 requires financial instruments to be measured at fair value at initial recognition in case for financial liability not at fair value through profit or loss, however if the fair value of the financial liability at initial recognition differs from transaction price i.e. fair value of the consideration given or received than the entity shall recognize the instruments at its fair value. In the Present case Project SPVs have discounted the retention money payable in order to reflect the fair value of the retention money at initial recognition. After initial measurement subsequently the liabilities would be recognized at amortised cost.

Under Indian GAAP retention money was recognized at historical cost and no discounting was required to be done under the GAAP.

On account of above there has been adjustment (net) in retention money payable by `13.43 millions.

Note 38 – Events after reporting period

There are no subsequent events after the reporting period which required adjustments to the Condensed Combined Financial Statements.

As per our attached report of even date

For Chaturvedi & Shah Firm Registration No: 101720 W Chartered Accountants	**For and on behalf of Reliance Nippon Life Asset Management Limited** (Investment Manager to Reliance Infrastructure InvIT Fund)	
Sd/	Sd/	Sd/
Vijay Napawaliya Partner Membership No. 109859	**Sundeep Sikka** Executive Director & CEO	**Prateek Jain** Chief Financial Officer
Place : Mumbai Date : April 24, 2017	Place : Mumbai Date : April 24, 2017	

Reliance Infrastructure InvIT Fund
Details on Debt payment history of interest and principal payments of InvIT

Sr.No

1 GF Toll Road Pvt Ltd

` Millions

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	4,926.07	5,215.29	5,504.36
Add: Loan availed	0.00	(0.00)	0.00
Less : Repayments	496.40	292.00	292.00
Less : Other adjustment	(2.63)	(2.78)	(2.93)
Closing Balance	**4,432.31**	**4,926.07**	**5,215.29**

Details of Interest:

Particulars			
Interest paid	537.64	589.43	637.68
Interest Cost - P&L	589.82	649.42	680.46
Total Interest cost	589.82	649.42	680.46

2 JR Toll Road Pvt Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	3,657.32	3,781.67	3,837.92
Add: Loan availed	-	-	-
Less : Repayments	175.12	126.48	58.38
Less : Other adjustment	(2.12)	(2.13)	(2.13)
Closing Balance	**3,484.32**	**3,657.32**	**3,781.67**

Details of Interest:

Particulars			
Interest paid	438.92	468.25	476.95
Interest Cost - P&L	464.60	475.36	459.16
Interest Cost - Intangible assets under development	-	20.17	35.47
Total Interest cost	464.60	495.53	494.63

3 TK Toll Road Pvt Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	3,573.92	3,674.04	3,805.23
Add: Loan availed	(0.00)	75.00	0.00
Less : Repayments	263.40	175.60	131.70
Less : Other adjustment	(0.46)	(0.49)	(0.51)
Closing Balance	**3,310.98**	**3,573.92**	**3,674.04**

Details of Interest:

Particulars			
Interest paid	375.74	410.20	435.96
Interest Cost - P&L	403.60	439.38	452.96
Total Interest cost	403.60	439.38	452.96

4 SU Toll Road Pvt Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	6,558.82	6,603.35	6,451.21
Add: Loan availed	0.00	0.00	6,649.60
Less : Repayments	48.40	48.40	6,468.65
Less : Other adjustment	(3.82)	(3.87)	28.82
Closing Balance	**6,514.24**	**6,558.82**	**6,603.35**

Details of Interest:

Particulars			
Interest paid	743.05	766.59	783.29
Interest Cost - P&L	784.83	827.15	785.33
Total Interest cost	784.83	827.15	785.33

Reliance Infrastructure InvIT Fund
Details on Debt payment history of interest and principal payments of InvIT

5 TD Toll Road Pvt Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	2,931.67	2,995.74	3,059.79
Add: Loan availed	-	-	-
Less : Repayments	96.72	64.48	64.48
Less : Other adjustment	(0.10)	(0.41)	(0.43)
Closing Balance	**2,835.05**	**2,931.67**	**2,995.74**

Details of Interest:

Particulars			
Interest paid	324.23	334.38	352.22
Interest Cost - P&L	360.98	389.97	385.96
Total Interest cost	360.98	389.97	385.96

6 DS Toll Road Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	3,230.59	3,262.84	3,308.65
Add: Loan availed	-	-	-
Less : Repayments	159.25	33.11	43.82
Less : Other adjustment	(1.16)	(0.86)	1.98
Closing Balance	**3,072.50**	**3,230.59**	**3,262.84**

Details of Interest:

Particulars			
Interest paid	360.58	355.63	386.32
Interest Cost - P&L	361.09	374.71	399.98
Total Interest cost	361.09	374.71	399.98

7 NK Toll Road Ltd

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2015
Opening Balance	1,173.91	1,178.98	2,740.84
Add: Loan availed	1,500.00	-	-
Less : Repayments	66.24	4.74	1,562.40
Less : Other adjustment	(0.40)	0.33	(0.54)
Closing Balance	**2,608.07**	**1,173.91**	**1,178.98**

Details of Interest:

Particulars			
Interest paid	184.26	131.25	154.29
Interest Cost - P&L	185.03	138.47	179.84
Total Interest cost	185.03	138.47	179.84

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund

Operating Cash Flow for the Project SPVs for the year ended March 31,2017

` Millions

PARTICULARS	Total	DS	NK	TD	SU	TK	GF	JR
CASH FLOW FROM OPERATING ACTIVITIES:								
Profit before exceptional items and tax	**(1,418.53)**	**3.16**	**(16.01)**	**(184.27)**	**(306.46)**	**(141.48)**	**(466.32)**	**(307.15)**
Adjustments for:								
Depreciation and amortisation expenses	916.76	144.82	105.86	35.58	162.87	59.44	263.56	144.63
Interest income	(200.03)	(75.43)	(15.77)	(45.01)	(62.53)	(0.42)	(0.51)	(0.36)
Dividend income	(11.41)	(5.85)	(2.28)	(1.14)	(1.63)	(0.51)	-	-
Interest expense	3,149.94	361.08	185.03	360.98	784.83	403.60	589.82	464.60
Cash Generated from Operations before working capital changes	**2,436.73**	**427.78**	**256.83**	**166.14**	**577.08**	**320.63**	**386.55**	**301.72**
Adjustments for:								
(Increase)/decrease in financial assets except for investments	144.25	(6.45)	(66.04)	171.06	89.04	(8.05)	(26.42)	(8.89)
(Increase)/decrease in other current assets	143.49	40.32	(40.84)	12.73	46.07	79.26	(2.97)	8.92
Increase/(decrease) in trade payables	108.06	13.66	29.01	18.84	0.65	11.92	10.36	23.62
Increase/(decrease) in other financial liabilities	74.25	0.43	-	0.74	13.95	0.10	2.97	56.06
Increase/(decrease) in provisions	356.21	37.03	24.49	65.21	96.76	32.74	55.56	44.42
Increase/(decrease) in other current liabilities	(10.55)	25.56	(1.32)	(0.13)	(31.54)	(2.80)	(0.69)	0.37
	815.71	**110.55**	**(54.70)**	**268.45**	**214.93**	**113.17**	**38.81**	**124.50**
Cash generated from operations	**3,252.44**	**538.33**	**202.13**	**434.59**	**792.01**	**433.80**	**425.36**	**426.22**
Taxes (paid) net of refunds	2.55	9.63	12.74	(6.43)	(9.59)	(2.06)	(0.03)	(1.71)
Net cash generated from operating activities	**3,254.99**	**547.96**	**214.87**	**428.16**	**782.42**	**431.74**	**425.33**	**424.51**

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Operating Cash Flow for the Project SPVs for the year ended March 31,2016

` Millions

PARTICULARS	Total	DS	NK	TD	SU	TK	GF	JR
CASH FLOW FROM OPERATING ACTIVITIES:								
Profit before exceptional items and tax	**(1,820.69)**	**11.30**	**49.97**	**(298.26)**	**(493.52)**	**(154.79)**	**(581.30)**	**(354.09)**
Adjustments for:								
Depreciation and amortisation expenses	803.54	142.68	85.49	25.77	154.05	45.15	225.73	124.67
Interest income	(232.95)	(54.70)	(33.53)	(59.16)	(82.16)	(0.10)	(0.01)	(3.29)
Dividend income	(17.07)	(6.41)	(2.94)	(0.67)	(5.03)	(0.86)	(0.66)	(0.50)
Interest expense	3,294.45	374.70	138.47	389.97	827.15	439.38	649.42	475.36
Cash Generated from Operations before working capital changes	**2,027.28**	**467.57**	**237.46**	**57.65**	**400.49**	**328.78**	**293.18**	**242.15**
Adjustments for:								
(Increase)/decrease in financial assets except for investments	606.14	123.08	85.04	172.57	205.67	(0.75)	0.03	20.50
(Increase)/decrease in other current assets	(92.29)	(20.00)	3.82	2.37	(59.31)	(64.54)	26.89	18.48
Increase/(decrease) in trade payables	(642.00)	(384.10)	(163.61)	8.89	14.02	(98.97)	17.97	(36.20)
Increase/(decrease) in other financial liabilities	10.72	0.75	-	1.76	1.95	2.18	3.12	0.96
Increase/(decrease) in provisions	314.58	(131.14)	(217.23)	154.20	227.88	94.02	104.78	82.07
Increase/(decrease) in other current liabilities	(5,318.13)	(2,900.15)	(2,424.49)	0.63	0.11	4.20	0.56	1.01
	(5,120.98)	**(3,311.56)**	**(2,716.47)**	**340.42**	**390.32**	**(63.86)**	**153.35**	**86.82**
Cash generated from operations	**(3,093.70)**	**(2,843.99)**	**(2,479.01)**	**398.07**	**790.81**	**264.92**	**446.53**	**328.97**
Taxes (paid) net of refunds	2.66	(1.03)	3.55	(1.09)	(7.76)	(1.08)	0.12	9.95
Net cash generated from operating activities	**(3,091.04)**	**(2,845.02)**	**(2,475.46)**	**396.98**	**783.05**	**263.84**	**446.65**	**338.92**

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Operating Cash Flow for the Project SPVs for the year ended March 31,2015

` Millions

PARTICULARS	Total	DS	NK	TD	SU	TK	GF	JR
CASH FLOW FROM OPERATING ACTIVITIES:								
Profit before exceptional items and tax	**(1,104.95)**	**328.97**	**193.92**	**(255.48)**	**(371.51)**	**(190.44)**	**(528.69)**	**(281.72)**
Adjustments for:								
Depreciation and amortisation expenses	659.46	138.22	88.04	24.09	144.54	40.80	119.44	104.33
Interest income	(833.74)	(374.96)	(258.29)	(70.94)	(118.95)	-	(0.15)	(10.45)
Dividend income	(16.68)	(6.89)	(2.23)	(1.72)	(2.43)	(0.89)	(0.99)	(1.53)
Interest expense	3,343.70	399.99	179.84	385.96	785.33	452.96	680.46	459.16
Cash Generated from Operations before working capital changes	**2,047.78**	**485.33**	**201.28**	**81.91**	**436.98**	**302.43**	**270.07**	**269.79**
Adjustments for:								
(Increase)/decrease in financial assets except for investments	378.80	(125.20)	(85.93)	171.87	322.18	(0.49)	(0.03)	96.40
(Increase)/decrease in other current assets	(117.50)	(4.13)	34.31	(3.67)	(108.50)	(5.13)	(12.85)	(17.53)
Increase/(decrease) in trade payables	58.65	1.40	2.47	2.61	13.32	10.38	27.57	0.90
Increase/(decrease) in other financial liabilities	(0.80)	0.03	-	0.02	0.11	(0.04)	(2.70)	1.78
Increase/(decrease) in provisions	663.91	28.70	44.55	137.24	202.84	84.26	93.19	73.13
Increase/(decrease) in Non current liabilities	(5,138.68)	(2,893.77)	(2,244.91)	-	-	-	-	-
Increase/(decrease) in other current liabilities	5,098.16	2,837.02	2,227.08	(0.08)	33.65	(0.13)	1.32	(0.70)
	942.54	**(155.95)**	**(22.43)**	**307.99**	**463.60**	**88.85**	**106.50**	**153.98**
Cash generated from operations	**2,990.32**	**329.38**	**178.85**	**389.90**	**900.58**	**391.28**	**376.57**	**423.77**
Taxes (paid) net of refunds	(178.34)	(83.60)	(92.64)	(3.10)	(5.45)	(0.47)	1.52	5.40
Net cash generated from operating activities	**2,811.98**	**245.78**	**86.21**	**386.80**	**895.13**	**390.81**	**378.09**	**429.17**

For Chaturvedi & Shah
Firm Registration No: 101720 W
Chartered Accountants

Sd/-

Vijay Napawaliya
Partner
Membership No. 109859

Place : Mumbai
Date : April 24, 2017

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of the Project SPVs' financial condition and results of operations together with their Combined Financial Statements as of and for the financial years 2015, 2016 and 2017 including the schedules and notes thereto and report thereon included elsewhere in this Draft Offer Document. The Combined Financial Statements include the historical combined revenues, expenses and other financial information of the Project SPVs. The Combined Financial Statements are prepared in accordance with Ind AS, which differs in certain material respects with Indian GAAP, U.S. GAAP and International Financial Reporting Standards.

Since our registration, we have not had any corporate activity and therefore do not believe that a discussion of our results of operations would be meaningful. Accordingly, the following discussion includes a discussion and analysis of the financial condition and results of operations of the Project SPVs on a combined basis for the financial years 2015, 2016 and 2017.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section headed "Risk Factors" included elsewhere in this Draft Offer Document.

The Project SPVs financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

Overview

We are a registered infrastructure investment trust under the InvIT Regulations. We primarily intend to own, operate and maintain a portfolio of seven toll-road assets in the Indian states of Tamil Nadu, Rajasthan and Haryana. These toll roads are operated and maintained pursuant to concessions granted by either the NHAI or, in the case of the Gurgaon Faridabad Project, the HPWD.

Our Sponsor is Reliance Infrastructure Limited, a leading private sector infrastructure development and construction company with a market capitalization of over Rs. 149,000 million as of March 31, 2017 (*Source: www.bseindia.com*). The Sponsor has been listed on the Stock Exchanges since 1995. Excluding the toll-road assets that are being transferred by the Sponsor to us pursuant to the Formation Transactions (as described below), the Sponsor has four more toll-road assets, two of which are currently under construction (DA and PS), one of which is partially complete (KM) and one of which is complete (HK). For more information, please see the section headed "*The ROFO/ROFR Assets*" and "*Parties to the Trust – The Sponsor*" in this Draft Offer Document.

We will acquire an initial portfolio comprising the Project SPVs, all of which are currently wholly owned by the Sponsor, subject to the receipt of requisite approvals.

The Formation Transactions

The Trustee (on behalf of the Trust) intends to acquire the equity shares of the Project SPVs after the Bid/Issue Closing Date and prior to the Allotment in the Issue (for each such Project SPV, the "**Acquisition Date**"). Subject to the receipt of requisite approvals, the Trust intends to acquire 100% of the equity shares in each of DS, JR, NK, SU, TD and TK and 74% of the equity shares in GF.

As consideration for the acquisition of the equity shares of the Project SPVs and a portion of the subordinate debt certificates issued by the Project SPVs to the Sponsor, the Trust will issue Units to the Sponsor on or around the Acquisition Date. The Securities Purchase Agreements for each Project SPV will be executed after the Bid/Issue Closing Date and prior to the Acquisition Date. Pursuant to the Securities Purchase Agreements, the Sponsor has undertaken to complete the construction works remaining in respect of certain Project SPVs. For additional information about the Formation Transactions, please see the section headed "*About the Trust – Background and Structure of the Trust – Formation Transactions*" in this Draft Offer Document.

There are certain other agreements that the Trustee on behalf of the Trust intends to enter into with the Sponsor and other parties, such as the ROFO and Future Assets Agreement. These will be executed on or about the Acquisition Date. For further information on the ROFO and Future Assets Agreement, see the sections headed "*The ROFO/ROFR Assets*" and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken - Right of First Offer and Future Assets Agreement*" in this Draft Offer Document.

As of March 31, 2017, the Project SPVs owned, operated and maintained the following toll road assets comprising 497.43 km of constructed and operational roads:

- the Dindigul Samayanallore Project: an approximately 53.05 km section of NH 7 between Dindigul and Samayanallore in Tamil Nadu, which is held by DS;

- the Namakkal Karur Project: an approximately 41.37 km section of NH 7 between Namakkal and Karur in Tamil Nadu, which is held by NK;

- the Salem Ulundurpet Project: an approximately 136.36 km section of NH 68 between Salem and Ulundurpet in Tamil Nadu, which is held by SU;

- the Trichy Dindigul Project: an approximately 87.27 km section of NH 45 between Trichy and Dindigul in Tamil Nadu, which is held by TD;

- the Trichy Karur Project: an approximately 61.35 km section of NH 67 between Trichy and Karur in Tamil Nadu, which is held by TK;

- the Jaipur Reengus Project: an approximately 51.84 km section of NH 11 between Jaipur and Reengus in Rajasthan, which is held by JR; and

- the Gurgaon Faridabad Project: an approximately 66.19 km section in Gurgaon and Faridabad in Haryana, including stretches of Crusher Zone Road, Pali-Bhakri Road, Ballabgarh-Lukhawas junction Road and MCF road, which is held by GF.

Factors affecting Results of Operations

The Project SPVs' business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

The terms of the concession agreements and traffic volumes

For financial year 2015, 2016 and 2017, income from toll collection amounted to 97.67%, 99.95% and 94.20% of the Project SPVs' revenue from operations. During financial year 2017, for the period from November 9, 2016 to December 2, 2016, toll collection was suspended at all our toll roads, other than at GF, where toll collection was suspended for a period of 12 days (in connection with the Government's decision to "demonetize" Rs. 500 and Rs. 1,000 currency denominations ("**Demonetization**")), which impacted our income from toll collections for the period (for details, see " *– Results of Operations – Financial Year 2017 Compared to Financial Year 2016*"). BOT and DBFOT projects restrict the Project SPVs' operational and financial flexibility. Toll fees are typically pre-determined with the relevant government entity and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation as specified in the concession agreements. Significant costs during the concession period include toll operation and maintenance expenses such as periodic maintenance of roads which is required to be performed as specified in the concession agreement. Periodic maintenance involves the repair of wear and tear of the roads and highways, including overlaying the surface of the roads and highways, if required. For further details on the maintenance requirements for each of our projects, see the section headed "*The Trust's Business— Details of the Project SPVs and the Initial Road Assets*" in this Draft Offer Document. Our inability to effectively manage such operating and maintenance expenses during the concession period may have a material adverse effect on our profitability, financial condition and results of operations.

The Project SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects. Projects undertaken on a BOT or DBFOT basis involve concession agreements that are long-term in nature, usually between 12 to 30 years. The agreed consideration for each of the Project SPVs projects was based on forecasts of traffic volumes and expected revenues over the concession period. Any material shortfall between the actual traffic volume and the forecast traffic volume for a project could have a material adverse effect on their cash flows, results of operations and financial condition.

Further, all long-term projects have inherent risks associated with them and involve variables that may not necessarily be within the Project SPVs' control. Accordingly, we may be exposed to a variety of operation and maintenance and other risks, including unanticipated cost increases and overruns, inability to negotiate satisfactory arrangements with third parties, and disagreements with third parties. In addition, the long-term nature of the Project SPVs contracts may expose them to increased risk of unforeseen business and industry changes and developments which could have a material adverse effect on their business, financial condition and results of operations.

General economic conditions in India and the level of investment and activity in the infrastructure development sector

Demand for toll roads is primarily dependent on sustained economic development in the regions that the Project SPVs operate in and government policies relating to infrastructure development. It also significantly depends on budgetary allocations made by the Government and State Governments for the roads and highways sector, as well as funding provided by international and multilateral development finance institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is, therefore, linked to Government and State Government policies relating to private sector participation and sharing of risks and returns from such projects.

We believe that the Government's and State Governments' focus on, and sustained increases in budgetary allocation for, infrastructure, and the development of comprehensive infrastructure policies that encourage greater private sector participation and funding for infrastructure projects should further result in large infrastructure projects in India. We believe that we are likely to benefit from the Government and State Governments making infrastructure development a top policy priority, which may lead to corresponding significant investment in the roads and highways sector. Since the Project SPVs focus on the roads and highways sector, macroeconomic factors in India relating to this sector will have a significant impact on their prospects and results of operations. As the roads and highways sector is driven by increases in agriculture and manufacturing, any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could materially and adversely impact the Project SPVs business and financial performance.

Project acquisitions

In addition to the Initial Road Assets that are being transferred by the Sponsor to the Trust pursuant to the Formation Transactions, the Sponsor (through its subsidiaries) also operates the Delhi-Agra Project, the Hosur Krishnagiri Project, the Kandla Mundra Project and the Pune Satara Project. The Trust (acting through the Trustee) will enter into the ROFO and Future Assets Agreement with the Sponsor to enable the Trust to acquire the Delhi-Agra Project, the Hosur Krishnagiri Project, the Kandla Mundra Project and the Pune Satara Project upon the completion of certain milestones, which include two years of operations post construction of these projects, as per the concession agreements for these projects. The agreement also requires the Sponsor to transfer the remaining 26% of equity share capital of GF once it is eligible to do so under the relevant concession agreement. For further information on the ROFO and Future Assets Agreement, see the section headed "*The ROFO-ROFR Assets*" and "*Related Party Transactions – Details of Related Party Transactions Proposed to be Undertaken - Right of First Offer and Future Assets Agreement*" on page 203 and 271, respectively, in this Draft Offer Document.

Further, the Investment Manager intends to further expand our portfolio by identifying and selectively acquiring additional toll road projects that meet our investment criteria. Pursuant to the ROFO and Future Assets Agreement, the Sponsor has agreed to provide us with a right of first offer in relation to Future Assets and a right of first refusal with respect to Future Mature Assets located in India which are acquired or developed by the Sponsor or its existing or future subsidiaries, limited liability partnerships or other entities that are controlled by or under common control with the Sponsor. The valuation for the toll-road assets under the Future Assets Agreement will be based on the valuations provided by the Valuer in accordance with the terms of the ROFO and Future Assets Agreement. The valuation to acquire the remaining 26% stake in GF will be on mutually agreed terms.

The success of our portfolio expansion is limited by the availability of, and competition for, suitable projects, by our financial resources, including our available cash and borrowing capacity, by our ability to integrate such acquired projects into our business and by other factors, some of which may be beyond our control. For more details, please see the section headed "*Risk Factors—Risks Related to Our Business and Industry—Our failure to extend applicable concession agreements or our inability to identify and acquire the ROFO/ROFR Assets or new road assets that generate comparable or higher revenue, profits or cash flows than the Project SPVs may have a material adverse impact on our business, financial condition and results of operations and our ability to make distributions*" in this Draft Offer Document.

Competition

The Project SPVs operate in a competitive environment. The competition for toll road and other infrastructure projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Some of their competitors have greater financial resources, economies of scale and operating efficiencies than the Project SPVs do. There can be no assurance that they can effectively compete with their competitors in the future, and this failure to compete effectively may have a material adverse effect on the Project SPVs financial condition and results of operations.

Discussion on Quality of Earnings

Toll revenue

The income from toll revenue from operations of the facility is accounted on a receipt basis. Toll revenue will be collected up to the end of the concession period of the respective Project SPV. The increase or decrease in toll revenue is dependent on the increase or decrease of tariff and traffic volumes. Tariff changes for all our projects, excluding GF, are notified by NHAI every year based on a formula relating to WPI in the case of NHAI projects. Any GF tariff changes are notified by the HPWD every three years.

Revenue is measured at the fair value of the consideration received or receivable. The Project SPV Group recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Project SPV Group's activities, as described below.

Others

Insurance and other claims are recognized as revenue on certainty of receipt basis.

Income on investment is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable. For all other financial assets measured at amortized cost interest income is recorded using the Effective Interest Rate ("**EIR**").

Critical Accounting Policies

The preparation of financial statements in conformity with Ind AS, applicable accounting standards and the Companies Act requires our management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. By their nature, these judgments are subject to a degree of uncertainty. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

While all aspects of the Project SPVs' Combined Financial Statements should be read and understood in assessing their current and expected financial condition and results, we believe that the following critical accounting policies warrant particular attention:

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Project SPV Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Project SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Project SPV Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Project SPV Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Project SPV Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Project SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Project SPV Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Project SPV Group’s activities, as described below. The Project SPV Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Toll revenue

The income from toll revenue from operations of the facility is accounted on receipt basis.

Contract revenue (construction contracts)

Contract revenue associated with the construction of road are recognized as revenue by reference to the stage of completion of the projects at the balance sheet date. The stage of completion of project is determined by the proportion that contract cost incurred for work performed up to the balance sheet date bears to the estimated total contract costs.

The Project SPV Group operations involve levying of VAT on the construction work. Sales tax/ value added tax (VAT) is not received by the Project SPV on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Others

Insurance and other claims are recognized as revenue on certainty of receipt on prudent basis.

Income on investment is recognized based on the terms of the investment. Income from mutual fund scheme having fixed maturity plans is accounted on declaration of dividend or on maturity of such investments. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable. For all debt instruments measured at amortized cost interest income is recorded using the effective interest rate.

Intangible assets

The Group's toll road concession arrangements are accounted for based on the nature of the consideration under the arrangements. The intangible asset model is used to the extent that the relevant Project SPV receives a right (a license) to charge users of the public service. The financial asset model is used when the relevant Project SPV has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Project SPV performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

Intangible Assets Model

Intangible assets arising out of service concession arrangements are accounted for as intangible assets where the relevant Project SPV has a contractual right to charge users for service when the projects are completed.

The intangible assets are measured at the fair value of consideration transferred to acquire assets, which is the fair value of consideration received or receivable for the construction services delivered.

The intangible assets recognized are amortized using the straight line method to allocate the cost of concessions over their useful lives except in case of toll road concessionaire arrangements where the cost is amortized over the concession period on the basis of projected toll revenue which reflects the pattern in which the assets economic benefits are consumed. The projected total toll revenue is based on the independent traffic volume projections and amortization is revised in case of any material change in the expected pattern of economic benefits.

Financial Assets Model

The financial assets model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services. In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of amount specified or determined in the contract or the shortfall, if any, between amounts received from users of public service and amounts specified or determined in the Contract.

However, in case of certain arrangements, the contract may include a payment commitment on the part of the concession grantor covering only a part of investment, with the balance to be recovered by charging users of service. In such arrangements, the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the intangible asset model.

Any asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

Maintenance obligations

Contractual obligations to maintain, replace or restore the infrastructure (principally resurfacing costs and major repairs and unscheduled maintenance which are required to maintain the infrastructure asset in operational condition except for any enhancement element) are recognized and measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provision is discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Project SPV Group operates and generates taxable income. Current income tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences. Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Principal Components of Combined Statement of Profit and Loss

Income items

The Project SPVs' income consists of revenue from operations and other income. Revenue from operations primarily consists of income from toll collection.

Toll income is the income derived from the tolling operations by the operational Project SPVs. In addition, other operating income is the income that we derive from leasing advertising space on our toll roads. For the FY 2017, we also recognized other operating income in the form of compensation towards expenses incurred during the period of toll suspension at the Project SPVs pursuant to notifications from the NHAI and HPWD (in connection with Demonetization). Other income primarily consists of interest income on financial assets carried at amortized cost and also includes dividend income on current investment, interest income on fixed deposits, other interest income, insurance claims received and other miscellaneous income.

Expense items

Expenses consist of (i) toll operation and maintenance expenses, (ii) construction costs, (iii) employee benefits expense, (iv) finance costs, (v) depreciation and amortization expense and (vi) other expenses.

Toll operation and maintenance expenses

Toll operation and maintenance expenses primarily comprise expenses towards the maintenance of roads and also subcontracting expenses (i.e., primarily charges paid to subcontractors that carry out route patrolling and other security related functions at our projects), electricity expenses, handling charges (i.e., charges paid to agencies that carry out administrative functions at our projects) and site and other direct expenses.

Employee benefits expenses

Employee benefits expenses primarily comprise salaries, wages and bonus paid to employees and also contribution towards provident fund and other funds, gratuity expenses, leave encashment and staff welfare expenses.

Amortization expenses

Amortization expenses include amortization of intangible assets.

Finance costs

Finance costs primarily comprises interest on loans from banks/financial institutions, and also includes interest unwinding on premium deferment, unwinding of discount on provisions, other finance charges, derivative hedging cost and unwinding of discount on retention money.

Construction cost

Construction cost are the costs paid to EPC contractors for the construction of toll roads at our under-construction projects.

Other expenses

Other expenses include various administration costs such as rent, rates and taxes, insurance, travel and conveyance expenses, expenditure towards corporate social responsibility, auditor's remuneration, legal and professional expenses and other miscellaneous expenses.

Results of Operations

The following table sets forth certain information with respect to the Project SPVs results of operations for the periods indicated:

	Financial year ended March 31,		
	2017	**2016**	**2015**
	(Rs. millions)		
Revenue from operations	3,782.92	3,572.08	3,409.14
Other income	234.63	252.23	851.61
Total Income	**4,017.55**	**3,824.31**	**4,260.75**
Expenses			
Toll operation and maintenance expenses	1,181.76	1,326.66	1,117.75
Construction cost	-	-	-
Employee benefits expense	55.03	48.09	36.47
Finance costs	3,149.94	3,294.45	3,343.69
Amortization expense	916.76	803.54	659.46
Other expenses	132.59	172.26	208.33
Total expenses	5,436.08	**5,645.00**	**5,365.70**
Profit / (loss) before tax	(1,418.53)	**(1,820.69)**	**(1,104.95)**
Tax expense			
Current tax	34.26	12.03	138.37
Deferred tax charge/(credit)	(352.68)	(218.28)	(238.20)
Income tax for earlier years	(0.90)	-	-
Total tax expense	**(319.32)**	**(206.25)**	**(99.83)**
Profit/(Loss) after tax	**(1,099.21)**	**(1,614.44)**	**(1,005.12)**
Other Comprehensive Income			

(i) Items that will not be reclassified to profit or loss						
Re-measurements of net defined benefit plans : Gains / (Loss)	(1.93)		(0.39)	-	(0.23)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss						
Re-measurements of net defined benefit plans	(0.66)		(0.11)	-	0.01	-
Other Comprehensive Income / (Loss)	(1.27)		**(0.28)**		**(0.24)**	
Total Comprehensive Income / (Loss)	**(1,100.48)**		**(1,614.72)**		**(1,005.36)**	
Profit/(Loss) after tax						
Attributable to:						
Equity holders	(977.97)		(1,463.29)		(867.66)	
Non-controlling interests	(121.24)		(151.15)		(137.46)	
Other Comprehensive Income / (Loss)						
Attributable to:						
Equity holders	(1.26)		(0.26)		(0.17)	
Non-controlling interests	(0.01)		(0.02)		(0.07)	
Total Comprehensive Income / (Loss)						
Attributable to:						
Equity holders	(979.23)		(1,463.56)		(867.84)	
Non-controlling interests	(121.25)		(151.16)		(137.53)	

Financial Year 2017 Compared to Financial Year 2016

Income

Revenue from operations

Revenue from operations increased by Rs. 210.84 million, or 5.90%, from Rs. 3,572.08 million for the financial year 2016 to Rs. 3,782.92 million for the financial year 2017, primarily due to a small increase in our income from toll collections and also due to compensation claimed by the Project SPVs from the NHAI and the HPWD, which was recognized as other operating income. Pursuant to Demonetization, the Government of India announced a temporary suspension of toll collection from November 9, 2016 until December 2, 2016 at all our toll roads, other than at GF, where toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant). Accordingly, the Project SPVs were unable to collect tolls during this period. The NHAI issued office orders dated November 29, 2016 and December 6, 2016 and a circular dated November 21, 2016 to specify the compensation mechanism for toll road operators in relation to such demonetization (the "**NHAI Circulars**"). The Project SPVs have claimed compensation from the NHAI and the HPWD for toll losses during this period of Rs. 192.51 million (excluding major maintenance costs) and Rs. 24.61 million (excluding major maintenance costs), respectively, as the Project SPVs were unable to service debt, pay operation and maintenance costs and other direct costs as a result of the suspension of the toll collection. The claim amounts have been recognized as other operating income for financial year 2017.

Income from toll collections decreased by Rs. 6.83 million, or 0.19%, from Rs. 3,570.19 million for the financial year 2016 to Rs. 3,563.36 million for the financial year 2017. Income from toll collections represented 93.36% and 88.69% of our total income for the financial year 2016 and financial year 2017, respectively.

Increase in revenue from operations for each DS, TD, SU and GF, resulted from an increase in toll income due to traffic growth in these projects for the financial year 2016. The traffic growth over that period is primarily attributed to GDP growth and increasing per capital income, which has led to an increase in the number of vehicles and the utilization of vehicles, rising agricultural output and mining activities, which has led to an increase in the usage of transportation vehicles and further total traffic. Revenue for NK, DS, TD, SU, and TK, our five Project SPVs with projects located in Tamil Nadu, were negatively impacted due to political agitations and civil unrest in Tamil Nadu in financial year 2017, which impacted traffic in each of these projects. Further, total tollable traffic for JR for the financial year 2017 was lower as compared with the total tollable traffic for the financial year 2016, primarily as a result of a mining ban in the state of Rajasthan. In addition, the Jaipur Development Authority, in January 2017, demolished a ramp toll plaza, which was constructed by JR to prevent leakage of traffic, which led to leakage of traffic and loss of revenue (see "*Material Litigation and Regulatory Action - Material Litigation and Regulatory Action involving the Project SPVs – JR Toll Road Private Limited ("JR") – Other Proceedings Involving JR*"). The traffic growth at GF was adversely impacted in financial year 2017 by the Manesar–Palwal portion of the Kundli-Manesar-Palwal expressway becoming operational from June 2016, which led to commercial traffic being diverted from GF to the Kundli-Manesar-Palwal expressway.

Additionally, for the period from November 9, 2016 to December 2, 2016, toll collection was suspended at all our toll roads in India, other than at GF, where toll collection was suspended for a period of 12 days (according to the relevant Traffic Consultant). Accordingly, we were unable to collect tolls during these periods.

In financial year 2017, tariff rates for NK, DS, TD, SU, and TK, our five Project SPVs with projects located in Tamil Nadu, were adjusted and toll rates were revised with effect from September 1, 2016, to account for negative inflation. For JR, marginal tariff increase in financial year 2017 also contributed to an increase in revenue from operations for this projects.

The table below sets forth the changes in revenue from operations for each of the Project SPVs from the financial year 2016 to financial year 2017.

	FY ended March 31,		
Project	**2016**	**2017**	**Percentage change**
	(Rs. Millions)		**(%)**
NK[(1)] [(2)]	319.60	308.47	(3.48%)
DS[(1)] [(2)]	586.78	587.37	0.10%
TD[(1)] [(2)]	290.14	307.02	5.82%
SU[(1)] [(2)]	824.65	826.91	0.27%
TK[(1)] [(2)]	506.42	481.57	(4.91%)
JR[(2)]	438.54	415.90	(5.16%)
GF[(3)]	604.07	636.11	5.30%

Notes:

(1) Toll Suspension in December 2015 for 15 days due to floods
(2) Toll Suspension in November and December 2016 months for 24 days due to Demonetization
(3) Toll Suspension in November and December 2016 months for 12 days (according to the relevant Traffic Consultant) due to Demonetization

The table below sets forth the total tollable traffic count for each of the Project SPVs from the financial year 2016 and financial year 2017.

	FY ended March 31,		
Project	**2016**	**2017**	**Percentage change**
	(Rs. Millions)		**(%)**

NK	36,33,108	35,62,699	(1.94)%
DS..	53,78,568	54,74,885	1.79%
TD..	19,55,639	20,63,348	5.51%
SU..	32,92,669	33,90,838	2.98%
TK..	36,56,474	35,34,155	(3.35)%
JR..	64,42,455	54,98,092	(14.66)%
GF..	1,64,52,511	1,82,83,263	11.33%

The table below sets forth the total tollable annual average daily traffic for PCUs for each of the Project SPVs from from the financial year 2016 and financial year 2017.

	FY ended March 31,		
Project	**2016**	**2017**	**Percentage change**
	(Rs. Millions)		**(%)**
NK	21,504	21,283	(1.03)%
DS	31,271	32,348	3.44%
TD	9,759	10,580	8.41%
SU	17,392	17,941	3.16%
TK	24,582	23,798	(3.19)%
JR	26,937	24,376	(9.51)%
GF	58,681	65,229	11.16%

For the financial year 2017, other operating income increased by Rs. 217.68 million from Rs. 1.88 million for the financial year 2016 to Rs. 219.56 million for the financial year 2017, as the Project SPVs claimed Rs. 217.12 million as compensation from the NHAI for reimbursement of the expenses incurred during the Demonetization period when tolling was suspended at the Project SPVs as per the NHAI Circulars.

Other income

Other income decreased by Rs. 17.60 million, or 6.98%, from Rs. 252.23 million for the financial year 2016 compared to Rs. 234.63 million for the financial year 2017 primarily due to a decrease in interest income on financial assets carried at amortized amount. Interest income on financial assets carried at amortized cost decreased by Rs. 48.53 million, or 23.14%, from Rs. 209.74 million for the financial year 2016 compared to Rs. 161.21 million for the financial year 2017, due to a decrease in interest on reduced NPV of grants in the financial year 2017 compared to the financial year 2016. In addition, interest on fixed deposits increased by Rs. 14.64 million, or 69.22%, from Rs. 21.15 million for the financial year 2016 to Rs. 35.79 million for the financial year 2017 due to higher deposits in the financial year 2017 compared to the financial year 2016.

Other income represented 6.60% and 5.84% of total income for the financial year 2016 and financial year 2017, respectively.

Expenses

Total expenses decreased by Rs. 208.92 million, or 3.70%, from Rs. 5,645 million for the financial year 2016 to Rs. 5,436.08 million for the financial year 2017 primarily due to decrease in resurfacing provision by Rs. 336.95 million and increase in amortization expenses by Rs. 113.22 million as compared to financial year 2016. Total expenses represented 147.61% and 135.31% of total income for the financial year 2016 and financial year 2017, respectively.

Toll operation and maintenance expenses

Toll operation and maintenance expenses decreased by Rs. 144.90 million, or 10.92%, from Rs. 1,326.66 million for the financial year 2016 to Rs. 1,181.76 million for the financial year 2017, primarily due to a decrease in expenses towards maintenance of roads. Toll operation and maintenance expenses represented 34.69% and 29.41% of our total income for the financial year 2016 and financial year 2017, respectively.

Expenses towards maintenance of roads decreased by Rs. 122.81 million, or 13.44%, from Rs. 913.61 million for the financial year 2016 to Rs. 790.80 million for the financial year 2017 primarily due to decrease in resurfacing provisions by Rs. 336.95 million, pursuant to NHAI's circular in November 2016 which prescribed that micro surfacing may be used for the renewal course, maintenance and repair on national highways for at least 25% to 30% of the total length. This decrease was partially offset by the increase in maintenance expenses (net of insurance claim) incurred at our NK, DS, TD, TK and SU projects for the repair of damage as a result of cyclone/floods in December 2015 amounting to Rs. 155.26 million and certain one-time expenditures pertaining to the installation of Weigh-in-Motion systems in tolling lanes at toll plazas, an additional toll collection lane including toll management system and other items amounting to Rs. 104.12 million.

Sub-contracting expenses decreased by Rs. 8.46 million, or 2.94% from Rs. 287.66 million for the financial year 2016 to Rs. 279.20 million for the financial year 2017.

Electricity expenses decreased by Rs. 0.98 million, or 2.43%, from Rs. 40.26 million for the financial year 2016 to Rs. 39.28 million for the financial year 2017.

Other miscellaneous expenses increased by Rs. 0.43 million, or 6.84%, from Rs. 6.29 million for the financial year 2016 to Rs. 6.72 million for the financial year 2017 primarily due to increase in cash handling charges.

Site and other direct expenses, relating primarily to route patrolling and TMS maintenance decreased by Rs. 13.09 million, or 16.60% from Rs. 78.85 million for the financial year 2016 to Rs. 65.76 million for the financial year 2017.

Employee benefits expenses

Employee benefits expenses increased by Rs. 6.94 million, or 14.44%, from Rs. 48.09 million for the financial year 2016 to Rs. 55.03 million for the financial year 2017 primarily due to yearly increment in salaries. Employee benefits expenses represented 1.26% and 1.37% of our total income for the financial year 2016 and financial year 2017, respectively.

Finance costs

Finance costs decreased by Rs. 144.51 million, or 4.39%, from Rs. 3,294.45 million for the financial year 2016 to Rs. 3,149,94 million for the financial year 2017, Interest on loans taken decreased by Rs. 84.29 million, or 2.81%, from Rs. 2,997.15 million for the financial year 2016 to Rs. 2,912.86 million for the financial year 2017 due to reduction in interest rate and repayment of loans in all the Project SPVs. Unwinding of discount on provisions decreased by Rs. 57.52 million, or 33.22%, from Rs. 173.15 million for the financial year 2016 to Rs. 115.63 million for the financial year 2017 due to decrease in resurfacing provisions in operational SPVs. Other finance costs decreased by Rs. 7.88 million or by 11.47% from Rs. 68.72 million for the financial year 2016 to Rs. 60.84 million for the financial year 2017. Unwinding of discount on retention money increased by Rs. 5.19 million, or 9.36%, from Rs. 55.42 million for the financial year 2016 to Rs. 60.61 million for the financial year 2017. Finance costs represented 86.15% and 78.40% of our total income for the financial year 2016 and financial year 2017 respectively.

Amortization Expense

Amortization expense increased by Rs. 113.22 million, or 14.09%, from Rs. 803.54 million for the financial year 2016 to Rs. 916.76 million for the financial year 2017, due to additional capitalization of JR and higher amortization in GF resulting from revised traffic study conducted recently. Amortization expense represented 21.01% and 22.82% of our total income for the financial year 2016 and financial year 2017, respectively.

Other expenses

Other expenses decreased by Rs. 39.67 million, or 23.03%, from Rs. 172.26 million for the financial year 2016 to Rs. 132.59 million for the financial year 2017, primarily due to a decrease in legal and professional expenses. Other expenses represented 4.50% and 3.30% of our total income for the financial year 2016 and financial year 2017 respectively.

Profit / Loss before tax

As a result of the foregoing, our loss before tax was Rs. 1,820.69 million for the financial year 2016 and our loss before tax was Rs. 1,418.53 million for the financial year 2017.

Tax expenses

Current tax expense increased by Rs. 22.23 million, or 184.79 %, from Rs. 12.03 million for the financial year 2016 to Rs. 34.26 million for the financial year 2017, due to increase in tax in SU & DS. Deferred tax credit increased by Rs. 134.40 million from Rs. 218.28 million for the financial year 2016 to Rs. 352.68 million for the financial year 2017 due to increase in deferred tax credit in Project SPVs resulting from changes in IndAS and tax provisions between the two periods.

Profit/(loss) after tax

As a result of the foregoing, loss after tax for the financial year 2016 was Rs. 1,614.44 million and loss after tax for the financial year 2017 was Rs. 1,099.21 million.

Other comprehensive income/(loss)

Other comprehensive loss increased by Rs. 0.99 million, or 353.57%, from Rs. 0.28 million for the financial year 2016 to Rs. 1.27 million for the financial year 2017.

Total comprehensive income/(loss)

As a result of the foregoing, total comprehensive loss amounted to Rs. 1,614.72 million for the financial year 2016 and a loss of Rs. 1,100.48 million for the financial year 2017.

Financial Year 2016 Compared to Financial Year 2015

Income

Revenue from operations

Revenue from operations increased by Rs. 162.94 million, or 4.78%, from Rs. 3,409.14 million for the financial year 2015 to Rs. 3,572.08 million for the financial year 2016.

Income from toll collections increased by Rs. 240.40 million, or 7.22%, from Rs. 3,329.79 million for the financial year 2015 to Rs. 3,570.19 million for the financial year 2016, primarily due to the full COD of JR in October 2015. Income from toll collections represented 78.15% and 93.36% of our total income for the financial years 2015 and 2016, respectively.

Increase in revenue from operations for all of our Project SPVs, other than NK resulted from an increase in toll income due to traffic growth from financial year 2015 to financial year 2016. The traffic growth over this period is primarily attributed to GDP growth and increasing per capital income, which has led to an increase in the number of vehicles and the utilization of vehicles, rising agricultural output and mining activities, which has led to an increase in the usage of transportation vehicles and further total traffic. However, the total tollable traffic and revenue for NK, DS, TD, SU and TK financial year 2016 was also negatively impacted by the stoppage of toll collection for a period of 15 days due to floods in Tamil Nadu in December 2015.

In financial year 2016, there was a negative revision in tariff rates for NK and DS, which negatively impacted revenue from operations for these projects and led to an overall decrease in revenue for NK. For the remaining five projects, tariff rates were increased in financial year 2016 to account for inflation, which contributed to an increase in revenue from operations for each of these projects.

The table below sets forth the changes in revenue from operations for each of the Project SPVs for the financial year ended March 31, 2015 to the financial year ended March 31, 2016.

	FY ended March 31,			
Project	**2015**	**2016**		**Percentage change**
	(Rs. Millions)			**(%)**
NK	324.45	319.60		(1.49)
DS	568.94	586.78		3.14
TD	285.70	290.14		1.55
SU	772.60	824.65		6.74
TK	460.44	506.42		9.99
JR	410.57	438.54		6.81
GF	507.08	604.07		19.13

The table below sets forth the total tollable traffic count for each of the Project SPVs for the financial year ended March 31, 2015 to the financial year ended March 31, 2016.

	FY ended March 31,			
Project	**2015**	**2016**		**Percentage change**
	(Rs. Millions)			**(%)**
NK	3,583,755	3, 633, 108		1.38
DS	5,142,634	5,378,567		4.59
TD	1,933,764	1,955, 639		1.13
SU	3,098,948	3,292, 919		6.26
TK	3,486,148	3,656,474		4.89
JR	6,448,484	6,442,455		0.09
GF	14, 583,665	16,452,511		12.81

The table below sets forth the total tollable annual average daily traffic for PCUs for each of the Project SPVs for the financial year ended March 31, 2015 to the financial year ended March 31, 2016.

	FY ended March 31,			
Project	**2015**	**2016**		**Percentage change**
	(Rs. Millions)			**(%)**
NK	21,219	21,504		1.34
DS	29,396	31,271		6.38
TD	9,503	9, 759		2.69
SU	16,265	17,392		6.93
TK	22,396	24,582		9.76
JR	26,978	26, 937		(0.001)
GF	54,192	58,681		8.28

For the financial year 2016, other operating income decreased by Rs. 77.47 million, or 97.63%, from Rs. 79.35 million in 2015 to Rs. 1.88 million in 2016, primarily due to contract income in DS and NK in relation to operation and maintenance contracts entered into with the sponsor.

Other income

Other income decreased by Rs. 599.38 million, or 70.38%, from Rs. 851.61 million for the financial year 2015 to Rs. 252.23 million for the financial year 2016 primarily due to a decrease in interest income on financial assets carried at amortized amount.

Interest income on financial assets carried at amortized cost decreased by Rs. 601.79 million, or 74.15%, from Rs. 811.53 million for the financial year 2015 to Rs. 209.74 million for the financial year 2016 mainly due to lower interest income on inter corporate deposits in DS and NK financial year 2016 compared to financial year

2015. In addition, interest on fixed deposits increased by Rs. 0.61 million, or 2.97%, from Rs. 20.54 million for the financial year 2015 to Rs. 21.15 million for the financial year 2016.

Other income represented 19.99% and 6.60% of our total income for the financial years 2015 and 2016, respectively.

Expenses

Total expenses increased by Rs. 279.30 million, or 5.21%, from Rs. 5,365.70 million for the financial year 2015 to Rs. 5,645 million for the financial year 2016 primarily due to increases in construction costs, finance costs and toll operation and maintenance expenses. Our total expenses, expressed as a percentage of our total income, were 125.93% and 147.61% for the financial year 2015 and 2016, respectively.

Toll operation and maintenance expenses

Toll operation and maintenance expenses increased by Rs. 208.91 million, or 18.69%, from Rs. 1,117.75 million for the financial year 2015 to Rs. 1,326.66 million for the financial year 2016, primarily due to increases in subcontracting expenses and expenses relating to maintenance of roads. Toll operation and maintenance expenses expressed as a percentage of our total income, increased from 26.23% for the financial year 2015 to 34.69% for the financial year 2016.

Sub-contracting expenses increased by Rs. 75.83 million, or 35.80% from Rs. 211.83 million for the financial year 2015 to Rs. 287.66 million for the financial year 2016 due to commencement of operations on an additional lane in GF.

Maintenance expenses increased by Rs. 115.42 million, or 14.46%, from Rs. 798.19 million for the financial year 2015 to Rs. 913.61 million for the financial year 2016 due to greater provision of resurfacing expenses in financial year 2016 compared to financial year 2015.

Electricity expenses increased by Rs. 7.54 million, or 23.04%, from Rs. 32.72 million for the financial year 2015 to Rs. 40.26 million for the financial year 2016, due to higher electricity expenses in other project SPVs in financial year 2016, compared to financial year 2015.

Other miscellaneous (handling charges) increased by Rs. 1.06 million, or 20.27%, from Rs. 5.23 million for the financial year 2015 to Rs. 6.29 million for the financial year 2016, due to higher handling charges incurred in other project SPVs in financial year 2016, compared to financial year 2015.

Site and other direct expenses, relating primarily to temporary contract labor and miscellaneous site expenses, increased by Rs. 9.05 million, or 12.97% from Rs. 69.80 million for the financial year 2015 to Rs. 78.85 million for the financial year 2016 due to increase in annual maintenance charges of the Toll Management System ("**TMS**").

Employee benefits expenses

Employee benefits expenses increased by Rs. 11.62 million, or 31.86%, from Rs. 36.47 million for the financial year 2015 to Rs. 48.09 million for the financial year 2016, primarily due to increases in salaries, wages and bonus. Salaries, wages and bonus increased by Rs. 10.85 million, or 34.88%, from Rs. 31.11 million for the financial year 2015 to Rs. 41.96 million for the financial year 2016, primarily due to increase in employees and annual increments in salaries. Employee benefits expenses, expressed as a percentage of our total income, increased from 0.86% and 1.26% for the financial year 2015 and 2016, respectively.

Finance costs

Finance costs decreased by Rs. 49.24 million, or 1.47%, from Rs. 3,343.69 million for the financial year 2015 to Rs. 3,294.45 million for the financial year 2016. Finance costs, expressed as a percentage of our total income, increased from 78.48% for the financial year 2015 to 86.14% for the financial year 2016.

Interest on loans taken decreased by Rs. 114.34 million, or 3.67%, from Rs. 3,111.49 million for the financial year 2015 to Rs. 2,997.15 million for the financial year 2016due to reduction in interest rate and repayment of loan . Unwinding of discount on provisions increased by Rs. 47.65 million, or 37.97%, from Rs. 125.50 million for the financial year 2015 to Rs. 173.15 million for the financial year 2016 due to more interest on resurfacing provision . Unwinding of discount on retention money increased by Rs. 4.95 million, or 9.81%, from Rs. 50.47

million for the financial year 2015 to Rs. 55.42 million for the financial year 2016 due to increase in retention held from contractors.

Amortization Expense

Amortization expense increased by Rs. 144.08 million, or 21.85%, from Rs. 659.46 million for the financial year 2015 to Rs. 803.54 million for the financial year 2016 due to additional capitalization of JR and higher amortization in GF in financial year 2016. Amortization expense, expressed as a percentage of our total income for the financial years 2015 and 2016, increased from 15.48% for the financial year 2015 to 21.01% for the financial year 2016.

Other expenses

Other expenses decreased by Rs. 36.07 million, or 17.31%, from Rs. 208.33 million for the financial year 2015 to Rs. 172.26 million for the financial year 2016 due to decrease in other miscellaneous expenses in . Other expenses, expressed as a percentage of our total income, decreased from 4.89% for the financial year 2015 to 4.50% for the financial year 2016.

Profit / Loss before tax

As a result of the foregoing, the Project SPVs' loss before tax was Rs. 1,104.95 million for the financial year 2015 and loss before tax was Rs. 1,820.69 million for the financial year 2016.

Tax expenses

Current tax decreased by Rs. 126.34 million, or 91.31%, from Rs. 138.37 million for the financial year 2015 to Rs. 12.03 million for the financial year 2016, primarily due to decrease in current tax by Rs. 126.28 million in DS and NK compared to financial year 2015 due to decrease in interest income on inter-company deposit, and deferred tax credit decreased by Rs. 19.92 million from Rs. 238.20 million for the financial year 2015 to a credit of Rs. 218.28 million for the financial year 2016 due to decrease in deferred tax credit in Project SPVs resulting from changes in IndAS and Tax provisions between the two periods.

Profit/(loss) after tax

As a result of the foregoing, loss after tax for financial year 2015 was Rs. 1,005.12 million and loss after tax for financial year 2016 was Rs. 1,614.44 million.

Other comprehensive income/(loss)

Other comprehensive loss increased by Rs. 0.04 million, or 16.67%, from Rs. 0.24 million for the financial year 2015 and Rs. 0.28 million for the financial year 2016.

Total comprehensive income/(loss)

As a result of the foregoing, total comprehensive loss amounted to Rs. 1,005.36 million for financial year 2015 and a loss of Rs. 1,614.72 million for financial year 2016.

Liquidity and Capital Resources

The Project SPVs operate in a capital intensive industry and their principal liquidity requirements have been to finance their capital expenditures. To fund these costs, they have relied on equity contributions, short term and long term borrowings, advances and grants from the NHAI and cash from operating activities.

The Project SPVs' funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for our requirements. Their short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances, receipts from our operations and working capital loans. Their long-term liquidity requirements include partial funding of investments in new projects, funding equity contributions in Project SPVs and repayment of long-term debt under our credit facilities. Sources of funding for our long-term liquidity requirements include loans, equity issuances or debt issues. Our principal uses of cash have been, and are expected to continue to be, construction, development, implementation and maintenance costs of our BOT projects.

Cash Flows

The following table sets forth certain information relating to the Project SPVs cash flows on a combined basis for the periods indicated:

	Financial year ended March 31,		
Particulars	**2017**	**2016**	**2015**
Net cash flow from operating activities	3,254.99	(3,091.04)	2,811.98
Net cash from/(used in) investing activities	83.22	6,047.53	(3.09)
Net cash from/(used in) financing activities	(3,134.18)	(2,925.55)	(2,812.53)
Cash and cash equivalents at the end	419.99	215.94	185.01

Operating activities

Net cash flow from operating activities for the financial year 2017 was Rs. 3,254.99 million. Cash generated from operations before working capital changes amounted to Rs. 2,436.73 million, which was a result of loss before tax of Rs. 1,418.53 million and adjustments primarily for interest expense of Rs. 3,149.94 million and amortization expenses of Rs. 916.76 million. The adjustments for working capital were primarily attributable to an increase in provisions of Rs. 356.21 million due to increase in trade payable in current period.

Net cash flow used in operating activities for the financial year 2016 was Rs. 3,091.04 million. Cash generated from operations before working capital changes amounted to Rs. 2,027.28 million, which was a result of loss before tax of Rs. 1,820.69 million and adjustments primarily for interest expense of Rs. 3,294.45 million and depreciation and amortization expenses of Rs. 803.54 million. The adjustments for working capital were primarily attributable to decrease in other current liabilities of Rs. 5,318.13 million due to reduction in unearned revenue of O&M contracts of DS and NK. These contracts were entered between DS and NK and the Sponsor in financial year 2012 pursuant to which DS and NK received upfront payment from the Sponsor (which was recognised as unearned revenue) and the Sponsor was appointed to operate and maintain the respective projects, for which it was entitled to periodic payments from DS and NK. These contracts were cancelled in financial year 2015 and thus on cancellation settlement balance liability towards these contracts was paid back by DS and NK. Also there was an increase in provisions of Rs. 314.58 million on account of resurfacing.

Net cash flow from operating activities for the financial year 2015 was Rs. 2,811.98 million. Cash generated from operations before working capital changes amounted to Rs. 2,047.78 million, which was a result of loss before tax of Rs. 1,104.95 million and adjustments primarily for interest expense of Rs. 3,343.70 million and depreciation and amortization expenses of Rs. 659.46 million.. These changes were offset in part by an increase in provision of Rs. 663.91 million due to increase in provisions for resurfacing and an decrease in other non-current liabilities of Rs. 5,138.68 million due to reclassification of unearned revenue from non-current to current liabilities and a increase in current liabilities of Rs. 5,098.16 million due to the cancellation of O&M contracts for DS and NK.

Investing activities

Net cash flow generated from investing activities for the financial year 2017 was Rs. 83.22 million, primarily relating to interest received.

Net cash flow generated from investing activities for the financial year 2016 was Rs. 6,047.53 million, primarily relating to intercorporate deposits of Rs. 4,904.00 million received back by DS and NK resulting from cancellation settlement of O&M contracts as mentioned above and interest received from intercorporate deposits by Rs. 1,740.73 million.

Net cash flow used in investing activities for the financial year 2015 was Rs. (3.09) million, primarily relating to (purchase)/sale proceeds of intangible assets (including intangible assets under development) of Rs. (227.70) million in JR which was partially offset by intercorporate deposits of Rs. 145 million received from DS and NK and interest received from intercorporate deposits by Rs. 73.04 million.

Financing activities

Net cash flow used in financing activities for the financial year 2017 was Rs. 3,134.18 million, primarily resulting from interest paid amounting to Rs. 2,964.42 million, repayment of long term borrowing of Rs. 1,305.52 million and repayment of subordinated debt by Rs. 364.24 million which was partially offset by proceeds from short term borrowing of Rs. 1,500 million.

Net cash flow used in financing activities for the financial year 2016 was Rs. 2,925.55 million; primarily resulting from interest paid amounting to Rs. 3,055.74 million and repayment of long term borrowing of Rs. 744.81 million.

Net cash flow used in financing activities for the financial year 2015 was Rs. 2,812.53 million, primarily resulting from proceeds from subordinated debt of Rs. 2,386.01 million and proceeds from long term borrowing of Rs. 6,649.60 million, partially offset by interest paid amounting to Rs. 3,226.71 million and repayment of borrowing of Rs. 6,648.43 million.

Capital Expenditure

The Project SPVs capital expenditures have historically been principally for the construction and maintenance of the Initial Road Assets. In the financial year 2015, 2016 and 2017 their capital expenditures were Rs. 34.45 million, Rs. 5.54 million, Rs. Nil respectively.

We do not expect to incur capital expenditure in financial year 2018.

The Project SPVs have in the past relied principally on internal cash flow and other funds, affiliate loans, bank borrowings and equity contributions to fund its capital expenditures. Infrastructure projects are typically capital intensive and require high levels of debt financing. Our available financial resources for implementing and maintaining these projects, based on our internal studies and estimates, may be inadequate and any project may face cost overruns. The Project SPVs have in the past been able to arrange for debt financing for their projects on acceptable terms at the Project SPV level, but there can be no assurance that going forward the Project SPVs will be able to arrange for debt financing on acceptable terms or at all. For more information, see the section headed "*Financial Indebtedness*" in this Draft Offer Document.

Indebtedness

The following table provides the types and amounts of the Project SPVs outstanding indebtedness as of March 31, 2017:

	As at March 31, 2017
	(Rs. Millions)
Borrowings – Non Current	
Secured	
Debentures	1,211.18
Term loans from Banks:	
Rupee term loan	18,756.44
Term loans from financial institutions:	
Rupee term loan	2,991.53
Current Maturities of long term debt (included in Other financial liabilities):	1,723.33
Total	**24,682.48**

	As at March 31, 2017
	(Rs. Millions)
Borrowings – Current	
Unsecured (unsecured, repayable on demand and interest free)	
Loan from related parties..	1,575.00
Total..	**1,575.00**

As March 31, 2017, the Project SPVs had total borrowings aggregating to Rs. 26,257.48 million (comprising unsecured loans of Rs. 1,575 million and secured loans of Rs. 24,682.48 million). Most of the Project SPVs financing arrangements are secured by their movable and immovable assets, including a charge on their equipment as well as on their intangible assets relating to toll collection rights under the various projects.

For further details regarding the loans to which we are a party, including their terms and interest rates, see the section headed "*Financial Indebtedness*" in this Draft Offer Document.

Interest coverage ratio

The Project SPVs interest coverage ratio (equal to the total of cash profit after tax but before finance costs divided by finance costs) as of March 31, 2015, 2016 and 2017 was 0.83, 0.69 and 0.83 respectively.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of March 31, 2017, aggregated by type of contractual obligation:

As at March 31, 2017	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Over 5 years	Total
Borrowings	430.83	2,867.52	2,231.76	9,846.41	10,957.79	26,334.31
Trade and other payables	125.17	375.47	-	-	-	500.64
Other financial liabilities	624.45	312.95	-	-	-	937.40
Total	1,180.45	3,555.94	2,231.76	9,846.41	10,957.79	27,772.35

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as of March 31, 2017:

Particulars	(Rs. Millions)
Income-tax matters: In case of NK – Income tax department under section 156 had levied penalty of Rs. 17.74 million for assessment year 2012-13. NK has appealed against the same and has paid Rs. 8.87 million out of the same under protest	17.74
In case of TD - As per Assessment order for assessment year 2013-14, a demand of Rs. 1.14 million was raised by IT department. TD had defended the demand and approached to CIT Appeals and an amount of Rs. 0.41 Million was deposited under protest	1.14
Differences in balances as per bank loan confirmations and books of accounts mainly on account of interest rate resetting are under reconciliation with the bankers. The Project SPVs expect to settle these soon and do not anticipate any further liability on account of interest	36.82
Total..	**55.70**

There are no other off-balance sheet arrangements that have or are reasonably likely to have an adverse effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Transactions with Related Parties

The Project SPVs have in the course of their business entered into various transactions with related parties. These transactions include operation and maintenance charges paid for operation and maintenance activities sub-contracted, loans and advances, certain road work expenses for work road work contracted to various Sponsor entities in similar businesses.

For further information on the Project SPVs related party transactions under Accounting Standard 18, please refer to the section headed "*Related Party Transactions"* in this Draft Offer Document.

Significant Post-Balance Sheet Events

Except as disclosed in this Draft Offer Document, we are not aware of any circumstances that have arisen since March 31, 2017, that materially and adversely affect, or are likely to affect, our or the Project SPVs operations or profitability, the value of our or their respective assets, or our or the Project SPVs ability to pay our or their respective liabilities within the next 12 months.

The Trust and the Investment Manager confirm that there has been no material change in the contingent liabilities since March 31, 2017, being the date of latest financial information included by way of the Combined Financial Statements.

The Trust and the Investment Manager confirm that there has been no material change in the capital and other commitments since March 31, 2017, being the date of latest financial information included by way of the Combined Financial Statements.

The Trust and the Investment Manager confirm that working capital requirements to fulfill the present requirements of the Trust, have been arranged for a period of up to twelve months from date of listing.

Quantitative and Qualitative Disclosure about Market Risk

Interest rate risk

As the infrastructure development and construction business is capital intensive, the Project SPVs are exposed to interest rate risk. Interest rates for borrowings have been volatile in India in recent periods. The Project SPVs infrastructure development and construction projects were funded to a large extent by debt and increases in interest expense could have an adverse effect on their results of operations and financial condition. The Project SPVs current debt facilities carry interest at variable rates as well as fixed rates with the provision for periodic reset of interest rates. As of March 31, 2017, the majority of the Project SPVs total indebtedness was subject to variable rates. Although from time to time we may engage in interest rate hedging transactions or exercise any rights available to us under these financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

FINANCIAL INDEBTEDNESS

The following is a summary of the indebtedness of the Project SPVs, together with a brief description of certain material covenants of the relevant financing agreements. For additional details in relation to the indebtedness of the Project SPVs, investors should also refer to the sections entitled "Use of Proceeds" and "Financial Statements", on pages 87 and 313, respectively.

The Project SPVs have primarily availed loans, for financing, in part, the project costs in relation to the construction and development of their respective underlying road infrastructure asset. Certain Project SPVs have availed further financing, as necessary, for refinancing existing loans or with respect to the repayment obligations under previously availed loans.

Set forth below is a brief summary of the aggregate borrowings of the Project SPVs, on a standalone basis, as of March 31, 2017:

Category of Borrowing	Aggregate Amount (Rs. in Millions)	Outstanding Amount as on March 31, 2017 (Rs. in Millions)
DS		
Term Loans		
Secured	4,070.00	3,081.66
Sub-Total	**4,070.00**	**3,081.66**
GF		
Term Loans		
Secured	5,840.00	4,487.55
Sub-Total	**5,840.00**	**4,487.55**
JR		
Term Loans		
Secured	3,890.00	3,510.69
Sub-Total	**3,890.00**	**3,510.69**
NK		
Term Loans/Debentures		
Secured	1,700.00	1,109.76
Other		
Commercial Paper	1,500.00	1,500.00
Sub-Total	**3,200.00**	**2,609.76**
SU		
Term Loans/Debentures		
Secured	6,680.00	6,552.30
Sub-Total	**6,680.00**	**6,552.30**
TD		
Term Loans		
Secured	3,224.00	2,843.41
Sub-Total	**3,224.00**	**2,843.41**
TK		
Term Loans		
Secured	4,390.00	3,238.43
Unsecured (from Sponsor)	75.00	75.00
Sub-Total	**4,4650**	**3,313.43**
Total	**31,369.00**	**26,398.80**

Principal Terms of the Borrowings availed by the Project SPVs

1. **Interest and commissions:** In terms of the loans availed by the Project SPVs, the interest rate is either (a) a base rate specified by the lender plus applicable spread, if any, per annum or (b) at a fixed rate per annum.

2. **Maturity and Repayment:** The final maturity period of the loans availed by the Project SPVs ranges from financial year 2021 to financial year 2030. These loans are repayable in accordance with the repayment

schedule specified in the relevant financing agreements, which typically prescribe quarterly instalments. However, some of the borrowing agreements entered into by the Project SPVs contain mandatory prepayment clauses, which require the utilization of cash surplus towards the prepayment of loans, if the debt service coverage ratio at the Project SPVs is above specified thresholds, or the Project SPV is in receipt of any proceeds of any arbitral or judicial award in connection with any of its project agreements.

3. **Security:** In terms of borrowings where security needs to be created, the Project SPVs are typically required to create:

 a. a first ranking mortgage and charge over all the Project SPV's immovable properties, both present and future, excluding the project assets;

 b. A first charge by way of hypothecation of all Project SPV's movables, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, excluding the project assets;

 c. A first ranking *pari passu* charge on all accounts of the Project SPV, including, *inter alia*, the escrow account, book debts and the other retention accounts (or any account in substitution thereof that may be opened in accordance with the facility agreement/debenture trust deed and the supplementary escrow agreement or any other project document), and all funds pertaining to operating cash flows, commission, all amounts received in relation to insurance policies, revenue of whatsoever nature to be deposited from time to time and all receivables and authorized investments or other securities representing all amounts credited thereto for the purpose of being applied to the extent of the waterfall of priority specified in the concession agreement

 d. A first ranking charge on the Project SPVs intangibles, including but not limited to intellectual property rights, goodwill, rights, undertaking and uncalled capital, present and future, excluding the project assets;

 e. A first charge/assignment by way of security in:

  i. all the right, title, interest, benefits, claims and demands whatsoever of the Project SPV under the project documents;

  ii. the right, title and interest of the Project SPV to and under all the government approvals;

  iii. all the right, title, interest, benefits, claims and demands whatsoever of the Project SPV in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the project documents; and

  iv. all the right, title, interest, benefits, claims and demands whatsoever of the Project SPV under all insurance contracts.

 f. A substitution agreement, as may be executed between NHAI, the Project SPV and its respective lenders, whereby NHAI may substitute the Project SPV by a selectee of its respective lenders, for the purpose of securing the payment of lender dues;

 g. A state support agreement;

 h. A pledge of a certain specified percentage of the equity shares of the Project SPVs that are held by the Sponsor (directly or indirectly), more specifically:

  i. a pledge of 51% of the equity shares of NK (currently held by the Sponsor);

  ii. a pledge of 51% of the equity shares of DS (currently held by the Sponsor);and

  iii. a pledge of 49% of the equity shares of SU (currently held by the Sponsor).

 i. An irrevocable and unconditional corporate guarantees from the Sponsor; and

j. An irrevocable and unconditional shortfall undertaking or corporate governance from the Sponsor to meet shortfall (if any) between outstanding obligations and termination payments received from NHAI in case of termination of the concession agreement for any reason, repayment of debt due to senior lenders in the event termination payments are not received within a specified time from the termination of the concession agreement and repayment of debt due to senior lenders in case of an event of default which is also a concessionaire default under the concession agreement.

4. **Negative Lien/Non-Disposal Undertaking:** Certain borrowing arrangements entered into by the Project SPVs contain provisions restricting the Project SPV from recognising or registering any transfer of shares that will cause the collective shareholding of the Sponsor to fall below 51% and the same shall stand reduced to the extent of 26% upon repayment of 75% of the amounts outstanding under the relevant borrowing arrangement, provided that there is no outstanding event of default under the relevant borrowing arrangement.

5. **Covenants:** Borrowing arrangements entered into by the Project SPVs contain certain restrictive conditions and covenants restricting certain corporate actions and the respective Project SPV is required to take the prior approval of the lender before carrying out such activities. Each of the Project SPVs are also required to adhere to certain financial covenants, which include but are not limited to, maintaining a prescribed debt to equity ratio during the currency of the loan, maintaining a minimum debt service coverage ratio, maintaining a debt service reserve account and maintaining a major maintenance reserve account.

   A Project SPV is required to intimate and/or obtain prior written permission of its lenders, *inter alia*, in the following instances:

   a. Effecting any change in capital structure (including shareholding pattern);

   b. Selling, leasing, transferring or otherwise disposing off its assets;

   c. amending, modifying or supplementing its memorandum of association and articles of association in any material manner;

   d. Making any capital expenditure other than permitted investments;

   e. Creation of any security interest in any property of the Project SPV;

   f. Incurrence of any other indebtedness, including the issue of debentures other than permitted indebtedness;

   g. Raising any equity or preference share capital;

   h. Repayment or prepayment of any subordinated loans except loans by the Project SPVs from the Sponsor during the construction period for meeting shortfall in internal accruals or to meet the gap on account of non-receipt of grant or change of scope;

   i. Establishing and/or opening any account other than the escrow account under the relevant borrowing arrangement;

   j. Undertake or permit any scheme of arrangement or compromise with its creditors or shareholders; and

   k. Any proposed change in the nature or scope of the project.

6. **Events of Default:** Borrowing arrangements entered into by the Project SPVs contain standard events of default, including:

   a. Non-payment of principal amount by the Project SPV;

   b. Non-payment of interest, additional interest, liquidated damages, free or other amount by the Project SPV;

c. Default by the borrower in creation of security interest to the satisfaction of the lenders within the period stipulated;

d. Default or breach in the performance of any covenants and/or covenants under the agreement by the Project SPV;

e. Misrepresentation made by the Project SPV under the agreement or any financing document provided in connection with the loan;

f. Invalidity of financial documents;

g. Sale, disposal or creation of any charge or encumbrance on any of the land, building, structures or plant and machinery of the Project SPVs in breach of any of the provisions of the relevant project agreements, without prior written approval of the relevant lenders;

h. Undertaking any action for reorganization of the Project SPV without the approval of the relevant lenders;

i. Default in performance or observance of any covenant, condition, warranty or provision contained in any other financing agreement entered into by the Project SPV;

j. In the event of cross default by the Project SPV;

k. Failure on the part of the Project SPV to maintain adequate insurances in accordance with the terms of the transaction documents;

l. Failure to maintain required balance in the escrow account;

m. The Project SPV ceasing or threatening to cease to carry on its business or giving notice of its intention to do so;

n. The Project SPV abandoning its project;

o. Violation or breach of any environmental, health and safety standards requirement; and

p. The Project SPV ceasing or threatening to cease to carry on its business or giving notice of its intention to do so or it becoming unlawful for the borrower to carry on its business.

The descriptions above are indicative, and there may be additional terms and conditions with respect to security, financial or other covenants and events of default under the various borrowing arrangements entered into by the Project SPVs. The Project SPVs are required to ensure that the aforementioned events of default and other events of default, as specified under the various documents and agreements entered into by such Project SPV for the purpose of availing of loans, are not triggered.

Consents from the Lenders of the Project SPVs

The Project SPVs have applied to their respective lenders to undertake the various activities that are proposed by way of the Formation Transactions and the investment by the Trust in the Project SPVs by way of an infusion of debt, including but not limited to a change in management and disposal of Sponsor's shareholding in the Project SPVs to the Trust, temporary release of pledge of the equity shares of the Project SPVs, release of corporate guarantees provided by the Sponsor, availing debt financing from the Trust out of the proceeds of the Issue to repay the unsecured subordinate debt advanced by the Sponsor to the Project SPVs and replace it with debt financing from the Trust and the creation of a *pari passu* charge with respect to the Secured Trust Financing. For additional details, see "*Use of Proceeds*" and "*Background and Structure of the Trust*" on page 87 and page 118, respectively.

Set forth below is a brief summary of the status of the lender's consents with respect to Project SPVs, as of the date of the Draft Offer Document:

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
DS				
1.	Infrastructure Development Finance Company Bank Limited	Rupee Loan Agreement dated March 26, 2012	Infrastructure Development Finance Company Bank Limited *vide* its letter dated April 13 ("**IDFC Letter**"), 2017 has consented to: 1. change in management control of DS from the Sponsor and/or subsidiary/ associates to the Trust; 2. transfer of 100% shareholding in DS held by the Sponsor and/or subsidiaries/associates to the Trust; 3. temporary release of pledge of 51% shares for the sole purpose of transfer to the Trust. The shares shall be re-pledged in favour of the lenders within 60 days from the date of release of the pledged shares; and 4. debt prepayment of the existing outstanding senior debt in DS with payment of prepayment premium as per the financing documents on debt amount getting prepaid. Such debt prepaid will be on a proportionate basis across the tenor of the senior debt. DS shall avail secured sponsor loan from the Trust aggregating to about Rs. 1,380.00 million for the aforesaid part - prepayment of the senior debt across the project assets in the manner provided below: (a) Part prepayment of senior debt: the Secured Trust Financing from the Trust shall be subordinated to the senior debt in terms of cash flows servicing viz. interest servicing and reserve creation (DSR,MMR,etc.) / redemption of such sponsor loans shall be post senior debt servicing and reserve creation (DSR,MMR,etc.) in the waterfall mechanism and subject to the availability of surplus cash in the system. Also, the Secured Trust Financing once approved by the NHAI, will get recognised by NHAI as senior debt for termination payments however the same shall be subordinate to senior lenders in terms of the waterfall mechanism at the time of payout of termination payments. The Secured Trust Financing shall have first *pari passu* charge (along with existing senior lenders) on the existing security offered to the senior lenders to secure the secured debt financing availed by DS from the Trust.	Infrastructure Development Finance Company Bank Limited's consent is subject to the following conditions and compliance of each to the absolute satisfaction of Infrastructure Development Finance Company Bank Limited: • receipt of NHAI approval for stake transfer from the Sponsor to the Trust; • no objection certificates from other consortium lenders for the proposed transfer, change in management control and transitory release of pledge of 51% shares for the sole purpose of transfer to the Trust; • senior debt prepayment for the project asset to be as per the values provided in the IDFC Letter; • the debt financing from the Trust to be subordinated to the senior lenders in terms of debt servicing and termination payment pay-outs. Interest servicing and/or redemption of such debt financing from the Trust to be made only from the surplus cash flows of DS and the same shall be specified in the supplementary escrow agreement to be executed between lenders' agent, escrow bank and the borrower; • the Trust will pledge 51% shares of DS in favour of lenders/security trustee within 60 days from date of release of the pledged shares; • availing of debt financing by DS from the Trust out of the proceeds of the Issue in the form of loans, debentures, deposits or a combination thereof; • creation of *pari passu* charge on the assets of DS to secure the debt financing availed by DS from the Trust (only permitted for Secured Trust Financing for prepayment of existing senior debt); • debt financing from the Trust to the extent of replacement of the existing senior debt shall be considered senior debt for NHAI and concession agreement;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• replacement of sub-debt loan with unsecured loans from the Trust (terms on an arm's length basis); • refinancing/replacement of any existing sponsor loan from the debt financing from the Trust; • sponsor undertakings/ guarantees provided by the Sponsor shall be replaced with undertakings / guarantees from the Trust (However, for DS, Sponsor termination payment shortfall undertaking shall be replaced with the Trust termination payment shortfall undertaking. This undertaking shall be provided upfront before release of existing Sponsor undertaking. These Trust undertakings/guarantees shall be provided upfront before release of existing undertakings/guarantees. Termination payment shortfall guarantees/undertakings provided by the Trust shall replace existing guarantees given by the Sponsor.); • waiver of cash sweep mentioned in the loan agreement; • arbitration claims received or to be received by DS in the future to be passed to the Sponsor without testing the escrow waterfall – waiver of mandatory prepayment clause of loan agreement; and • amendment of the articles of association of DS to facilitate any statutory requirement.
2.	India Infrastructure Finance Company Limited	Takeout agreement dated January 13, 2015	India Infrastructure Finance Company Limited *vide* its letter dated April 26, 2017 ("**IIFCL Takeout Letter**") has consented to: (a) change in management control of DS from the Sponsor and/or subsidiary/ associates to the Trust; (b) transfer of 100% shareholding in DS held by the Sponsor and/or subsidiaries/associates to the Trust; (c) temporary release of pledge of 51% shares for the sole purpose of transfer to the Trust. The shares shall be re-pledged in favour of the lenders within 60 days from the date of release of the pledged shares; and (d) debt prepayment of the existing outstanding senior debt of DS with payment of pre-payment premium as per the financing documents on debt amount getting prepaid. Such debt pre-paid will be on a proportionate basis across the tenor of the senior debt. DS shall avail	India Infrastructure Finance Company Limited's consent is subject to the following conditions and compliance of each to the absolute satisfaction of India Infrastructure Finance Company Limited: • receipt of NHAI approval for stake transfer from the Sponsor to the Trust; • no objection certificates from other consortium lenders for the proposed transfer, change in management control and transitory release of pledge of 51% shares for the sole purpose of transfer to the Trust; • senior debt prepayment for the project asset to be as per the values provided in the IIFCL Takeout Letter;

			secured sponsor loan from the Trust aggregating to about Rs. 1,540.00 million for the aforesaid part - prepayment of the senior debt across the project assets in the manner provided below: (a) Part prepayment of senior debt: the Secured Trust Financing from the Trust shall be subordinated to the senior debt in terms of cash flows servicing viz. interest servicing and reserve creation (DSR,MMR,etc.) / redemption of such sponsor loans shall be post senior debt servicing and reserve creation (DSR,MMR,etc.) in the waterfall mechanism and subject to the availability of surplus cash in the system. Also, the Secured Trust Financing once approved by the NHAI, will get recognised by NHAI as senior debt for termination payments however, the same shall be subordinate to senior lenders in terms of the waterfall mechanism at the time of payout of termination payments. The Secured Trust Financing shall have first *pari passu* charge (along with existing senior lenders) on the existing security offered to the senior lenders to secure the secured debt financing availed by DS from the Trust.	• the debt financing from the Trust to be subordinated to the senior lenders in terms of debt servicing and termination payment pay-outs. Interest servicing and/or redemption of such debt financing from the Trust to be made only from the surplus cash flows of DS and the same shall be specified in the supplementary escrow agreement to be executed between lenders' agent, escrow bank and the borrower; • the Trust will pledge 51% shares of DS in favour of lenders/security trustee within 60 days from date of release of the pledged shares; • availing of debt financing by DS from the Trust out of the proceeds of the Issue raised by the Trust in the form of loans, debentures, deposits or a combination thereof; • creation of *pari passu* charge on the assets of DS to secure the debt financing availed by DS from the Trust (only permitted for Secured Trust Financing for prepayment of existing senior debt); • debt financing from the Trust to the extent of replacement of the existing senior debt shall be considered senior debt for NHAI and concession agreement; • replacement of sub-debt for loan with unsecured loans from the Trust (terms on an arm's length basis); • refinancing/replacement of any existing sponsor loan from the debt financing from the Trust; • sponsor undertakings/ guarantees provided by the Sponsor shall be replaced with undertakings / guarantees from the Trust (However, for DS, Sponsor termination payment shortfall undertaking shall be replaced with the Trust termination payment shortfall undertaking. This undertaking shall be provided upfront before release of the existing Sponsor undertaking. These Trust undertakings/guarantees shall be provided upfront before release of existing undertakings/guarantees. Termination payment shortfall guarantees/undertakings provided by the Trust shall replace existing guarantees given by the Sponsor.); • waiver of cash sweep mentioned in the loan agreement; • arbitration of cash sweep mentioned in the loan agreement; • arbitration claims received or to be received by DS in the future to be passed to the Sponsor without testing the escrow

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				waterfall – waiver of mandatory prepayment clause of loan agreement; • amendment of the articles of association of NK to facilitate any statutory requirement; • all other terms and conditions governing the loan shall remain the same; and • modification charges of Rs. 0.10 million plus applicable taxes to be paid as per the India Infrastructure Finance Company Limited credit policy.
GF				
1.	Allahabad Bank	Common loan agreement dated August 26, 2009	Applied for and Pending Receipt	-
2.	Axis Bank Limited		Axis Bank Limited *vide* its letter dated April 7, 2017 ("**Axis Letter**") has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF; repayment/prepayment of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust as per the facility agreement. 4. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 5. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 6. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided	Axis Bank Limited's consent is subject to the following: • Full outstanding amount of the term loan availed from Axis Bank Limited being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding loan immediately. • Receipt of no-objection certificates from all other term loan lenders. • Any other conditions stipulated by other lenders would also be applicable to the Axis Letter.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of GF, and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	
3.	Bank of Baroda		Bank of Baroda *vide* its letter dated April 12, 2017 ("**BoB Letter**") has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF. 4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust along with the release of corporate guarantees of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	Bank of Baroda's consent is subject to the following conditions: • Full outstanding amount of the term loan availed from Bank of Baroda being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately. • Receipt of no objection certificates from all other term loan lenders. • Any other conditions stipulated by other lenders would also be applicable to the BoB Letter. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust. • The BoB Letter is issued at the specific request of GF without any risk and responsibility on the part of bank or any of its officers.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
4.	Bank of India		Bank of India *vide* its letter dated April 13, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF. 4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the HPWD pursuant to any claims awarded in favour of GF and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	Bank of India's consent is subject to the following conditions: • Receipt of similar no objection certificates from all other member banks. • Full outstanding amount of the loan availed from Bank of India being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust.
5.	Corporation Bank		Corporation Bank *vide* its letter dated April 25, 2017 ("**Corporation Bank Letter**") has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the	Corporation Bank's consent is subject to the following: • Full outstanding amount of the term loan availed from Corporation Bank being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF. 4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust along with the release of corporate guarantees of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of GF, and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	business days, the Sponsor will prepay the entire outstanding loan immediately. • Receipt of no-objection certificates from all other term loan lenders. • Any other conditions stipulated by other lenders would also be applicable to the Corporation Bank Letter. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust.
6.	Indian Bank		Applied for and Pending Receipt	-
7.	State Bank of Patiala		State Bank of India *vide* its letter dated April 17, 2017 ("**SBI Letter**") has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by	State Bank of India's consent is subject to the following conditions: • Receipt of similar no objection certificates from all other member banks. • Full outstanding amount of the loan availed from State Bank of India being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues including applicable prepayment penalty from the proceeds of the debt financing provided by or on behalf of the Trust to GF. 4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of GF, and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	• The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust. • Any other conditions stipulated by other lenders would also be applicable to the SBI Letter.
8.	UCO Bank		Applied for and Pending Receipt	-
9.	Union Bank of India		Union Bank of India *vide* its letter dated April 25, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor.	Union Bank of India's consent is subject to the following conditions: • Receipt of similar no objection certificates from the consortium members. • Full outstanding amount of the loan availed from Union Bank of India being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF. 4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust along with the release of corporate guarantee of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of GF and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	
10.	United Bank of India		United Bank of India *vide* its letter dated April 19, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by GF in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by GF from the Sponsor; and prepayment of the unsecured loans and advances availed by GF from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to GF.	United Bank of India's consent is subject to the following conditions: • Receipt of similar approvals from all other consortium lenders. • Full outstanding amount of the loan availed from United Bank of India being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of GF from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from GF/Trust, in the account of GF.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			4. Release of negative lien on the shares of GF held by the Sponsor for the purpose of transfer to the Trust along with the release of the corporate guarantees of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by GF to the Sponsor and permit: (a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of GF, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of GF, and restrictions on the utilisation of any surplus cash amounts standing to the credit of GF's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	
JR				
1.	Yes Bank Limited	Loan agreement dated January 25, 2011	Yes Bank Limited *vide* its letter dated April 3, 2017 ("**Yes Bank Letter**") has consented to: 1. change in management control in JR and transfer of entire shareholding by the Sponsor to the Trust; 2. waiver of non-disposal undertaking given by the Sponsor and replacement of same with that of a non-disposable undertaking from the Trust; 3. replacement of any undertakings by the Sponsor with those of undertakings by the Trust; 4. release of corporate guarantees of the Sponsor and replacement of the same by a guarantee on the similar lines from the Trust; 5. availing debt financing by JR from the Trust, which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law and subject to finance documents; 6. repayment of the existing senior lender debt in the JR to the tune of at least Rs. 2,100 million from the proceeds of the issuance of the Units by the Trust; 7. creation of charge, subject to NHAI approval, on the assets of JR to	Yes Bank Limited's consent is subject to the following conditions: • approval/ no objection certificates from NHAI for the transfer of JR to the Trust (JR to share a copy of the approval/ no objection certificates received from NHAI); • the Yes Bank Letter is issued on the specific request of JR for the purpose of the offer; • necessary modifications to be carried out in the finance documents; and • prepayment of senior debt.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			secure the debt financing availed of by JR from the Trust only to the extent of the amount which has been utilized for prepayment of senior debt; however debt from senior lenders in JR to continue to have priority on the cash flows (including the proceeds from termination) over the debt from the Trust in all respects; 8. repayment of existing subordinate and other debt from the Sponsor and its group/associate companies availed by JR as loan from Trust on arm's length basis; this debt shall continue to be subordinate to the senior lenders in all respects; 9. debt prepayment of the existing, outstanding senior debt in JR on proportionate basis without payment of applicable prepayment premium on such debt amounts getting prepaid; 10. utilisation of the surplus cash amounts available in the 'Distribution Sub-Account' in accordance with the Finance Documents at the discretion of JR and the Investment Manager; 11. amendment to the articles of association of JR to facilitate any statutory requirements; 12. disclosure of the necessary terms and conditions of the facility agreements in the offer documents filed with SEBI, stock exchanges and other regulatory authorities and prospective investors; 13. permit amounts payable by the NHAI or otherwise towards claims awarded in favour of JR to be deposited in the escrow account opened pursuant to the escrow agreement and subject to necessary approvals from NHAI, transferred to the Sponsor without following the waterfall priority mechanism provided for in the escrow agreement and any amendments or supplements thereto and mandatory prepayment clause under the finance documents; and 14. proposed amendment to the terms of the subordinate debt certificates issued by JR to the Sponsor, permitting: (a) novation of the subordinate debt certificates from the Sponsor to the Trust; and (b) any future redemption of the subordinate debt certificates by way of issue of an unsecured rupee loan on mutually agreeable terms between the Trust and the Company.	

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
1.	Infrastructure Development Finance Company Bank Limited	Rupee Loan Agreement dated March 26, 2012	Infrastructure Development Finance Company Bank Limited *vide* its letter dated April 13, 2017 ("**IDFC Bank Letter**") has consented to: 1. change in management control of NK from the Sponsor and/or subsidiary/ associates to the Trust; 2. transfer of 100% shareholding in NK held by the Sponsor and/or subsidiaries/associates to the Trust; 3. temporary release of pledge of 51% shares for the sole purpose of transfer to the Trust. The shares shall be re-pledged in favour of the lenders within 60 days from the date of release of the pledged shares; and 4. debt prepayment of the existing outstanding senior debt in NK with payment of prepayment premium as per the financing documents on debt amount getting prepaid. Such debt prepaid will be on a proportionate basis across the tenor of the senior debt. NK shall avail secured sponsor loan from the Trust aggregating to about Rs. 450.00 million for the aforesaid part - prepayment of the senior debt across the project assets in the manner provided below: (a) Part prepayment of senior debt: the Secured Trust Financing from the Trust shall be subordinated to the senior debt in terms of cash flows servicing viz. interest servicing and reserve creation (DSR,MMR,etc.) / redemption of such sponsor loans shall be post senior debt servicing and reserve creation (DSR,MMR,etc.) in the waterfall mechanism and subject to the availability of surplus cash in the system. Also, the Secured Trust Financing once approved by the NHAI, will get recognised by NHAI as senior debt for termination payments however the same shall be subordinate to senior lenders in terms of the waterfall mechanism at the time of payout of termination payments. The Secured Trust Financing shall have first *pari passu* charge (along with existing senior lenders) on the existing security offered to the senior lenders to secure the secured debt financing availed by NK from the Trust.	Infrastructure Development Finance Company Bank Limited's consent is subject to the following conditions and compliance of each to the absolute satisfaction of Infrastructure Development Finance Company Bank Limited: • receipt of NHAI approval for stake transfer from the Sponsor to the Trust; • no objection certificates from other consortium lenders for the proposed transfer, change in management control and transitory release of pledge of 51% shares for the sole purpose of transfer to the Trust; • senior debt prepayment for the project asset to be as per the values provided in the IDFC Bank Letter; • the debt financing from the Trust to be subordinated to the senior lenders in terms of debt servicing and termination payment pay-outs. Interest servicing and/or redemption of such debt financing from the Trust to be made only from the surplus cash flows of NK and the same shall be specified in the supplementary escrow agreement to be executed between lenders' agent, escrow bank and the borrower; • the Trust will pledge 51% shares of NK in favour of lenders/security trustee within 60 days from date of release of the pledged shares; • availing of debt financing by NK from the Trust out of the proceeds of the Issue in the form of loans, debentures, deposits or a combination thereof; • creation of *pari passu* charge on the assets of NK to secure the debt financing availed by NK from the Trust (only permitted for Secured Trust Financing for prepayment of existing senior debt); • debt financing from the Trust to the extent of replacement of the existing senior debt shall be considered senior debt for NHAI and concession agreement; • replacement of sub-debt loan with unsecured loans from the Trust (terms on an arm's length basis); • refinancing/replacement of any existing sponsor loan from the debt financing from the Trust;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• sponsor undertakings/ guarantees provided by the Sponsor shall be replaced with undertakings / guarantees from the Trust (These Trust undertakings/guarantees shall be provided upfront before release of existing undertakings/guarantees. Termination payment shortfall guarantees/undertakings provided by the Trust shall replace existing guarantees given by the Sponsor.); • waiver of cash sweep mentioned in the loan agreement; • arbitration claims received or to be received by NK in the future to be passed to the Sponsor without testing the escrow waterfall – waiver of mandatory prepayment clause of loan agreement; and • amendment of the articles of association of NK to facilitate any statutory requirement.
2.	IDBI Trusteeship Services Limited (Debenture Trustee)	Debenture Trust Deed dated September 24, 2015	IDFC Infrastructure Finance Limited ("**IDFC IFL**") *vide* its letter dated April 20, 2017 has consented to: 1. change in management control of NK from the Sponsor and/or subsidiary/ associates to the Trust; 2. transfer of 100% promoter/sponsor shareholding in NK held by the Sponsor and/or subsidiaries/associates to the Trust; 3. temporary release of pledge of 51% shares for the sole purpose of transfer to the Trust. The shares shall be re-pledged in favour of the lenders within 60 days from the date of release of the pledged shares; and 4. the revised exposure of IDFC IFL post-debt prepayment to the senior lenders shall stand at Rs. 470.8 million.	IDFC IFL's consent is subject to the following conditions and compliance of each to the absolute satisfaction of IDFC IFL: • receipt of NHAI approval for stake transfer from the Sponsor to the Trust; • no objection certificates from other consortium lenders for the proposed transfer, change in management control and transitory release of pledge of 51% shares for the sole purpose of transfer to the Trust; • senior debt for the project asset may be reduced to Rs. 670 million post part-prepayment of the senior debt; however no prepayment of IDFC IFL facility of Rs. 470.8 million; • the debt financing from the Trust to be subordinated to the senior lenders in terms of debt servicing and termination payment pay-outs. Interest servicing and/or redemption of such debt financing from the Trust to be made only from the surplus cash flows of NK and the same shall be specified in the supplementary escrow agreement to be executed between lenders' agent, escrow bank and the borrower; • the Trust will pledge 51% shares of NK in favour of the lenders/security trustee within 60 days from the date of release of the pledged shares;

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
				• availing of debt financing by NK from the Trust out of the proceeds of the Issue raised by the Trust in the form of loans, debentures, deposits or a combination thereof; • creation of *pari passu* charge on the assets of NK to secure the debt financing availed by NK from the Trust – only permitted for secured debt financing from the Trust used for prepayment of the existing senior debt; • debt financing from the Trust to the extent of replacement of the existing senior debt shall be considered senior debt for NHAI and concession agreement; • replacement of sub-debt loan with unsecured debt financing from the Trust and the terms of such financing shall be on arm's length basis; • refinancing/replacement of any existing sponsor loan from the debt financing from the Trust; • sponsor undertakings/ guarantees provided by the Sponsor shall be replaced with suitable undertakings/ guarantees from the Trust. These undertakings/guarantees from the Trust shall be provided upfront before release of existing undertakings/guarantees. Termination payment shortfall guarantees/ undertakings provided by the Trust shall replace existing guarantees given by the Sponsor; • arbitration claims received/to be received by NK in the future to be passed to the Sponsor without testing the escrow waterfall. Waiver of any mandatory prepayment clause in the loan agreement; • amendment of the articles of association of NK to facilitate any statutory requirement if required; and • any replacement of the project manager of the Trust shall be subject to the prior approval of IDFC IFL. Further change in the project manager of the Trust will only be to an entity which is equal or better in terms of the prescribed O&M capacity requirements of NK.
SU				
1.	Dena Bank		Applied for and Pending Receipt	-

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
2.	Oriental Bank of Commerce	Facility Agreement dated June 23, 2014	Applied for and Pending Receipt	-
3.	State Bank of Bikaner & Jaipur		Applied for and Pending Receipt	-
4.	State Bank of India		Applied for and Pending Receipt	-
5.	State Bank of Mysore		Applied for and Pending Receipt	-
6.	L&T Infrastructure Finance Company Limited		L&T Infrastructure Finance Company Limited *vide* its letter dated April 6, 2017 ("**L&T Letter**") has consented to: 1. change in management and management control of SU as may be required for the purpose of transfer of shareholding to the Trust; 2. transfer of all of the shareholding of SU held by the Sponsor to the Trust; 3. release of any undertakings by the Sponsor and the replacement of the same with the undertakings from the Trust; 4. temporary release of negative lien and pledge on 51% of the issued and fully paid-up equity share capital of SU created in favour of the security trustee for the interest and the benefit of the secured parties for the limited purpose of transfer of the shareholding to the Trust; 5. post completion of the proposed transfer, incurring further indebtedness in the form of debt financing (in the form of loans, deposits or a combination thereof, as permitted under applicable law and on terms mutually acceptable to SU and the lenders) by SU from the Trust to the extent of at least Rs. 3,270 million for the sole purpose of part prepayment of the dues of the existing lenders/ debenture holders along with the creation of a first ranking *pari passu* charge on the assets of SU to secure the debt financing availed from the Trust and such terms shall not be preferential to the rights and interests of the lenders in any manner whatsoever; 6. prepayment of financial assistance availed by SU under the facility agreement and debenture trust deed out of the debt financing availed from the Trust in the order of priority specified in the L&T Letter; 7. utilisation of the surplus cash amounts available in the 'SUTRPL Borrower Account' (distribution account) at the discretion of SU and Investment Manager from time to time; and 8. permission to transfer the amounts payable by NHAI towards any claim (save and except termination payments) pertaining to the disputes (arising out of periods prior to the date of listing of the units	L&T Infrastructure Finance Company Limited's consent is subject to the following conditions: 1. the undertakings by the Sponsor shall continue to be in full force and effect until the transfer is completed and similar undertakings are given by the Trust; 2. 51% shares shall be re-pledged in favour of the lenders/security trustee for the interest and benefit of the secured parties within 45 days from the date of release of the existing pledge and/or negative lien; 3. entire 100% equity voting share capital in SU shall be transferred by the Sponsor to the Trust within 270 days of the L&T Letter; 4. alteration/amendment/ modification of the charter documents of SU to the extent required pursuant to the proposed transfer and/or terms, subject to the same being in such form and manner and on such terms and conditions as acceptable to the lenders; 5. receipt of approval from NHAI or from any other authority, for the proposed transfer and/or terms, as may be required; 6. compliance of all statutory requirements with respect to the proposed transfer and/or terms and matters connected therewith by SU, Sponsor and the Trust; 7. the Trust shall undertake similar obligations as undertaken by the Sponsor under the financing documents (including but not limited to sponsor support agreement/promoter undertaking dated June 23, 2014) and the project documents and the Trust shall execute the relevant documents in this regard; 8. SU, Sponsor and the Trust shall do all such acts, deeds or things and enter into such deeds, documents and agreements as may be required by the lenders from time to time in connection with the proposed transfer and/or terms to

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			of the Trust) awarded in favour of SU to the Sponsor without following the waterfall priority mechanism provided for in the escrow agreement dated December 18, 2014 and any amendments or supplements thereto and waiver of mandatory prepayment only for the amounts payable by NHAI, subject to the satisfactory repayment of the secured obligations by SU to the lenders and if no payment event of default has occurred or is continuing.	safeguard interest of the lender under the finance documents and/or the L&T Letter; 9. receipt of undertaking from the Sponsor, in form and manner satisfactory to the lenders, to convert provisional commercial operations date into commercial operations date for the project and to fund additional capex beyond the budget of Rs. 1,900 million as required under clause 2.2 (Bypasses) of part IV technical schedules of the concession agreement; 10. during the currency of the facility and till the secured obligations are outstanding the Trust shall not, in its capacity as a senior lender to SU without the prior written consent of the lenders: (a) initiate any enforcement action against SU or its assets which is prejudicial to the rights and interests of the lenders; (b) raise any objection or protests or attempt in any manner to delay any action taken or right exercised by the lenders against SU or its assets, as may available to the lenders in accordance with the terms of the facility agreement, other finance documents and applicable law; or (c) be entitled to any repayment/prepayment of the debt financing availed from the Trust upon the occurrence of or the continuance of any event of default, notwithstanding anything contained in the L&T Letter, the lenders shall have priority over and above the debt financing availed from the Trust on the cashflows (including on the termination payment under the concession agreement dated July 19, 2007) in payment of secured obligation under the finance documents (including but not limited to interest and principal) and SU, Sponsor shall enter into requisite documents to give effect to the same; 11. any actions pursuant to approvals provided in the L&T letter shall not in any manner affect and/or prejudice the rights of the lenders under the finance documents; and 12. receipt of similar no objections from the other lenders of SU.
7.	IDBI Trusteeship Services Limited	Debenture Trust Deed dated August 12, 2014	Applied for and Pending Receipt	-

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
	(Debenture Trustee)			
TD				
1.	Bank of India	Common Rupee Loan Agreement dated March 28, 2008	Bank of India *vide* its letter dated April 24, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by TD in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof; as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by TD from the Sponsor; and prepayment of the unsecured loans and advances availed by TD from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to TD. 4. Release of negative lien on the shares of TD held by the Sponsor for the purposes of transfer to the Trust. 5. Permit any amendments to the terms of the subordinate debt certificates issued by TD to the Sponsor and permit: (a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust . 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TD as provided for in the facility agreement and other transaction documents, including any restrictions on the utilization of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of TD, and restrictions on the utilization of any surplus cash amounts standing to the credit of TD's 'Surplus Sub-Account', will immediately fall away without the requirement of any further action.	Bank of India's consent is subject to the following conditions: • Receipt of similar approvals from all other member banks. • Full outstanding amount of the loan availed from Bank of India being prepaid along with interest and applicable prepayment penalty within 15 business days of transfer of shareholding of TD from the Sponsor to the Trust and in case the full prepayment is not received within 15 business days, the Sponsor will prepay the entire outstanding amount immediately. • The final no-dues certificate will be issued only after receipt of all the dues and charges (including overdues, if any) from TD/Trust.
2.	Canara Bank		Applied for and Pending Receipt	-
3.	Corporation Bank		Applied for and Pending Receipt	-

<table>
<tr><th>Sr. No.</th><th>Name of Lender</th><th>Nature of Borrowing and details of documentation</th><th>Status / Details of Lender’s Consent</th><th>Conditions Specified (if any)</th></tr>
<tr><td>4.</td><td>India Infrastructure Finance Company Limited</td><td></td><td>India Infrastructure Finance Company Limited vide its letter dated April 26, 2017 has consented to:
1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto.
2. Incurring further indebtedness by TD in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof; as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by TD from the Sponsor; and prepayment of the unsecured loans and advances availed by TD from the Sponsor.
3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to TD.
4. Release of negative lien on the shares of TD held by the Sponsor for the purposes of transfer to the Trust along with the release of corporate guarantees of the Sponsor as per the facility agreement.
5. Permit any amendments to the terms of the subordinate debt certificates issued by TD to the Sponsor and permit:
(a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust;
(b) any future redemption of the subordinate debt certificates by way of issue of an unsecured rupee loan on mutually agreeable terms between the Trust and TD.
6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment.
7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TD, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilization of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of TD, and restrictions on the utilization of any surplus cash amounts standing to the credit of TD’s ‘Surplus Sub-Account’, will immediately fall away without the requirement of any further action.</td><td>India Infrastructure Finance Company Limited’s consent is subject to the following conditions:
• Receipt of similar approvals from all lenders.
• Repayment of entire outstanding amount along with interest and prepayment penalty.
• Modification charges of Rs. 0.10 million plus applicable taxes to be paid as per the India Infrastructure Finance Company Limited credit policy.</td></tr>
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Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
5.	Oriental Bank of Commerce		Oriental Bank of Commerce *vide* its letter dated April 6, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by TD in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof; as permitted under applicable law; creation of a *pari passu* charge on the assets (including the escrow account and cash flows) of TD to secure the further indebtedness to be availed for the repayment of senior lender debt by TD from the Trust; repayment/prepayment of a part of the subordinate debt availed by TD from the Sponsor; and prepayment of the unsecured loans and advances availed by TD from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and prepayment penalty from the proceeds of the debt financing provided by or on behalf of the Trust to TD. 4. Release of negative lien on the shares of TD held by the Sponsor for the purposes of transfer to the Trust along with the release of corporate guarantees of the Sponsor and charge on all assets charged/mortgaged/pledged/secured in any manner to Oriental Bank of Commerce as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by TD to the Sponsor and permit: (a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust; and (b) any future redemption of the subordinate debt certificates by way of issue of an unsecured rupee loan on mutually agreeable terms between the Trust and TD. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TD as provided for in the facility agreement and other transaction documents, including any restrictions on the utilization of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of	The no-objection letter is subject to the repayment of Oriental Bank of Commerce's entire outstanding amount along with interest and prepayment penalty.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			TD, and restrictions on the utilization of any surplus cash amounts standing to the credit of TD, will immediately fall away without the requirement of any further action.	
6.	UCO Bank		Applied for and Pending Receipt	-
TK				
3.	Bank of India	Common Rupee Loan Agreement dated March 28, 2008	Applied for and Pending Receipt	-
4.	Canara Bank		Applied for and Pending Receipt	-
5.	Corporation Bank		Applied for and Pending Receipt	-
6.	India Infrastructure Finance Company Limited		India Infrastructure Finance Company Limited *vide* its letter dated April 26, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by TK in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof; as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by TK from the Sponsor; and prepayment of the unsecured loans and advances availed by TK from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to TK. 4. Release of negative lien on the shares of TK held by the Sponsor for the purposes of transfer to the Trust along with the release of corporate guarantees of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by TK to the Sponsor and permit: (a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust; (b) any future redemption of the subordinate debt certificates by way of issue of an unsecured rupee loan on mutually agreeable terms between the Trust and TK. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment.	India Infrastructure Finance Company Limited's consent is subject to the following conditions: • Receipt of similar approvals from all lenders. • Repayment of entire outstanding amount along with interest and prepayment penalty. • Modification charges of Rs. 0.10 million plus applicable taxes to be paid as per the India Infrastructure Finance Company Limited credit policy.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TK, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilization of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of TK, and restrictions on the utilization of any surplus cash amounts standing to the credit of TK's 'Surplus Sub-Account', will immediately fall away without the requirement of any further action.	
7.	Indian Overseas Bank		Indian Overseas Bank *vide* its letter dated April 11, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by TK in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per the Issue; repayment/prepayment of a part of the subordinate debt availed by TK from the Sponsor; and prepayment of the unsecured loans and advances availed by TK from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and any pending dues from the proceeds of the debt financing provided by or on behalf of the Trust to TK. 4. Release of negative lien on the shares of TK held by the Sponsor for the purpose of transfer to the Trust along with the release of corporate guarantees of the Sponsor as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by TK to the Sponsor and permit: (a) novation of a portion of the subordinate debt certifiates from the Sponsor to the Trust. 6. Issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. Upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TK, as provided for in the facility agreement and other transaction documents, including any restrictions on the utilisation of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of	All the approvals provided in the no-objection letter are subject to lenders being prepaid the full outstanding amount along with interest and prepayment penalty as per the financing agreements.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			TK, and restrictions on the utilisation of any surplus cash amounts standing to the credit of TK's 'Surplus Sub-account', will immediately fall away without the requirement of any further action.	
8.	Oriental Bank of Commerce		Oriental Bank of Commerce *vide* its letter dated April 6, 2017 has consented to: 1. Transfer of shareholding and change in management and control, the various other matters in connection with the Issue and to give effect thereto. 2. Incurring further indebtedness by TK in the form of debt financing from the Trust (from the proceeds of the Issue), which may be in the form of loans, debentures, deposits or a combination thereof, as permitted under applicable law as per Issue; creation of a *pari passu* charge on the assets (including the escrow account and cash flows) of TK to secure the further indebtedness to be availed for the repayment of senior lender debt by TK from the Trust; repayment/prepayment of a part of the subordinate debt availed by TK from the Sponsor; and prepayment of the unsecured loans and advances availed by TK from the Sponsor. 3. Prepayment of the entire outstanding amount under the facility, along with interest and prepayment penalty from the proceeds of the debt financing provided by or on behalf of the Trust to TK; 4. Release of negative lien on the shares of TK held by the Sponsor for the purposes of transfer to the Trust along with the release of corporate guarantees of the Sponsor and charge on all assets charged/mortgaged/pledged/secured in any manner to Oriental Bank of Commerce as per the facility agreement. 5. Permit any amendments to the terms of the subordinate debt certificates issued by TK to the Sponsor and permit: (a) novation of a portion of the subordinate debt certificates from the Sponsor to the Trust; and (b) any future redemption of the subordinate debt certificates by way of issue of an unsecured rupee loan on mutually agreeable terms between the Trust and TK. 6. issue a no-dues certificate confirming that the entire outstanding amount under the facility has been repaid and that there are no further dues outstanding on the facility within 7 (seven) working days from the date of receipt of payment. 7. upon prepayment of the entire outstanding amount under the facility, the ongoing obligations and covenants of TK as provided for in the	The no-objection letter is subject to the repayment of Oriental Bank of Commerce's entire outstanding amount along with interest and prepayment penalty.

Sr. No.	Name of Lender	Nature of Borrowing and details of documentation	Status / Details of Lender's Consent	Conditions Specified (if any)
			facility agreement and other transaction documents, including any restrictions on the utilization of amounts paid and/or payable by the NHAI pursuant to any claims awarded in favour of TK, and restrictions on the utilization of any surplus cash amounts standing to the credit of TK, will immediately fall away without the requirement of any further action.	
9.	UCO Bank		Applied for and Pending Receipt	-

SECTION VII – LEGAL AND OTHER INFORMATION

MATERIAL LITIGATION AND REGULATORY ACTION

Except as stated in this section, there is no pending material litigation or regulatory action against the Trust, the Sponsor, the Investment Manager, the Project Manager, or any of their respective Associates, and the Trustee. Further, except as stated in this section, there is no pending material litigation involving the Project SPVs. "Associate" shall have the meaning ascribed to such term in the InvIT Regulations. All terms defined in a particular litigation are for that particular litigation only.

Given the nature and extent of the operations of the Project SPVs, civil proceedings, whether threatened or actual, involving the Project SPVs, which involve an amount of Rs. 30.00 million or more (to the extent that such an amount is determinable), or in which the amount is not determinable but where the proceeding is considered material by such entity have been individually disclosed.

The Sponsor and its Associates operate in diverse sectors in India and overseas. Given the nature and extent of the operations of the Sponsor and its Associates, civil proceedings, whether threatened or actual, against the Sponsor and its Associates, which involve an amount equal to or more than Rs. 1,840.77 million, or in which the amount is not determinable but where the proceeding is considered material by such entity, have been individually disclosed.

The Investment Manager is a subsidiary of Reliance Capital Limited, which is an Associate of the Sponsor. Accordingly, civil proceedings, whether threatened or actual, against the Associates of the Investment Manager, which involve an amount equal to or more than Rs. 1,840.77 million, or in which the amount is not determinable but where the proceeding is considered material by such entity, have been individually disclosed. However, civil proceedings, whether threatened or actual, against the Investment Manager itself, which involve an amount equal to or more than Rs. 127.10 million, or in which the amount is not determinable but where the proceeding is considered material by the Investment Manager, have been individually disclosed.

All pending criminal proceedings and regulatory action against the Trust, the Sponsor, the Investment Manager, the Project Manager or any of their Associates, and the Trustee, have been individually disclosed, as applicable.

Criminal complaints, compensation claims and first information reports filed against the employees and contract labour of the Sponsor, the Investment Manager and the Project Manager, and their respective Associates, wherein such entities themselves are not impleaded, have not been disclosed. Further, due to the nature and extent of their respective business operations, the complaints and/or first information reports that the Sponsor, the Investment Manager and the Project Manager, and their respective Associates, have filed against various persons, have not been disclosed.

With respect to the Trustee, all pending litigation and regulatory action that the Trustee has determined to be material have been disclosed.

A. Material Litigation and Regulatory Action against the Sponsor and the Associates of the Sponsor

Material Litigation and Regulatory Action against the Sponsor

Pending Civil Litigation against the Sponsor

1. Tata Power Company Limited (the "**Appellant**" or "**TPC**") had filed an appeal under Section 111 of the Electricity Act, 2003 before the Appellate Tribunal for Electricity ("**APTEL**") against the Sponsor and certain others challenging the order passed by the Maharashtra Electricity Regulatory Commission ("**MERC**") in relation to the standby charges payable by the Sponsor to the Appellant for a standby facility provided by the Appellant to the Sponsor seeking, *inter alia*, (a) that the Sponsor be held liable to pay to the Appellant the standby charges and on the same basis and at the same rate for the standby facility of 275 MVA provided by the Appellant, as charged by the Maharashtra State Electricity Board ("**MSEB**") from the Appellant for and in relation to the standby facility of 550 MVA provided by the MSEB to the Appellant; and (b) to order and direct the Sponsor to pay to the Appellant such amount as has been paid by the Appellant to the MSEB in excess of its share of 50% standby charges from June, 2004 onwards along with interest and delayed payment charges. The Sponsor has filed a cross appeal before the APTEL against the Appellant and others contending, *inter alia*, that the Appellant recovers part of the standby charges

paid to the MSEB from its customers (including the Sponsor) and hence the Sponsor is not liable to pay the standby charges at the same rate as the Appellant pays to the MSEB and the order of the MERC had the effect of transferring the burden of TPC's expenses on to the Sponsor and other customers. The Sponsor also contended that TPC had withheld amounts payable as standby charges and delayed payments of such charges. The liability to pay interest cannot be transferred to the consumers including the Sponsor and a direction to transfer such liability would be illegal. On appeal, the APTEL *vide* its order, fixed the Sponsor's liability at approximately Rs. 4,580 million and directed the Appellant to refund approximately Rs. 3,540 million to the Sponsor along with interest and set aside the order of the MERC. Both the Appellant and the Sponsor have filed appeals before the Supreme Court of India against the said order of the APTEL. The Supreme Court of India had, by way of its interim order, directed the Appellant to deposit Rs. 2,270 million with the Supreme Court which may be withdrawn by the Sponsor, subject to an undertaking that in the event the appeal is decided against the Sponsor, then the Sponsor will refund the amount to the Appellant with interest and furnish a bank guarantee amounting to Rs. 2,270 million in favour of the Supreme Court of India pending disposal of the appeal. The matter is currently pending.

2. The Sales Tax Officer, Pallakad, Kerala (the "**Sales Tax Officer**") had issued a demand notice against the Sponsor demanding payment of entry tax of Rs. 286 million and a penalty of Rs. 572 million, aggregating to Rs. 858 million. Pursuant to the said demand notice, the Sponsor had filed a writ petition before the High Court of Kerala against the Sales Tax Officer and certain others (the "**Respondents**") seeking *inter alia* (a) to declare that the Kerala Tax on Entry of Goods into Local Areas Act, 1994 (the "**Act**") is ultra vires and violative of Article 301- Article 304 of the Constitution of India and (b) to quash the demand notice issued by the Kerala Sales Tax Department. The said relief had been sought on, *inter alia*, the alleged grounds that (a) the demand of entry tax on the items brought by the Sponsor from outside Kerala under the Act is illegal and arbitrary and (b) a tax in the nature of entry tax can be imposed by the state only when the same is compensatory in nature. The High Court of Kerala has vide its order allowed the said writ petition and qaushed the impugned demands. The Respondents have filed a special leave petition against the Sponsor before the Supreme Court of India challenging the order of the High Court of Kerala. The nine judge bench of the Supreme Court has decided upon the issue and remanded the matter back to the regular benches.

Pending Regulatory Action against the Sponsor

1. The Maharashtra Electricity Regulatory Commission has issued a show cause notice to the Chief Executive Officer, Reliance Infrastructure Limited, to show cause as to why proceedings under Section 142 of the Electricity Act, 2003, should not be initiated against the Sponsor in relation to the non-compliance in implementing the requirement under Regulation 8.11 of the Maharashtra Electricity Regulation Commission (Distribution Open Access) Regulations, 2016 by not providing the facility of on-line submission of applications for connectivity and open access within the stipulated time of 90 days from the date of the notification. The Sponsor has filed its reply in the aforementioned matter submitting, *inter alia*, that it took all necessary steps in compliance with the 2016 Regulations and the minor delay in setting up the online application system was on account of the time taken to arrive at on the agreed process for inter-utility application handling, fee collection and remittance. No further communication has been received in this regard.

2. Directorate of Enforcement (New Delhi) vide its notice dated January 27, 2010, directed the Sponsor to show cause as to why adjudication proceedings should not be initiated against the Sponsor and why penalty should not be imposed in relation to certain alleged contraventions of the FEMA with respect to external commercial borrowing availed by the Sponsor in the past. The Sponsor vide its letter dated September 30, 2011, responded to the show cause notice and denied the allegations contained therein. The matter is currently pending.

3. Directorate of Revenue Intelligence (Mumbai) ("**DRI**") vide its notice dated August 31, 2016, in relation to the import of Indonesian coal by the Sponsor, directed the Sponsor and one of its Associates, namely Rosa Power Supply Company Limited, to show cause as to why (i) the declared value should not be rejected, (ii) the value should not be re-determined, (iii) the coal consignments should not be confiscated, and (iv) penalty under the Customs Act, 1962, should not be imposed. The Sponsor and Rosa Power Supply Company Limited have responded to the aforementioned notice and sought documentation from the DRI in relation to the allegations made and have denied the allegations. The matter is currently pending.

Other Proceedings involving the Sponsor

1. The Sponsor has initiated arbitration proceedings against Haryana Power Generation Company Limited (the "**Respondent**") before the arbitral tribunal consisting of sole arbitrator Mrs. Promilla Issar claiming, *inter alia*, (a) a declaration to the effect that the time for completion of Unit I and Unit II at the Deenbandhu Chhoturam Thermal Power Station stands extended from November 11, 2007 to April 14, 2008 and from February 19, 2008 to June 24, 2008, respectively; (b) to declare the taking over dates of Unit I and Unit II at the Deenbandhu Chhoturam Thermal Power Station as April 14, 2008 and June 24, 2008, respectively, (c) a declaration to the effect that the date of the final take over in any event be considered as August 21, 2010, (d) to direct and order the Respondent to refund the amount of Rs. 2,097 million wrongfully deducted by the Respondent allegedly towards liquidated damages with interest thereon from the date of deduction aggregating to Rs. 3,929.12 million with further interest from October 21, 2013 till the payment or realisation, and (e) to order the Respondent to pay to the Sponsor a sum of Rs. 57.51 million with interest towards additional works performed by the Sponsor but not compensated for by the Respondent, in relation to the Deenbandhu Chhoturam Thermal Power Station. The Sponsor has claimed approximately 11,108.44 million from the Respondent. The Respondent has also filed a statement of defence denying the averments and submitting that the statement of claims be dismissed. The Respondent has *vide* its counter-claim claimed costs under various heads including (a) the cost of packing material of the equipment and machinery supplied by the Sponsor to the Deenbandhu Chhoturam Thermal Power Station for an amount of Rs. 628.8 million with interest; and (b) cost of fly ash/ administrative charges for an amount of Rs. 1,130.3 million along with interest at the rate of 18% from the actual date of loss till realisation towards the lifting of dry fly ash. The matter is currently pending.

2. The Sponsor had initiated arbitration proceedings against the Government of Goa ("**Respondent**") before an arbitral tribunal consisting of sole arbitrator Mr. B.P. Singh claiming, inter alia, (a) an order or declaration to the effect that the Sponsor is entitled to interest on delayed payment of invoices for the period commencing January 2011 to March 2013 being a sum of Rs. 366.07 million; (b) an order or declaration to the effect that the Sponsor is entitled to an amount of Rs. 1,191.52 million for the period commencing June 2013 to August 13, 2014, towards the invoices raised for the aforesaid period along with interest thereon; and (c) costs for the petition. The Respondent has vide its counter-claim claimed (a) an aggregate amount of Rs. 12,417.34 million (including interest thereon) towards excess payments made by the Respondent to the Sponsor; and (b) interest pendente lite on the said aggregate amount. The matter is currently pending.

For details in relation to other proceedings against the Sponsor, please see "*Material Litigation and Regulatory Action against the Associates of the Sponsor – Other Proceedings involving PS*"

Completed Regulatory Action against the Sponsor

1. The Sponsor vide its letter dated September 5, 2013, had applied for the compounding of a delay in the submission of Form Overseas Direct Investment in relation to its overseas investment. The RBI vide its order dated February 26, 2014, compounded the delay upon the payment of a compounding fee amounting to Rs. 4.48 million. Consequently, the Sponsor paid the aforesaid compounding fee.

2. Pursuant to a consent order dated January 14, 2011, SEBI disposed of proceedings that it had initiated against the Sponsor and certain of its directors namely, Mr. Anil D. Ambani, Mr. Satish Seth, Mr. S. C. Gupta, Mr. Lalit Jalan and Mr. J.P. Chalasani (the "**Sponsor Applicants**"), and Reliance Natural Resources Limited and its director, namely Mr. Anil D. Ambani (the "**Other Applicants**"), *vide* show cause notices issued in June 2010 and September 2010, in relation to alleged violations of certain provisions of the Securities and Exchange Board of India Act, 1992, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and the equity listing agreement. As per the terms of the aforesaid consent order, the Sponsor Applicants and the Other Applicants, without admitting or denying the alleged charges, had each remitted Rs. 250.00 million (aggregating to Rs. 500.00 million), and had agreed to abide by the terms of consent that they had voluntarily proposed, in accordance with which (i) the aforesaid applicant companies would not make investments in listed securities in the secondary market (other than mutual funds) until December 2012 and implement a policy of rotation of statutory auditors; (ii) the aforesaid individual applicants would not make investments in listed securities in the secondary market (other than mutual fund) until December 2011. However, the aforesaid would not apply to primary issuances, buy-backs and open offers.

Taxation Proceedings

There are 31 direct tax proceedings involving the Sponsor, which involve an aggregate amount of tax of approximately Rs. 22,616.99 million. Further, there are 9 (nine) indirect tax proceedings involving the Sponsor, which involve an aggregate demand of approximately Rs. 694.37 million.

Material Litigation and Regulatory Action against the Associates of the Sponsor

For details in relation to the litigation and regulatory action involving the Project SPVs, please see "- *Material Litigation and Regulatory Action involving the Project SPVs*".

I. ***BSES Rajdhani Power Limited ("BRPL")***

Pending Civil Litigation against BRPL

1. Delhi Electricity Regulatory Commission (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against BRPL (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 2, 2015. The Appellant has, *inter alia*, submitted that APTEL in passing its order, failed to appreciate various tariff issues, and has sought that the aforesaid order be set aside to the extent of the issues challenged. The matter is currently pending.

2. Delhi Electricity Regulatory Commission (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against BRPL (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated November 28, 2014. The Appellant has challenged the aforesaid order on the issues of, *inter alia*, interest on working capital; terminal benefits payment to voluntary retirement schemes optees; truing up of interest rates for loans; fixation of AT&C loss targets; and disallowance due to lack of verification of kWh figures for Fiscal 2009-10. The Appellant has sought that the aforesaid order be set aside to the extent of the issues challenged. The matter is currently pending.

3. Green Energy Association (the "**Petitioner**") has filed a petition before the Delhi Electricity Regulatory Commission against BRPL, BYPL and certain others (the "**Respondents**") seeking, *inter alia*, the enforcement of renewable purchase obligations and the imposition of a penalty upon the Respondents. By way of its response in the aforesaid matter, BRPL and BYPL have submitted that they have taken bonafide steps and actions to fulfil their renewable purchase obligations and have sought that the petition be dismissed. The matter is currently pending.

Pending Regulatory Action against BRPL

1. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, and has issued directions in relation to the separation of corporate offices and employees common to BRPL and BYPL. BRPL and BYPL have replied to the aforesaid show cause notice and submitted details of compliance with the directions of the DERC. No further communication has been received in this regard.

2. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, in relation to, *inter alia*, non-payment of alleged aggregate dues amounting to Rs. 31,877 million. BRPL and BYPL responded to the aforesaid notice and submitted details in relation to their respective financial condition. Subsequently, DERC issued another show cause notice to BRPL and BYPL with respect to twelve additional alleged violations/non-compliances committed by them, in addition to those highlighted by way of the earlier show cause notice. By way of its order dated July 22, 2015, DERC separated the proceedings in relation to non-compliance in twelve additional issues, from the earlier show cause proceedings. No further communication has been received in this regard.

3. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, in relation to sudden disruption of power in NCT Delhi after the occurrence of a storm in May, 2014. During the course of the related hearing, BYPL and BRPL have submitted that the aforesaid failure was not on part of the distribution companies and further, have requested that the copies of the news reports and other materials that have been relied upon by the DERC be provided to BYPL and BRPL. No further communication has been received in this regard.

Other Civil Proceedings involving BRPL

1. BRPL (the "**Petitioner**") has filed a writ petition before the Supreme Court of India against the Union of India, the Delhi Electricity Regulatory Commission, the National Thermal Power Corporation and certain others (the "**Respondents**") seeking *inter alia* (a) to direct the Respondents to not discontinue power supply or to take any coercive step until the appropriate mechanism for adjusting the dues of the Petitioner to the Respondents is determined; (b) direct the commission to give effect to deferred costs created as regulatory asset and (c) to protect the investments made by the Petitioner and assured returns from the licensed business. By way of its response in the aforesaid matter, the Respondents have submitted that the Petitioners have not made payment of dues to them, and have sought to dismiss the writ petition with a direction to the Petitioners to make timely payment of the power purchase dues. By way of separate interim orders in the matter, the Supreme Court has directed that there shall be no disconnection in the supply of electricity, and that the distribution companies will continue to pay the current payments to the generating and transmission companies with effect from March 1, 2014, which will relate to the billing period from January 1, 2014. The matter is currently pending.

2. BRPL (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against the Delhi Electricity Regulatory Commission (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 11, 2014. The Appellant has submitted, *inter alia,* (a) that the APTEL had recalled its earlier order dated February 5, 2014, and permitted the Respondent to proceed and pass an order in relation to a petition dealing with a show cause notice issued by the Respondent to the Appellant, (b) that the APTEL failed to take into consideration that the Respondent had initiated proceedings under the Electricity Act, 2003, at the behest of the Delhi Government, and (c) that the APTEL failed to take into consideration that the multi-year tariff regulations permit uncontrollable expenses to be recovered. The Appellant has sought, *inter alia*, that the APTEL order be set aside. The matter is currently pending.

3. BRPL (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against the Delhi Electricity Regulatory Commission (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 11, 2014. The Appellant has, *inter alia*, sought that the aforesaid order be set aside, and has, *inter alia*, submitted that the APTEL in passing its order, should have directed the Respondent to amortize the acknowledged and recognized regulatory asset within a period of three years in accordance with the regulatory framework; has ignored the unlawful acts of the Respondent; and that the APTEL has deviated from its previous orders. The matter is currently pending.

Taxation Proceedings

There are 13 direct tax proceedings involving BRPL, which involve an aggregate amount of tax of approximately Rs. 1,620.60 million. Further, there is 1 (one) indirect tax proceeding involving BRPL, which involves an aggregate amount of approximately Rs. 246.59 million.

II. ***BSES Yamuna Power Limited ("BYPL")***

Pending Civil Litigation against BYPL

1. Delhi Electricity Regulatory Commission (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against the BYPL (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 2, 2015. The Appellant has, *inter alia*, submitted that APTEL in passing its order failed to appreciate various tariff issues, and has sought that the aforesaid order be set aside to the extent of the issues challenged. The matter is currently pending.

2. Delhi Electricity Regulatory Commission (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against BYPL (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated November 28, 2014. The Appellant has challenged the aforesaid order on the issues of, *inter alia*, interest on working capital; terminal benefits payment to voluntary retirement schemes optees; truing up of interest rates for loans; fixation of AT&C loss targets; and disallowance due to lack of verification of kWh figures for Fiscal 2009-10. The Appellant has sought that the aforesaid order be set aside to the extent of the issues challenged. The matter is currently pending.

3. Green Energy Association (the "**Petitioner**") has filed a petition before Delhi Electricity Regulatory Commission against BRPL, BYPL and certain others (the "**Respondents**") seeking, *inter alia*, the enforcement of renewable purchase obligations and the imposition of a penalty upon the Respondents. By way of its response in the aforesaid matter, BRPL and BYPL have submitted that they have taken bonafide steps and actions to fulfil their renewable purchase obligations and have sought that the petition be dismissed. The matter is currently pending.

Pending Regulatory Action involving BYPL

1. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, and has issued directions in relation to the separation of corporate offices and employees common to BRPL and BYPL. BRPL and BYPL have replied to the aforesaid show cause notice and submitted details of compliance of the directions of the DERC. No further communication has been received in this regard.

2. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, in relation to, *inter alia*, non-payment of alleged aggregate dues amounting to Rs 31,877 million. BRPL and BYPL responded to the aforesaid notice and submitted details in relation to their respective financial condition. Subsequently, DERC issued another show cause notice to BRPL and BYPL with respect to twelve additional alleged violations/non-compliances committed by them, in addition to those highlighted by way of the earlier show cause notice. By way of its order dated July 22, 2015, DERC separated the proceedings in relation to non-compliance in twelve additional issues, from the earlier show cause proceedings. No further communication has been received in this regard.

3. Delhi Electricity Regulatory Commission ("**DERC**") has issued a show cause notice to BRPL and BYPL, in relation to sudden disruption of power in NCT Delhi after occurrence of storm in May 2014. During the course of the related hearing, BYPL and BRPL have submitted that the aforesaid failure was not on part of the distribution companies and further, have requested that the copies of the news reports and other materials that have been relied upon by the DERC be provided to BYPL and BRPL. No further communication has been received in this regard.

4. The Registrar of Companies, NCT of Delhi and Haryana (the "**RoC**") has sent a letter dated February 20, 2017, to BYPL in relation to a complaint received by the RoC with respect to alleged fraud, cheating, mismanagement and misappropriation of funds by BYPL. BYPL has responded to this letter and no further communication has been received with respect to this complaint.

Other Civil Proceedings involving BYPL

1. BYPL (the "**Petitioner**") has filed a writ petition before the Supreme Court of India against the Union of India, the Delhi Electricity Regulatory Commission, the National Thermal Power Corporation and certain others (the "**Respondents**") seeking, *inter alia*, (a) to direct the Respondents to not discontinue power supply or to take any coercive step until the appropriate mechanism for adjusting the dues of the petitioner to the respondents is determined, (b) hold and declare that the Petitioner is entitled to prudently incurred expenses, (c) direct the commission to give effect to deferred costs created as regulatory asset and (d) to protect the investments made by the Petitioner and assured returns from the licensed business. By way of its response in the aforesaid matter, the Respondents have submitted that the Petitioners have not made payment of dues to them, and have sought to dismiss the writ petition with a direction to the Petitioners to make timely payment of the power purchase dues. By way of separate interim orders in the matter, the Supreme Court has directed that there shall be no disconnection in the supply of electricity, and that the distribution companies will continue to pay the current payments to the generating and transmission companies with effect from March 1, 2014, which will relate to the billing period from January 1, 2014. The matter is currently pending.

2. BYPL (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against the Delhi Electricity Regulatory Commission (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 11, 2014. The Appellant has submitted, *inter alia*, that the APTEL recalled its earlier order dated February 5, 2014, and permitted the Respondent to proceed and pass an order in relation to a petition dealing with a show cause notice issued by the Respondent to the Appellant; that APTEL failed to take into consideration that the Respondent had initiated proceedings under the Electricity Act, 2003, at the behest of the Delhi Government, and that APTEL failed to take into consideration that the multi-year tariff regulations permit uncontrollable expenses to be

recovered. The Appellant has sought, *inter alia*, that the APTEL order be set aside. The matter is currently pending.

3. BYPL (the "**Appellant**") has filed a civil appeal before the Supreme Court of India against the Delhi Electricity Regulatory Commission (the "**Respondent**"), challenging the validity of an order passed by the Appellate Tribunal for Electricity ("**APTEL**") dated March 11, 2014. The Appellant has, *inter alia*, sought that the aforesaid order be set aside, and has, *inter alia*, submitted that APTEL in passing its order, should have directed the Respondent to amortize the acknowledged and recognized regulatory asset within a period of three years in accordance with the regulatory framework; has ignored the unlawful acts of the Respondent; and that the APTEL has deviated from its previous orders. The matter is currently pending.

Taxation Proceedings

There are 16 direct tax proceedings involving BYPL, which involve an aggregate amount of tax of approximately Rs. 758.80 million. Further, there is 1 (one) indirect tax proceeding involving BYPL, which involves an aggregate amount of approximately Rs. 101.82 million.

III. *Delhi Airport Metro Express Private Limited ("DAMEPL")*

Other Proceedings against DAMEPL

1. Delhi Metro Rail Corporation Limited (the "**Claimant**") has initiated arbitration proceedings before the arbitral tribunal presided over by Mr. H.L. Bajaj against DAMEPL (the "**Respondent**"), *inter alia*, claiming (a) the quashing of the termination notice dated October 8, 2012 issued by the Respondent as the same was illegal and against the provisions of the concession agreement and applicable law and further declaration of such termination notice as void *ab initio*, (b) direction to the Respondent to re-commence the performance of its obligations under the concession agreement dated August 25, 2008, and, in the alternative, to grant compensation of Rs. 31,730 million (along with interest) and (c) direction to the Respondent to tender an amount of Rs. 49.2 million per month, which the Claimant is presently incurring as additional expenditure. The Respondent has, *vide* its reply, denied the contentions of the Claimant and claimed (a) termination payment of Rs. 32,760 million (along with interest), (b) expenses incurred by the Respondent in running the services, as an agent of the Claimant, plus the amount of debt serviced during this period by the Respondent, amounting to Rs. 1,525.9 million (along with interest), (c) debt servicing charges post-termination aggregating to Rs. 1044.10 million (along with interest), (d) compensation for wrongfully encashing the Respondent's bank guarantee, including related costs, amounting to Rs. 669.30 million (along with interest), (e) security deposits with the project's service providers amounting to Rs. 5.68 million (along with interest), (f) opportunity cost incurred, amounting to Rs. 23,828.20 million (along with interest), and (g) payments made to the Claimant along with the losses incurred on the project, amounting to Rs. 4,521.70 million (along with interest). The matter is currently pending.

2. Siemens AG and Siemens Limited (the "**Claimants**") have initiated arbitration proceedings against DAMEPL (the "**Respondent**") before the arbitral tribunal presided by Justice (Retd.) Dr. Arijit Pasayat in relation to 2 (two) contracts, namely, the power supply/traction contract and the signalling contract entered into between the Claimants and the Respondent. The Claimants have, under the power supply/traction contract, *inter alia* sought (a) a declaration to the effect that the termination of the power supply/traction contract by the Respondent was unlawful; (b) an award for a sum of Rs. 134.21 million and 0.69 million euros; (c) interest at the rate of 10% (ten percent) per annum until the date of realization of the total claim amount and (d) direction to forthwith release the performance bank guarantee for amounts of Rs. 73.35 million and 706,718 euros. The Claimants have, under the signalling contract, *inter alia* sought (a) a declaration to the effect that the termination of the signalling contract by the Respondent was unlawful; (b) an award for a sum of Rs. 60.92 million and 1.92 million euros; (c) interest at the rate of 10% (ten percent) per annum until the date of realization of the total claim amount and (d) direction to forthwith release the performance bank guarantee for amounts of Rs. 23.66 million and 1.43 million euros. The Respondent has filed its counter-claims. The matter is currently pending.

Taxation Proceedings

There are 4 (four) direct tax proceedings involving DAMEPL. There will be no outflow of tax in these proceedings.

IV. *Reliance Defence and Engineering Limited ("RDEL")*

Pending Criminal Proceedings against RDEL

There are 2 (two) criminal proceedings before the Metropolitan Magistrate Court, Mumbai, against RDEL alleging dishonour of cheques. The aggregate amount involved is approximately Rs. 271.02 million.

Taxation Proceedings

There are 9 (nine) direct tax proceedings involving RDEL, which involve an aggregate amount of tax of approximately Rs. 341.8 million. Further, there are 44 indirect tax proceedings involving RDEL, which involve an aggregate amount of approximately Rs. 5,112.8 million. The matters are currently pending.

V. *Mumbai Metro One Private Limited ("MMOPL")*

Pending Civil Litigation against MMOPL

1. Mumbai Metropolitan Region Development Authority (the "**Petitioner**") has filed a writ petition before the High Court of Bombay against the Fare Fixation Committee, MMOPL and another (the "**Respondents**") seeking, *inter alia*, to quash and set aside the report of the Fare Fixation Committee dated July 8, 2015 fixing the fare for the Mumbai Metro (Mass Rapid Transit System). MMOPL *vide* its reply in the aforementioned matter, has submitted, *inter alia*, that (a) the fare fixed is moderate and below the recommendations of the Fare Fixation Committee; and (b) that no prejudice, harm or injury may be caused to the Petitioner, if no interim relief has been ganted. The matter is currently pending.

Other Proceeding involving MMOPL

1. MMOPL (the "**Claimant**") has initiated arbitration proceedings before the arbitral tribunal presided by Mr. Shivraj Patil against Mumbai Metropolitan Region Development Authority (the "**Respondent**") claiming, *inter alia*, (a) an amount of Rs. 622.7 million towards claim for non-disbursal and interest on delay in disbursal of viability gap funding by the Respondnent; and (b) an amount of Rs. 17,039.63 million towards costs and expenses on account of the delay and various change in scope of works on the part of the Respondent in compliance with various obligations under the concession agreement totalling to Rs. 17,662.29 million. The Respondent has filed a statement of defence and counter claims involving an aggregate amount of approximately Rs. 164,300 million towards delay in completing the milestones and in the alternative have prayed for set-off of the amounts in the event the Claimant is entitled to any claims. The matter is currently pending.

Taxation Proceedings

There are 3 (three) direct tax proceedings involving MMOPL. There will be no outflow of tax in these proceedings. Further, there are 4 (four) indirect tax proceedings, which involve an aggregate amount of approximately Rs. 2,157.7 million.

VI. *Reliance Airports Developers Private Limited ("RADPL")*

Pending Civil Litigation against RADPL

1. Babasha Khan (the "**Petitioner**") has filed a writ petition before the High Court of Bombay against RADPL and certain others (the "**Respondents**") seeking, *inter alia*, (a) to quash the decision of the Government of Maharashtra to transfer and vesting of 5 (five) airports at Yavatmal, Nanded, Latur, Baramati and Osmanabad to and in RADPL by way of lease for a period of 95 years and (b) grant of interim injunction restraining the Respondents from acting upon the impugned decision of the Government of Maharashtra. The said relief has been sought on *inter alia*, the alleged grounds (a) that the decision of the Government of Maharashtra is contrary to several provisions of the Airports Authority of India Act, 1994, the Maharashtra Industrial Development Act, 1961 and the Maharashtra Land Revenue Code, 1966, as well as the rules made thereunder and (b) that the bids offered by certain Respondents were very low and if accepted, would cause financial losses to the Government of Maharashtra, aggregating to Rs. 100,000 million or more. The matter is currently pending.

VII. *Reliance Energy Trading Limited ("RETL")*

Taxation Proceedings

There is 1 (one) direct tax proceeding involving RETL, which involves an aggregate amount of tax of approximately Rs. 32.2 million. There is 1 (one) indirect tax proceeding involving RETL, which involves an aggregate amount of approximately Rs. 19.32 million.

VIII. *Parbati Koldam Transmission Company Limited ("PKTCL")*

Taxation Proceedings

There is 1 (one) indirect tax proceeding involving PKTCL, which involves an aggregate amount of approximately Rs. 42.26 million.

IX. *Utility Powertech Limited ("UPL")*

Taxation Proceedings

There are 13 indirect tax proceedings involving UPL, which involve an aggregate amount of approximately Rs. 103.67 million.

X. *BSES Kerela Power Limited ("BKPL")*

Taxation Proceedings

There is 1 (one) direct tax proceeding involving BKPL, which involves an aggregate amount of tax of approximately Rs. 0.3 million.

XI. *Reliance Power Limited*

Taxation Proceedings

There are 8 (eight) direct tax proceedings involving Reliance Power Limited, which involve an aggregate amount of tax of approximately Rs. 459.72 million. There is 1 (one) indirect tax proceeding involving Reliance Power Limited which involves an aggregate amount of approximately Rs 3.5 million.

XII. *Reliance Natural Resources Limited ("RNRL")*

Pending Regulatory Action against RNRL

1. Directorate of Enforcement (New Delhi) vide its notice dated January 27, 2010, directed RNRL to show cause as to why adjudication proceedings should not be initiated against RNRL and why penalty should not be imposed in relation to certain alleged contraventions of the FEMA with respect to foreign currency convertible bonds issued by RNRL in the past. RNRL vide its letter dated September 30, 2011, responded to the show cause notice and denied the allegations contained therein. The matter is currently pending.

Taxation Proceedings

There are 9 (nine) direct tax proceedings involving RNRL, which involve an aggregate amount of tax of approximately Rs. 355.71 million.

XIII. *Sasan Power Limited ("SPL")*

Taxation Proceedings

There is 1 (one) direct tax proceeding involving SPL, which involves an aggregate amount of tax of approximately Rs. 4.50 million. There are 2 (two) indirect tax proceedings involving SPL, which involve an aggregate amount of approximately Rs. 243.1 million.

XIV. *Rosa Power Supply Company Limited ("RPSCL")*

Pending Regulatory Action against RPSCL

For further details in relation to the pending regulatory action against RPSCL, please see "- *Pending Regulatory Action against the Sponsor*".

Taxation Proceedings

There are 2 (two) direct tax proceedings involving RPSCL, which involve an aggregate amount of tax of approximately Rs. 92.51 million. Further, there are 7 (seven) indirect tax proceedings involving RPSCL, which involve an aggregate amount of approximately Rs. 3,168 million.

XV. *Reliance Power, Netherlands BV ("RPNBV")*

Other Proceedings involving RPNBV

1. RPNBV has filed a claim before the Singapore International Arbitration Centre against Kokos Leo Lim and Prestige Capital Holdings ("**Respondents**"), recalling a loan provided by RPNBV to the Respondents on the grounds that the terms of the loan agreement had been breached. The Respondents have filed a counter-claim in this regard. The aggregate amount claimed is Rs. 27,000 million. The matter is currently pending.

XVI. *Coastal Andhra Power Limited ("CAPL")*

Taxation Proceedings

There is 1 (one) direct tax proceeding involving CAPL, which involves an aggregate amount of tax of approximately Rs. 4.40 million.

XVII. *Samalkot Power Limited ("SAMPL")*

Taxation Proceedings

There is 1 (one) direct tax proceeding involving SAMPL, which involves an aggregate amount of tax of approximately Rs. 22.00 million. There are 2 (two) indirect tax proceeding involving SAMPL, which involves an aggregate amount of approximately Rs. 7,645.80 million.

XVIII. *Rajasthan Sun Technique Energy Private Limited ("RSTEPL")*

Taxation Proceedings

There is 1 (one) indirect tax proceeding involving RSTEPL, which involves an aggregate amount of approximately Rs. 123.5 million.

XIX. *Reliance Communications Limited ("RCOM")*

Pending Criminal Proceedings against RCOM

1. Dinesh Kotecha (the "**Complainant**") had filed a criminal complaint against Reliance Infocomm Limited and certain others (the "**Respondents**") before the Additional Chief Metropolitan Magistrate, Girgaon for the offences purported to have been committed under Section 420, Section 463, Section 467, Section 499 and Section 500 of the Indian Penal Code, 1860 ("**Criminal Complaint**"). The Additional Chief Metropolitan Magistrate passed a summoning order issuing process against the Respondents ("**Order**"). The Respondents have filed a writ petition before the High Court of Bombay seeking, *inter alia*, (a) the quashing of the Criminal Complaint and Order; and (b) to stay the proceedings before the Additional Metropolitan Magistrate during the pendency of the writ petition. The High Court of Bombay was pleased to admit the said writ petition and stayed the criminal proceedings before the Additional Metropolitan Magistrate and therefore, the proceedings before the Additional Metropolitan Magistrate have been stayed.

2. Pursuant to a letter written to the Director, Family Welfare, Government of NCT of Delhi, alleging the commission of offences under Section 22(2) of the Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 by RCOM through their R-World services which gave tips as to pre-natal sex determination, a criminal complaint was filed by the Director, Family Welfare before the Tiz Hazari Court, Delhi. Subsequently, a first information report was registered against Mr. Mahesh Prasad, Mr. Sunil Jain, Ms. Manisha Rathore, Mr. Krishna Mohan Durba and Ms. Kinjal Popat. During the pendency of investigations being carried out by Special Cell, Lodhi Estate Police Station the court directed that Reliance Infocomm Limited and Mukesh D. Ambani also be named as accused, and summons be issued to them along with the other accused mentioned in the chargesheet. The matter is currently pending. RCOM has filed a petition before the High Court of Delhi, seeking quashing of the aforementioned criminal complaint and first information report. The matter is currently pending.

3. NPR Marketing (the "**Complainant**") has filed a criminal case against RCOM and certain others, in relation to certain alleged offences under the Indian Penal Code, on account of, *inter alia*, an alleged failure of the Company to refund the Complainant's security deposit. Subsequently, a charge sheet has been filed in this matter. The matter is currently pending.

Pending Regulatory Action against RCOM

1. RCOM and Reliance Telecom Limited ("**RTL**") had obtained licences under the Unified Access Service Licence ("**UASL**") regime permitting them to provide telecommunications services for a fixed period, for a licence fee of Rs. 16,510 million and Rs. 1,195.6 million, respectively, which has been paid by them. Subsequently in the financial year 2007, RCOM paid an additional one-time non-refundable fee of Rs. 15,390.1 million to use GSM technology in addition to CDMA technology. However, pursuant to the orders dated December 28, 2012 and March 15, 2013 (together, the "**Orders**"), the Department of Telecommunications ("**DoT**") demanded a further one-time spectrum charge from all telecommunications service providers for GSM spectrum beyond 4.4 MHz and up to 6.2 MHz and CDMA spectrum beyond 2.5 MHz and up to 5 MHz respectively. Accordingly, the DoT issued demand notices (the "**Demands**") requiring RCOM and RTL to pay a sum of approximately Rs. 17,578.9 million and Rs. 1,734.7 million respectively, for its currently held/allocated spectrum, failing which, RCOM and RTL shall have to surrender the already allocated spectrum. Aggrieved by the Orders and Demands, RCOM and RTL have filed writ petitions against the DoT before the Calcutta High Court on the ground, *inter alia*, that the Orders and Demands breach RCOM's and RTL's contractual right to fully use the spectrum contracted under the UASL granted to RCOM and RTL. The Calcutta High Court has issued interim stays on the operation of the Demands and Orders. The matters are pending before the Calcutta High Court.

2. RCOM and Reliance Telecom Limited ("**RTL**") have been paying licence fee as a percentage of the adjusted gross revenue ("**AGR**") as per the definition of AGR in the Unified Access Service Licence ("**UASL**") agreement which includes revenue generated from several items unrelated to the licensed telecommunications business of RCOM and RTL. In September 2006, the Telecom Regulatory Authority of India ("**TRAI**") submitted its recommendations on a new proposed definition of AGR and excluded certain items from it such as income from capital gains, foreign exchange gains, dividends, etc. By an order dated August 30, 2007, (the "**TDSAT Order**"), the TDSAT accepted these recommendations and applied a narrower definition of AGR for determining licence fee and wireless, planning and coordination ("**WPC**") charges in a matter pending before it (to which RCOM and RTL were not a party). Based on the new definition of AGR recommended by the TRAI and accepted by the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") in the previous matter, RCOM and RTL filed various applications before the Department of Telecommunications ("**DoT**") for refund of excess payment made by it towards licence fees and WPC charges. The DoT, by an order dated November 5, 2008, rejected RCOM's refund applications on the ground that the TDSAT Order was not applicable to RCOM as it was not a party to the TDSAT Order. Aggrieved by the DoT's decision, RCOM and RTL filed separate petitions before the TDSAT which were allowed by the TDSAT by its judgment dated March 26, 2009 as a result of which RCOM and RTL could take advantage of the TDSAT Order with respect to the narrowed definition of AGR. The Supreme Court by its judgement dated October 11, 2011 has set aside the TDSAT Order and remitted the matter back to TDSAT for re-consideration. A refund of Rs. 2,320 million was sought by RCOM. The DoT issued a demand to RCOM dated October 19, 2009 (the "**Demand**") for payment of approximately Rs. 485 million towards allegedly unpaid licence fees for the financial year 2007 in respect of UASL held by RCOM in various circles. Aggrieved by the Demand, RCOM filed a petition before the TDSAT challenging the Demand. On January 31, 2012, the TDSAT directed RCOM to file individual petitions for each of the 20 circles for which a demand had been issued by the DoT. Subsequently, RCOM

filed individual petitions before the TDSAT for each circle. TDSAT finally decided the mater on April 23, 2015, excluding most of the revenue heads out of total 23 from the purview of AGR. Further, TDSAT directed that in case any disputed head of inflow is left out that will be governed in the light of general discussions concerning the individual heads. All the demands of DoT under challenge are set aside and DoT has been directed to rework the license fees payable by RCOM and RTL for the years in question. DoT to issue fresh demands which RCOM & RTL will pay within the time prescribed under Law. Both DoT as well as RCOM have filed appeals against the said TDSAT judgment dated April 23, 2015, which is currently pending before the Supreme Court of India for hearing.

3. Pursuant to a special audit on November 8, 2012, the Department of Telecommunications ("**DoT**") raised consolidated demands on RCOM for the payment of approximately Rs. 1,560 million and Rs. 4,575 million as licence fees for the financial year 2007 and the financial year 2008 in relation to the 20 circles for which RCOM has been granted a Unified Access Service Licence ("**UASL**"). A similar demand was raised on Reliance Telecom Limited ("**RTL**") for the payment of approximately Rs. 36 million and Rs. 58 million for the financial year 2007 and the financial year 2008 in relation to the 8 circles for which the RTL has been granted a UASL. RCOM and RTL have separately challenged the demands before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**"). The DoT issued the demands on the basis that RCOM and RTL had allegedly under-paid licence fees due to under-reporting or non-reporting of certain revenue items. RCOM and RTL had sought a direction from the TDSAT setting aside the demands. TDSAT has disposed off these petitions and set aside the demands. RCOM also challenged the demands issued against it before the Kerala High Court. The Kerala High Court by its order dated December 6, 2012 issued an interim stay on the operation of the demands. By an order dated June 28, 2013, a similar interim stay was issued in respect of the demand of Rs. 1,190 million issued by the DoT for the financial year 2009. Further, by an order dated January 30, 2015, a similar interim stay was issued in respect of the demand of Rs. 7,070 million issued by the DoT for the financial year 2010. The matter is pending before the Kerala High Court.

4. Pursuant to a special audit, the Department of Telecommunications ("**DoT**") has raised a demand for Rs. 2,970 million towards spectrum charges for the financial years 2007 and 2008. RCOM has, by its letter dated September 25, 2014, replied to the DoT stating that the other demands raised by the DoT pursuant to the special audit have been challenged by RCOM before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") and the Kerala High Court, and the court has granted a stay order. Therefore, the DoT should not enforce the demands under the notice until the matter is pending in the TDSAT and the Kerala High Court. As the DoT intended to enforce the aforesaid demands, RCOM filed petition before the TDSAT wherein after briefly hearing RCOM's counsel, the TDSAT directed the DoT to not to take any coercive step to seek enforcement of the demands. The matter is currently pending before the TDSAT.

5. The Department of Telecommunications ("**DoT**") by an order dated February 25, 2010 increased the annual spectrum usage charge for CDMA and GSM service providers with effect from April 1, 2010 (the "**Order**") for 2G services. RCOM filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the Order. On September 1, 2010, the TDSAT upheld the Order. RCOM then filed a civil appeal against the TDSAT's order before the Supreme Court and RCOM is currently paying increased annual spectrum charges under protest. The matter is pending before the Supreme Court.

6. Formerly, under the UASL, the price for the microwave spectrum paid by CDMA service providers (who paid the spectrum price as royalty) differed from that of the GSM service providers (who paid the spectrum price on a revenue-sharing basis). This discriminatory approach was corrected by the Department of Telecommunications ("**DoT**") by its order dated November 3, 2006 (the "**DoT Notification**"). However, RCOM challenged the DoT Notification before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") on the ground that the DoT Notification did not apply retrospectively from the date of the grant of the UASL, i.e., 2003. The TDSAT dismissed such petition on July 18, 2011. RCOM sought to appeal against the TDSAT's order before the Supreme Court but the appeal was not admitted. Subsequently, RCOM challenged the TDSAT order dated July 18, 2011 before the Delhi High Court. The Delhi High Court held that the writ petition was not maintainable but permitted RCOM to seek a clarification from the Supreme Court in relation to approaching the Delhi High Court afresh. RCOM filed an application in the Supreme Court seeking such clarification which was not allowed to be registered by the Registrar Judicial-II. RCOM appealed against the Registrar's order before the Supreme Court which was set aside by the Supreme Court by its order dated April 5, 2013. The application of RCOM has been allowed by the Supreme Court, and now the matter is remanded back to High Court.

7. The Department of Telecommunications ("**DoT**") allegedly granted additional spectrum beyond the licence-mandated quantity of 6.2 MHz in violation of the licence conditions to certain GSM service providers (including Reliance Telecom Limited) without any additional spectrum fee. This allocation was challenged by the Association of Unified Telecommunication Service Providers of India (the "**AUSPI**") and certain other telecommunications service providers (the "**Petitioners**") before the Supreme Court by way of a writ petition in May, 2012. The Petitioners sought: (a) the cancellation of the grant of the GSM spectrum beyond 6.2 MHz to these service providers (including Reliance Telecom Limited), (b) fresh auction of such spectrum, and (c) a direction to recover appropriate compensation from the service providers for the revenue that has accrued to them in relation to the excess spectrum. The matter is pending before the Supreme Court.

8. The Cellular Operators Association of India ("**COAI**") and the Association of Unified Telecommunication Service Providers of India ("**AUSPI**"), along with others including RCOM and RTL, (the "**Petitioners**") filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the retrospective levy of penalty by the Department of Telecommunications ("**DoT**") on telecommunications service providers for missing or improper signage at BTS sites pursuant to a DoT circular dated October 11, 2012 (the "**2012 Circular**") read with circulars dated April 8, 2010 and November 2, 2010 (the "**2010 Circulars**") and the demands raised thereunder. The Petitioners submitted that the 2012 Circular envisages a prospective penalty of 5,000 per BTS site if the omission by the service providers to provide proper signage is not rectified in 30 days and the 2010 Circulars do not provide for any penalty on such omission. However, the impugned demand was retrospectively levied against non-compliant BTS sites at the rate of Rs. 0.5 million per BTS site. The TDSAT by its order dated April 25, 2014 directed the DoT to refrain from taking any coercive action against the Petitioners for realisation of the demand. The matter is pending before the TDSAT.

9. On March 9, 2009, the Telecom Regulatory Authority of India ("**TRAI**")notified the Telecommunication Interconnection Usage Charges (Tenth Amendment) Regulations, 2009 (the "**Amendment Regulations**") by which it fixed all termination charges at Rs. 0.20 per minute for local and national long-distance calls and mobile telephone services. The Amendment Regulations were challenged by Bharat Sanchar Nigam Limited and various private telecommunications service providers, including RCOM, by filing separate cross appeals before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**"). By an order dated September 29, 2010 (the "**TDSAT Order**"), the TDSAT directed the TRAI to re-consider the Amendment Regulations by way of a consultative process in a time bound manner so that the new Interconnection Usage Charges ("**IUCs**") could be made effective by January 1, 2011. The TRAI and others parties filed civil appeals before the Supreme Court on the ground that the TDSAT does not have the jurisdiction to direct the TRAI to revise IUCs based on a consultative process. The Supreme Court, by its order dated December 6, 2013 ruled that the TDSAT does not have the jurisdiction to entertain the challenge to the Amendment Regulations framed by the TRAI. The challenge to the validity of the Amendment Regulations is being heard before the Supreme Court. Thereafter, TRAI has issued revised IUC Regulations dated March 22, 2015, which has been challenged by Vodafone by way of a writ petition before the Delhi High Court. The matter is pending before the Delhi High Court.

10. Reliance Telecom Limited ("**RTL**") and RCOM have respectively filed over 23 petitions under Sections 14 and 14A of the Telecommunication Regulatory Authority of India Act, 1997 before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") in relation to demands issued by the Department of Telecommunications ("**DoT**") imposing penalties on RCOM and RTL for, inter alia, (a) alleged violation by RCOM of the terms and conditions of the licence agreement or norms prescribed by the DoT pertaining to the verification of subscribers by their Customer Acquisition Forms ("**CAFs**"); (b) default or delay in depositing the penalty imposed on RCOM and RTL with respect to earlier penalty notices; and (c) refusal by the DoT to accept and review CAFs submitted late on account of an injunction order restraining RCOM and RTL from accessing the CAFs stored in a warehouse.

11. RCOM filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the demand notice issued by the Department of Telecommunications ("**DoT**") for the payment of Rs. 28.82 million for alleged issuance of 700 SIM cards to customers based on fake identity proofs. The TDSAT issued an interim order dated March 5, 2014 directing the DoT not to take any coercive steps against RCOM, provided RCOM deposited one-third of the said demand. The matter is pending before the TDSAT.

12. The Cellular Operators Association of India ("**COAI**"), the Association of Unified Telecommunication Service Providers of India ("**AUSPI**") along with others including Reliance Telecom Limited ("**RTL**") and RCOM (the "**Petitioners**") filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the provisions of the Department of Telecommunications ("**DoT**") circular dated August 9, 2012 pursuant to which telecommunications service providers are required to submit scanned coloured photographs of each subscriber to the DoT, non-compliance with which would attract a penalty. The Petitioners also challenged the provisions and demands raised thereunder penalizing service providers for, *inter alia*, accepting Customer Acquisition Forms ("**CAFs**") with incomplete information. The matter is pending before the TDSAT. The aggregate amount involved in the matter is approximately Rs. 12 million.

13. RCOM filed a writ petition before the Himachal Pradesh High Court against the Union of India and the Telecom Enforcement, Resource and Monitoring Cell, Shimla (the "**TERM**"), challenging the penalty levied on RCOM by TERM for providing phone connections without proper verification of Customer Acquisition Forms ("**CAFs**") which were recovered by the TERM at the office of the distributor of RCOM at Bilaspur, Himachal Pradesh. The Himachal Pradesh High Court has issued an interim order against the operation of the penalty levied by TERM subject to the deposit of Rs. 2.5 million. The matter is pending before the Himachal Pradesh High Court.

14. RCOM has filed a petition before Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") against Department of Telecommunications ("**DoT**") challenging the liberalization guidelines of November 05, 2015 which mandated submission of bank guarantees for revised One Time Spectrum Charges ("**OTSC**") demand as a pre-condition for allowing liberalization of spectrum. This OTSC demand was in addition to the fees for liberalization of spectrum, which had already been paid by RCOM. In view of the exigencies and business requirements, RCOM submitted bank guarantees for Rs. 15,693.8 million for liberalization of spectrum in 16 circles, without prejudice to its rights and contentions that was to be considered and decided by TDSAT. Thereafter on May 11, 2016, TDSAT directed DoT to rework and re-compute its OTSC demand for the other 4 Circles where RCOM's application for liberalization was pending. As DoT failed to comply with the directions of TDSAT, RCOM under compulsion had to submit bank guarantees for 4,308.16 million for liberalization of spectrum in the 4 Circles. Subsequently on May 25, 2016, RCOM filed an application seeking refund of the excess bank guarantees submitted to DOT. The said application along with the main petition is pending before TDSAT for final hearing.

15. Department of Telecommunications ("**DoT**"), in the normal course, has raised various demands aggregating to Rs. 1,110 million towards spectrum usage charges ("**SUC**") for the financial years 2008-09 to 2015-16. RCOM has filed petition at Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the said demands including interest and penalty calculated up to 2015-16 for the alleged delay in payment. RCOM has also sought refund of 900 million which it paid under protest as SUC for the said financial years while seeking trading of its spectrum in 13 Circles. TDSAT *vide* interim orders dated September 7, 2016 and September 26, 2016, directed the DoT to not take any coercive step seeking enforcement of the impugned demands. The matter is currently pending before the TDSAT.

16. Department of Telecommunications ("**DoT**") has raised demands on RCOM and Reliance Telecom Limited ("**RTL**") in MP, Bihar and UP(W) circles on account of alleged shortfall in payment of Spectrum Usage Charges ("**SUC**") and license fee for the financial years 2012-13 and 2013-14. DoT has refused to adjust the admitted excess amount of fees paid by RCOM and RTL in the previous quarter and sought to enforce the demands along with interest as per its office memorandum dated November 11, 2014. Both RCOM and RTL have filed petitions before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the said demands as well as the memorandum dated November 11, 2014. TDSAT, *vide* its interim order dated May 1, 2015, restrained the DoT from enforcing any of the demands that were raised on the basis of its memorandum dated Novemer 11, 2014. The matter is currently pending before the TDSAT.

17. Department of Telecommunications ("**DoT**") issued demand notices dated November 5, 2014 and July 10, 2015 to RCOM on account of alleged shortfall of license fee for the financial years 2004-05 to 2008-09. RCOM had already filed its representation stating that as per the provisions of International Long Distance Service ("**ILDS**") License Agreement issued by DoT to RCOM, the revenue generated by the foreign operator for providing foreign half circuit of the International Private Leased Circuit ("**IPLC**") service outside India cannot be subject to license fee on account of RCOM. Without considering the submissions made by RCOM, DoT issued the revised demand notices directing RCOM to immediately pay Rs. 130.5

million. RCOM was constrained to file a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**"). *Vide* interim order dated September 9, 2015, the TDSAT directed the DoT to not to take any coercive step to seek enforcement of the impugned demands. The matter is currently pending before the TDSAT.

18. Based on the report dated March 11, 2016, prepared by the Comptroller and Auditor General of India, the Department of Telecommunications ("**DoT**") had raised fresh/revised demands upon RCOM and RTL towards license fee for the financial years 2006-07 to 2009-10 for an amount of Rs. 73,987.02 million. RCOM and RTL filed a petition challenging these demands. On November 9, 2016, the petition was admitted. Notice has been issued to DoT. In the meantime DoT was directed to not to take any coercive measure against RCOM and RTL for the enforcement of the impugned demands. The matter is currently pending before TDSAT.

Other Proceedings involving RCOM

1. On October 22, 2011, the Special Judge, CBI framed charges against Reliance Telecom Limited (a subsidiary of Reliance Communications Limited), three executives of the Reliance Group and certain persons not related to Reliance Group for various offences, including criminal breach of trust, criminal conspiracy, forgery, giving false evidence, abetment of corruption of a public servant and abetment of an offence under various sections of the IPC, or in the alternative, various sections of the Prevention of Corruption Act, 1988, *inter alia*, in relation to award of the Unified Access Services License ("**UASL**") to Swan Telecom Private Limited, now known as Etisalat DB Private Limited ("**Swan**"). It has been alleged by the CBI that Swan was ineligible to be granted a UASL as Reliance Telecom Limited, directly as well as through its associates, was holding equity shares in excess of the limit of 10% prescribed limit under the UASL. Reliance Telecom Limited and three executives of the Reliance Group have contended that Reliance Telecom Limited had held equity shares within the prescribed limits in Swan, when Swan had applied for the UASL. Further, Reliance Telecom Limited sold the equity shares it held in Swan before the grant of UASL by the Department of Telecommunications to Swan in 2008. When Swan acquired the UASL, Reliance Telecom Limited did not hold any stake in Swan. Initially, all of the accused were denied pre-trial bail by the Special Judge, CBI but subsequently by an order of Supreme Court of India were released on bail. The matter is pending adjudication before the Special Judge, CBI.

2. The Cellular Operators Association of India (the "**COAI**") filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") challenging the decisions of the Department of Telecommunications ("**DoT**") to allocate GSM spectrum to first time CDMA service providers (including RCOM). The COAI and its constituent telecommunications service providers offering GSM services (together, the "**GSM Service Providers**") argued that the spectrum provided to the CDMA service providers, was in fact additional spectrum, over which the GSM Service Providers had a vested right and for which they had applied earlier. The COAI has filed an appeal before the Supreme Court against the order passed by the TDSAT, after the Delhi High Court ruled that the COAI had failed to establish a *prima facie* case for not allotting the spectrum to the CDMA service providers. The matter is pending before the Supreme Court.

3. RCOM entered into interconnect agreements with Bharat Sanchar Nigam Limited ("**BSNL**") and Mahanagar Telecom Nigam Limited ("**MTNL**") (the "**Respondents**"). RCOM subsequently started a Home Country Direct ("**HCD**") service by which a foreign caller could call an Indian call recipient (who was a subscriber of the Respondents) through a number issued by RCOM which would connect the former to the latter. The Respondents allege that, as a result, RCOM did not pay the Respondents interconnect usage charges at international rates. Pursuant to the interconnect agreement, demands were raised by BSNL and MTNL for Rs. 3,190.4 million and Rs. 3,414.7 million, respectively, which were paid in protest by RCOM. RCOM filed a petition before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") seeking a refund of Rs. 1,116.3 million from BSNL and Rs. 2,712.3 million from MTNL on various grounds including application of wrong call rates, wrongful penalty imposed on trunk groups where RCOM did not terminate HCD calls and wrongful calculation of the number of minutes terminated in the Respondents' networks. The TDSAT by its order dated October 17, 2012 (the "**TDSAT Order**") partially allowed RCOM's claims and directed MTNL and BSNL to reconcile their accounts with those of RCOM, issue fresh bills and refund the excess amount to RCOM. RCOM and the Respondents filed cross appeals against the TDSAT Order, which are pending before the Supreme Court. In the interim, RCOM filed execution petitions in relation to the portion of the TDSAT Order which partially allowed RCOM's claim. By an order dated February 13, 2014 (the "**Execution Order**"), the TDSAT upheld the execution claim of

RCOM against MTNL. However, MTNL has not complied with the Execution Order and RCOM has filed a contempt application against MTNL before the TDSAT, which is pending. MTNL filed a civil appeal before the Supreme Court which was dismissed. RCOM filed two new civil appeals in the Supreme Court, partly challenging the Execution Order against MTNL and BSNL. Subsequently, MTNL has again filed its civil appeal against the Execution Order. The matters are currently pending before the Supreme Court.

4. Bharat Sanchar Nigam Limited ("**BSNL**") issued a demand of Rs. 5,400 million to RCOM in relation to access deficit charges for fixed wireless phone for the period between November 14, 2004 and August 26, 2005 (the "**Demand**"). RCOM challenged the Demand before the Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**"). The TDSAT by an order dated April 15, 2010 upheld the Demand and also permitted BSNL to raise an invoice for access deficit charges levied for the period between August 26, 2005 and February 28, 2006. Aggrieved by the TDSAT's decision, RCOM has filed a civil appeal before the Supreme Court. The matter is currently pending before the Supreme Court.

5. RCOM, Reliance Telecom Limited ("**RTL**") and Reliance Infratel Limited ("**Reliance Infratel**") filed recovery petitions against S. Tel Private Limited ("**S. Tel**") for a claim of approximately Rs. 700 million, and against Etisalat DB Telecom Private Limited for approximately Rs. 16,000 million. The Telecom Dispute Settlement and Appellate Tribunal ("**TDSAT**") has allowed two of the petitions against S. Tel for approximately Rs. 244.6 million. The other petitions are pending before the TDSAT. Execution petitions have been filed against S.Tel seeking execution of the judgment pronounced by the TDSAT on May 2, 2014, in Petition No. 93 of 2012, and on July 1, 2015, in Petition No. 94 of 2012, in which RTL's & RCOM's claims of approximately Rs. 244.6 million was upheld along with interest from the date of filing of the petitions.

Completed Regulatory Action against RCOM

1. Directorate of Enforcement (New Delhi) *vide* its notice dated February 18, 2013, directed RCOM to show cause as to why adjudication proceedings should not be initiated against RCOM and why penalty should not be imposed in relation to certain alleged contraventions of the FEMA with respect to investment in a foreign subsidiary, namely Reliance Globalcom Limited. Pursuant to the aforesaid notice, RCOM *vide* its application dated September 19, 2014, sought compounding of the aforesaid contraventions. Subsequently, the RBI *vide* its order dated March 16, 2015, compounded the delay upon the payment of a penalty amounting to Rs. 0.52 million. Consequently, RCOM paid the aforesaid penalty.

2. Directorate of Enforcement (New Delhi) *vide* its notice dated February 18, 2013, directed RCOM to show cause as to why adjudication proceedings should not be initiated against Reliance Communications Limited and why penalty should not be imposed in relation to certain alleged contraventions of the FEMA with respect to investment in a foreign subsidiary, namely Reliance Globalcom B.V. Netherlands. Pursuant to the aforesaid notice, RCOM *vide* its application dated September 19, 2014, sought compounding of the aforesaid contraventions. Subsequently, the RBI *vide* its order dated March 16, 2015, compounded the delay upon the payment of a penalty amounting to Rs. 1.69 million. Consequently, RCOM paid the aforesaid penalty.

3. RCOM had filed a writ petition before the Madras High Court, *inter alia,* challenging the demand dated January 8, 2013 issued by the Department of Telecommunications ("**DoT**") for payment of approximately Rs. 2,190 million towards, *inter alia,* spectrum usage charges, revenue from leased line and bandwidth subscribers and penalty and interest thereon under the UASL for 16 circles for the period commencing from the financial year 2006 and ending at the conclusion of the financial year 2008. On June 23, 2016, the Madras High Court remanded the matter/entire demand to the DoT to consider everything afresh in the light of RCOM's pending representation within 4 (four) weeks. The Court also directed the DoT to refund the excess amount, if any, found to be payable to RCOM after reworking the impugned demands. The matter has been disposed off by the Madras High Court accordingly.

4. The Department of Telecommunications ("**DoT**"), by various circulars amended the licence agreements of telecommunications service providers requiring licencees to conduct audit and undertake self certification to demonstrate conformity with the BTS emissions standards. Pursuant to these circulars, the DoT issued show-cause notices to various licensees imposing penalties for not submitting self certificates in the time and manner stipulated by the DOT. The Cellular Operators Association of India ("**COAI**") has challenged the circular dated October 10, 2012 and the show cause notices on the ground, *inter alia*, that the penalty imposed by the DoT is retrospective in nature. The Telecom Dispute Settlement and Appellate Tribunal

("**TDSAT**") issued an interim order dated August 30, 2013 directing the DoT to refrain from taking any coercive action against the Petitioners for realisation of the demand. On March 29, 2016, TDSAT set aside the penalty demands and closed the matter with directions to DoT to frame a fresh scheme in light of the recommendations of the committee constituted by the DoT on July 26, 2013 and as per the observations made in the judgment.

Taxation Proceedings

There are 10 direct tax proceedings involving RCOM, which involve an aggregate amount of tax of approximately Rs. 3,271.60 millions. Further, there are 78 indirect tax proceedings involving RCOM, which involve an aggregate amount of approximately Rs. 2,569.16 million. The matters are currently pending.

XX. ***HK Toll Road Limited ("HK")***

Pending Civil Litigation involving HK

1. HK (the "**Petitioner**") has filed a writ petition before the High Court of Madras against the General Manager, State Express Transport Corporation Limited, Chennai and certain others (the "**Respondents**"), *inter alia*, seeking (a) grant of interim injunction restraining the Respondents from using the Hosur – Krishnagiri section of NH-7 from Km. 33.130 to Km. 93.000 ("**Project Highway**") for the plying of their buses without making payment of user fee and (b) to issue a writ of mandamus or any appropriate writ, order or direction directing the Respondents to make payments to the Petitioner for the outstanding amount of Rs. 110.14 million and all future user fee be paid promptly for using the Project Highway for the plying their buses. The Respondents have filed their replies in the matter. The High Court of Madras has passed an order granting, *inter alia*, (a) the issuance of a writ of mandamus directing certain Respondents to pay to the Petitioner the user fees for the use of the Project Highway, including the payments already made for the buses and (b) an interim injunction restraining certain Respondents from using the Project Highway.

Taxation Proceedings

There is 1 (one) indirect tax proceeding against HK in relation to CENVAT, which involves an aggregate amount of approximately Rs. 52.3 million.

XXI. ***KM Toll Road Limited ("KM")***

Pending Regulatory Action against KM

1. NHAI has *vide* its notice dated December 15, 2015, demanded payment of premium from KM. KM has filed its reply to the aforementioned notice denying its liability, and subsequently, additional correspondence has been exchanged between the parties in this regard. Subsequently, KM *vide* its letter dated January 6, 2017 to NHAI has sought (i) proportionate payment of premium; (ii) adjustment of the relief amount due to de-monetisation; (iii) to keep the interest on premium in abeyance; and (iv) permit the said balance premium payment in three installment over the course of the next three months. The matter is currently pending.

2. NHAI *vide* a notice to KM dated March 25, 2017, directed KM to, *inter alia*, immediately deposit the outstanding balance amount of premium along with interest of Rs. 575.6 million before March 31, 2017 so that KM is not categorised as "non-performer", ensure O&M of the existing stretch of road, take immediate action for remobilization to the site and take up expeditious construction of the balance work. The NHAI also stated that on account of the non-responsive behaviour of KM, the NHAI chairman directly wrote to the chairman of the Sponsor group, requesting him to look into the matter and to pay the outstanding amount of due premium. Subsequently, NHAI *vide* a notice to KM dated April 15, 2017, directed KM to immediately deposit an amount of Rs. 617.69 million as balance premium (including interest up to April 15, 2017) in a nominated bank account of NHAI within 7 (seven) days (i.e., before April 17, 2017). The letter stated that in case of failure to deposit the balance amount within the next seven days, the NHAI would treat the same as a breach of contract and forward a proposal to the competent authority for the issuance of a termination notice as per the relevant provisions of the concession agreement. KM has responded to the aforesaid notices vide its letter dated April 25, 2017, and has, without prejudice to its rights and contentions in relation to its claims against NHAI and while reserving its rights to make appropriate contractual and legal submissions, remitted the payment of a sum of Rs. 550.00 million to the nominated account of NHAI under protest. NHAI vide its letter dated April 25, 2017, has informed KM that NHAI's competent authority has approved the payment of Rs. 41.05 million as immediate relief to be

provided to KM in relation to compensation for demonetization, which would be adjusted towards KM's alleged balance premium amount of Rs. 69.71 million, and after which, an amount of Rs. 28.67 million would be allegedly outstanding towards payment of premium by KM. The matter is currently pending.

Taxation Proceedings

There is 1 (one) indirect tax proceeding pending against KM in relation to CENVAT, involving an aggregate amount of approximately Rs. 38.68 million.

XXII. ***PS Toll Road Limited ("PS")***

Pending Regulatory Action against PS

1. NHAI has debited Rs. 44.10 million from the escrow account wrongfully on account of alleged non-payment of penal interest on premium. PS has vide its letter dated February 12, 2015, requested for the reversal of the same amount. No further communication has been received in this regard.

Other Proceedings involving PS

1. Roadway Solutions India Private Limited (the "**Claimant**") has filed an arbitration proceeding before the arbitral tribunal presided over by Justice Mohit Shah (Retd.) against the Sponsor and PS Toll Road Private Limited (the "**Respondents**"). The Claimant has, *inter alia*, claimed (a) direct costs from the Respondents, broadly the final bill, bank guarantee, relating to litigation expenses and various interest charges, (b) indirect costs, (c) additional costs due to inefficiencies on the part of the Respondent and (d) additional costs caused due to consequential delays. The Respondents by way of a statement of defence, have *inter alia* submitted that (a) the claims raised by the Claimant are misconceived without particulars, material or otherwise and contrary to the express terms of the construction agreement; and (b) the Claimant failed to perform the works under the construction agreements. Further,the Respondents have filed a counter-claim *inter alia* seeking (a) refund of the amounts paid to the Claimant in relation to material advance, escalation amount, royalty payment, etc., (b) damages on account of delay in completion of the project milestones, (c) liquidated damages on account of delay/non-completion of works within the scheduled completion date and (d) financial expenses due to delay in completion of the project. The aggregate amount involved in the counter claim is approximately Rs. 4,668.23 million with interest. The Claimant has also filed an interim application before the arbitral tribunal seeking, *inter alia*, to secure the amounts in dispute by providing equivalent to Rs. 387.50 million. The parties have arrived at a settlement to close the matter and payment of Rs. 500.3 million has been made to the Claimant. The settlement has been placed before the arbitral tribunal. The matter is currently pending.

Other Matters

1. NHAI *vide* a letter dated February 24, 2017, in relation to PS, had, *inter alia*, expressed concerns with the delay in the project and sought a review of the progress of the PS project and requested a roadmap for achieving the completion of the project in all aspects by June 2017, and to address certain issues, such as slow progress and stoppage of work in certain areas, quality issues, compliance with observations of the independent engineer, repair work and safety conditions, shifting of certain pipelines not being completed; the letter also stated that government and other officials had raised concerns on the progress of the project. PS *vide* its letter dated March 4, 2017, whilst responding to the aforesaid letter and the issues set out therein, has, *inter alia*, requested that NHAI consider its requests in relation to confirmation of time extension as recommended by the independent engineer until December 2017, providing balance stretches and remaining land, release of payments for change of scope, change in law compensation and compensation for toll loss due to demonetization. No further correspondence in writing has been received from the NHAI in this regard.

Taxation Proceedings

There is 1 (one) indirect tax proceeding pending against PS in relation to CENVAT, involving an aggregate amount of approximately Rs. 218.1 million.

XXIII. ***DA Toll Road Limited ("DA")***

Other Matters

1. NHAI *vide* a letter dated February 14, 2017, in relation to DA, had, *inter alia*, expressed concerns with progress of the DA Project and sought a review of the progress of the DA project and requested a definitive plan to achieve completion by June 2017 and address certain issues, such as lack of physical progress in recent past periods, additional work not being taken up, inconvenience to users, inadequate maintenance and safety conditions and addressing environmental and safety concerns in certain court cases; the letter also stated that government and other officials had raised concerns on the progress of the project . DA *vide* its letter dated February 20, 2017, whilst responding to the aforesaid letter and the issues set out therein, has, *inter alia*, requested that NHAI to consider a change in scope for certain additional work and consider its requests in relation to the issuance of a provisional completion certificate for the length completed until September 2017, acquisition of certain portions of land, release of grant as per the relevant concession agreement, release of outstanding payments for change of scope and change in law compensation as per the relevant concession agreement. No further correspondence in writing has been received from the NHAI in this regard.

Material Litigation and Regulatory Action involving the Project SPVs

I. DS Toll Road Limited ("DS")

Other Proceedings involving DS

1. DS (the "**Claimant**") had initiated arbitration proceedings before the arbitral tribunal presided by Justice Surjeet Singh against National Highways Authority of India (the "**Respondent**") claiming, *inter alia*, (a) compensation of a sum amounting to approximately Rs. 825.33 million towards additional costs/losses/damages suffered by the Claimant due to forced prolongation of the construction period; (b) interest on delayed payment of grant; and (c) interest on delayed payments of the claimed amount up to the date of payment. By way of its response, the Respondent has denied all averments. The arbitral tribunal has by way of its award, *inter alia*, allowed (a) a sum of Rs. 140.55 million (along with interest) towards costs incurred in relation to plant and equipment at the site during the extended period, (b) a sum of approximately Rs. 19.84 million (along with interest) towards additional expenses incurred on materials during the extended period and (c) a sum of approximately Rs. 10.18 million towards interest on delayed payment of grant. The aggregate amount of claims based on the award of the arbitral tribunal towards the Claimant is Rs. 1,017.35 million. The Respondent has challenged the award passed by the arbitral tribunal before the High Court of Delhi. Subsequently, DS wrote a letter to NHAI requesting the release of 75% of the arbitral award amount in accordance with the NHAI circular dated November 30, 2016. The matter is currently pending.

Taxation Proceedings

There is 1 (one) indirect tax proceeding pending against DS in relation to CENVAT, which involves an aggregate amount of approximately Rs. 36.8 million.

II. GF Toll Road Private Limited ("GF")

Pending Regulatory Action involving GF

1. Vikram Singh (the "**Complainant**") has filed a complaint before the Assistant Labour Commissioner, Gurugram, against SSI Management Services and GF, claiming, *inter alia*, an amount of Rs. 0.17 million towards non-payment of wages. GF has filed its reply, contending, *inter alia*, that the Complainant is not a direct employee of GF. The matter is currently pending.

2. HPWD *vide* its letter dated March 9, 2016, sought Rs. 22.60 million (including interest payable at 14% per annum for the period from June 30, 2012 to December 31, 2015) as damages in relation to GF's alleged failure to achieve project milestones regarding shifting of utility services delay upto December 31, 2015 and as well as bridge and CD works delay upto June 29, 2012. GF *vide* its letter dated May 9, 2016, has submitted, *inter alia*, that GF had suffered delays mostly due to failure on the part of HPWD in fulfillment of the reciprocal obligations.The matter is currently pending.

3. HPWD *vide* its letter dated March 18, 2016, sought the recovery of Rs. 2.94 million as alleged to have been incurred on account of maintenance work executed by it. GF *vide* its letter dated June 1, 2016, has sought that it be provided with the relevant supporting documents in relation to the maintenance work alleged to have been completed by HPWD. GF has further denied all averments. The matter is currently pending.

4. HPWD *vide* its letter dated March 21, 2016, sought the recovery of costs of dismantled material such as scarifying material, dismantled cement concrete blocks, dismantled material from culverts, bridges and other structure pavement from road and site of the project during the construction of the work. GF *vide* its letter dated June 15, 2016 filed its reply in the aforementioned matter stating, *inter alia*, that there is no amount due and payable to HPWD. The matter is currently pending.

5. HPWD *vide* its letter dated March 9, 2016, sought the recovery of Rs. 91.92 million (along with interest) as damages on account of advertisement allowed by GF in the right of way limits of a project road in violation of the concession agreement. GF *vide* its letter dated May 9, 2016, has submitted, *inter alia*, that there is no default by GF of the provisions of the concession agreement and the application of the damages imposed on GF does not stand ground. The matter is currently pending.

6. HPWD *vide* its letter dated March 9, 2016, sought the recovery of Rs. 19.40 million (along with interest) as damages for delay in completion of punch list items. GF *vide* its letter dated April 2, 2016 has submitted, *inter alia*, that there is no default by GF of the terms of the concession agreement or delay in the completion of the punch list items for which GF is responsible. The matter is currently pending.

7. HPWD *vide* its letter dated March 11, 2016, sought an amount of Rs. 101.63 million (including interest) on late deposit of negative grant of approximately Rs. 1,503 million. GF *vide* its letter dated May 9, 2016, submitted that the relevent damanges as agreed in the supplementary agreement executed between HPWD and GF with regard to the delayed payment of grant has been paid by GF. Further, GF also submitted that there were events attributed to HPWD which delayed the achievement of financial closure and that HPWD's demand for interest on delayed payment of grant is contrary to the provisions of the concession agreement. GF has paid an amount of Rs. 3.8 million in the past in relation to the aforesaid demand whilst entering into the supplementary agreement dated November 27, 2009. The matter is currently pending.

8. HPWD *vide* its letter dated March 11, 2016, demanded costs of boulders excavated and obtained from various chainages of the Gurgaon – Faridabad road aggregating to Rs. 55.59 million (including interest). GF *vide* its letter dated December 5, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

9. HPWD *vide* its letter dated March 14, 2016, sought payment of Rs. 15.32 million towards savings made by GF by obtaining insurance for lesser value in contravention of the provisions of the concession agreement. The matter is currently pending.

10. HPWD *vide* its letter dated March 9, 2016, sought the recovery of Rs. 24.22 million as alleged to have been incurred by HPWD on account of cost, remuneration and expenses of independent consultant due to delay in completion of the project. GF *vide* its letter dated May 6, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

11. HPWD *vide* its letter dated March 11, 2016, has demanded damages of Rs. 201.34 million towards delay in the completion of the project. GF *vide* its letter dated April 30, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

12. HPWD *vide* its letter dated March 17, 2016, has demanded Rs. 177.86 million towards damages on account of delay in operations and maintenance obligations under the concession agreement and delay in completion of defect and deficiencies. GF *vide* its letter dated May 5, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

13. HPWD *vide* its letter dated May 4, 2016, has demanded Rs. 17.62 million towards damages against piling of vehicles beyond 6 (six) vehicles/lane in queue under the provision of the concession agreement. GF *vide* its letter dated May 10, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

14. HPWD had served a notice upon GF for delay in the registration of the concession agreement under the Indian Stamp Act, 1899 and demanded the payment of the requisite stamp duty of Rs. 486.64 million. GF *vide* its letter dated May 20, 2016, filed its reply in the aforementioned matter submitting that the requirement of paying the stamp duty as under the Indian Stamp Act, 1899 and registration of the concession agreement under the Registration Act, 1908 is based on the assumption that the concession agreement is an instrument of lease are neither supported by law nor the transactions envisaged under the concession agreement. The matter is currently pending.

15. HPWD *vide* its letter dated May 4, 2016, sought the recovery of Rs. 16.88 million as damages on account of not providing one exempt lane in each direction for the traffic not required to pay user's fee. GF *vide* its letter dated November 28, 2016, has filed its reply in the aforementioned matter and denied all averments. The matter is currently pending.

Other Proceedings involving GF

1. GF (the "**Claimant**") has initiated an arbitration proceeding against the Government of Haryana, Haryana Public Works Department (Building and Roads) Branch, Chandigarh (the "**Respondent**") before the arbitral tribunal presided over by Justice S S Nijjar (Retd.). The Claimant has, *inter alia*, claimed for a compensation for the loss suffered due to non-compliance of toll notification No. 9/106/2001-3B&R(W) dated March 27, 2012 ("**Notification**") by users of the toll road and no adequate support being provided by the Respondent. The aggregate amount of the claim is approximately Rs. 950 million including interest. By way of its statement of defence in the aforesaid matter, the Respondent has, *inter alia*, submitted that (a) the failure of the Claimant or the toll collecting agency appointed by the Claimant in collection of toll, if any, will be the responsibility of the Claimant and (b) the Claimant has the right to refuse the entry of any non – toll paying vehicle on the toll fee road and that the Respondent is not responsible for any loss incurred due to non-payment of toll and that the calculation of the quantum of the claim by GF was faulty. The Claimant has filed its reply to the statement of defence of the Respondent. Further, the Respondent has filed fourteen counter-claims under various heads for an amount aggregating to approximately Rs. 1606.9 million, including interest. It was contended by the Claimant that the counter-claims filed by the Respondent were not a valid subject matter of the said arbitration proceedings. The arbitral tribunal *vide* its order held that the counter-claims filed by the Respondent are valid subject matter and within the scope of the said arbitration proceeding. Subsequently, the Claimant has filed an amended statement of claim with certain additional claims, including (a) claim on account of delayed issue of the provisional completion certificate on account of factors not attributable to the Claimant and for which the Claimant is eligible for due compensation from the Respondent; (b) claim on account of losses incurred due to the non-revision of the user fee on the date specified in the concession agreement; and (c) claim on account of various incidences of change of scope and other payable activities that have occurred during the course of the concession agreement that entitle the Claimant to compensation. The matter is currently pending.

Taxation Proceedings

There is 1 (one) indirect tax proceeding pending against GF in relation to CENVAT, involving an aggregate amount of approximately Rs. 64.25 million.

III. JR Toll Road Private Limited ("JR")

Pending Regulatory Action against JR

1. NHAI *vide* its letter dated January 13, 2016, sought Rs. 6.33 million as damages in relation to the non-fulfillment of maintenance obligations by JR. JR *vide* its letter dated March 9, 2016, has responded to the aforesaid letter, and submitted that it is in compliance with its maintenance and repair obligations, and denied the deficiencies alleged by NHAI and the independent engineer. Further, JR has also requested the NHAI to return the wrongfully recovered amount of Rs. 0.67 million.The matter is currently pending.

Other Proceedings involving JR

1. JR has filed a claim before the independent engineer against NHAI for an approximate amount of Rs. 1,090.00 million towards, *inter alia*, (a) compensation for additional costs incurred due to the extended construction period; (b) compensation for the loss in toll revenue due to delay in commercial operation

date; and (c) compensation for delay in payment of grant. In addition to previous letters sent by JR in this regard, JR, *vide* its letter dated January 13, 2017, has requested the NHAI to settle its claims in a timely manner. The matter is currently pending.

2. A ramp toll plaza was developed and installed on December 15, 2016 after removing the earlier checkpost to prevent leakage of traffic and loss of revenue. However, the Jaipur Development Authority ("**JDA**") illegally demolished the said plaza on January 10, 2017 without any notice or warning. JR has requested the JDA to reinstate the ramp toll plaza at its own risk and cost and made a claim of Rs. 0.59 million per day towards revenue losses vide its letter dated January 13, 2017, and the same was supported by the NHAI letter dated January 20, 2017, directing JDA to reinstate the ramp toll plaza for resuming collection of toll revenue. The matter is currently pending.

Taxation Proceedings

There are 2 (two) direct tax proceedings pending against JR, which involve an aggregate amount of tax of approximately Rs. 4.4 million. Further, there is 1 (one) indirect tax proceeding against JR in relation to CENVAT involving an aggregate amount of approximately Rs. 46.35 million.

IV. NK Toll Road Limited ("NK")

Other Proceedings involving NK

1. NK (the "**Claimant**") had initiated arbitration proceedings before the arbitral tribunal of three arbitrators presided over by Mr. Ravindra Kumar against National Highways Authority of India claiming, *inter alia*, (a) compensation of a sum amounting to approximately Rs. 526.10 million towards (i) expenses on account of the extended stay of plant and equipment at the site due to the extended construction period; (ii) additional increase in the cost of input material incurred due to the extended construction period; (iii) loss of opportunity and profits and construction overheads due to the extended period of construction; (iv) loss of revenue due to delay in COD; (v) additional overhead costs incurred due to the extended construction period;(vi) delay in release of the promised grant; and (vii) interest on delayed payment of the above referred claims. By way of its response, the Respondent has denied all averments. The arbitral tribunal has by way of its award, *inter alia*, allowed (a) a sum of Rs. 96.47 million (along with interest) towards costs incurred in relation to the plant and equipment at the site during the extended construction period, (b) a sum of Rs. 13.30 million (along with interest) towards additional expenses incurred on materials during the extended period; (c) a sum of Rs. 7.12 million towards compensation due to delayed payment of grant; (d) Rs. 0.63 million (together with interest) for loss of opportunity and profits; (e) Rs. 182.61 million (together with interest) towards loss of revenue for delayed COD; and (f) Rs. 30.93 million towards overhead costs. NK has written to the NHAI claiming an aggregate amount of Rs. 699.42 million based on the claims awarded by the arbitral tribunal in favour of the Claimant. Subsequently, NK has requested the NHAI to release 75% of the arbitral award amount in accordance with the NHAI circular dated November 30, 2016. NHAI had challenged the award passed by the arbitral tribunal before the High Court of Delhi. NHAI's challenge of the arbitral award before the High Court of Delhi was dismissed by an order dated March 23, 2017. NK *vide* its letter dated March 29, 2017 has requested NHAI to release the award accordingly. The matter is currently pending.

Taxation Proceedings

There is 1 (one) direct tax proceeding pending against NK, which involves an aggregate amount of tax of approximately Rs. 1.7 million. Further, there is one indirect tax proceeding pending against NK in relation to CENVAT involving an aggregate amount of approximately Rs. 29.54 million.

V. SU Toll Road Private Limited ("SU")

Taxation Proceedings

There is 1 (one) indirect tax proceeding pending against SU in relation to CENVAT, involving an aggregate amount of approximately Rs. 67.57 million.

VI. TD Toll Road Private Limited ("TD")

Other Proceedings involving TD

1. TD has filed a claim against NHAI for an amount of Rs. 2,821.65 million towards, *inter alia*, (a) compensation for additional costs incurred due to the extended construction period; (b) compensation for the loss in toll revenue due to delay in commercial operation date; and (c) compensation for loss in toll revenue due to change in the location of the toll plaza. No further communication had been received from the NHAI in the aforementioned matter pursuant to which TD has vide its notice to the NHAI invoked the arbitration clause for the commencement of an arbitration proceeding and nominated Mr. I. M. Singh as its nominee arbitrator. The said proceedings have been invoked on account of claims arising out of forced prolongation of construction period, loss in toll revenue due to delay in commercial operation date and loss in toll revenue due to change in toll plaza location and the failure to arrive at an amicable settlement. Subsequently, an arbitral panel of 3 (three) arbitrators has been constituted by the parties. The matter is currently pending.

2. TD has filed claims before the independent consultant under the concession agreement amounting to Rs. 192.63 million against NHAI towards, *inter alia* (a) additional cost incurred on account of independent counsultant's renumeration during extended construction period; (b) reimbursement on interest for delay in disbursement of grant; and (c) compensation for additional cost incurred on account of 'Change in Law' provision under the concession agreement. The independent consultant *vide* its letter dated February 6, 2017, rejected TD's claim for compensation in relation to the additional costs on account of the 'Change in Law' provision under the concession agreement. The matter is currently pending.

Taxation Proceedings

There are 2 (two) direct tax proceeding pending against TD, which involves an aggregate amount of tax of approximately Rs. 1.1 million. Further, there is 1 (one) indirect tax proceeding pending against TD in relation to CENVAT, involving an aggregate amount of approximately Rs. 29.17 million.

VII. TK Toll Road Private Limited ("TK")

Pending Regulatory Action involving TK

1. The Assistant Labour Commissioner (Central), Ministry of Labour and Employment, Puducherry has sent a notice to TK, as the principal employer, in relation to the alleged non-payment of dues and alleged illegal termination of Mr. Venkatachalam, an employee of M/s ISS Support Services Private Limited (a sub-contractor of TK). TK has replied to the aforesaid notice stating, *inter alia*, that TK had checked the records of ISS Support Services Private Limited in relation to Mr. Venkatachalam's termination and found that all statutory procedures had been followed and all payments had been made in accordance with the Contract Labour (Regulation and Abolition) Act, 1970. An amount of Rs. 3,056 has been paid to Mr. Venkatachalam by the sub-contractor. The matter is currently pending.

2. NHAI *vide* its letter dated March 25, 2015, has alleged that TK failed to complete certain items specified in the punch list given in the provisional completion certificate within 120 days as required under the concession agreement and demanded the payment of Rs. 4.80 million as damages from TK. TK *vide* its letter dated July 4, 2015, has submitted that recommendation of the independent consultant for the levy of damages for delay in completion of punch list items is not tenable as NHAI failed to provide land required for execution of the punch list in a timely manner and hence not acceptable. Subsequently, TK had *vide* its letter dated March 3, 2017, requested the independent consultant to reconsider/review its recommendation for the levy of damages for delay in completion of punch list items. The independent consultant *vide* its letter dated March 27, 2017, rejected the request for review made by TK. Further, NHAI has adjusted the alleged damages of Rs. 4.80 million against change of scope payments. The matter is currently pending.

Other Proceedings involving TK

1. TK has filed a claim before the independent engineer against NHAI for an approximate amount of Rs. 5,459.92 million towards, *inter alia*, (a) compensation for additional costs incurred due to the extended construction period; (b) compensation for the loss in toll revenue due to delay in commercial operation date; (c) compensation for delay in payment of grant; (d) interest on delayed payment of grant; and (e) compensation for increase in cost due to the 'Change in Law' provision under the concession agreement. The claim in relation to the 'Change in Law' provision under the concession agreement has been re-

submitted with a revised amount of Rs. 171.36 million until the financial year 2013-2014 to the independent engineer for its review. The independent engineer *vide* its letter dated January 3, 2017, rejected TK's claim in relation to the compensation for additional costs incurred on account of the 'Change in Law' provision under the concession agreement. The matter is currently pending.

2. TK has filed a claim against NHAI towards (a) compensation of Rs. 866.05 Million towards interest lost/ paid on the investment made in Trichy Bypass; (b) compensation for additional cost of Rs. 411.50 million towards idling of plant and equipments deployed at site for the period from July 15, 2010 to April 30, 2016; (c) compensation of Rs. 110.90 million for the additional overhead cost that TK would incur for executing the balance works at Trichy Bypass; and (d) compensation toward additional cost of Rs. 763.58 million which TK would incur for executing the balance works in Trichy Bypass. The matter is currently pending.

3. Vijay Nirman Company Private Limited, a sub-contractor, (the "**Petitioner**") has filed an arbitration application before the Commercial Court cum XXIV Additional Chief Judge City Civil Court, Hyderabad against TK and certain others (the "**Respondents**"). The Petitioner has, *inter alia*, sought an ex-parte ad-interim injuction restraining TK from encashing the bank guarantees provided by the Petitioner which has been granted by a subsequent order of the court. The Respondents have filed a counter affidavit requesting the court to (i) vacate the ex-parte ad-interim injunction order and (ii) dismiss the petition. The matter is currently pending.

Taxation Proceedings

There is 1 (one) direct tax proceeding pending against TK. There will be no outflow of tax in this proceeding. There is 1 (one) indirect tax proceeding pending against TK in relation to CENVAT, involving an aggregate amount of approximately Rs. 35.65 million.

B. Material Litigation and Regulatory Action against the Investment Manager and the Associates of the Investment Manager

Taxation Proceedings

There are 4 direct tax proceedings involving the Investment Manager, which involve an aggregate amount of tax of approximately Rs. 15.24 million. Further, there are 16 indirect tax proceedings involving the Investment Manager, which involve an aggregate amount of approximately Rs. 909.90 million.

Material Litigation and Regulatory Action against the Associates of Investment Manager

I. Reliance Capital Limited ("RCL")

Pending Regulatory Action against RCL

1. SEBI had issued a letter dated July 1, 2010 in respect of certain irregularities / deficiencies in the depository operations of RCL. The letter was issued pursuant to inspections carried out of its books and records during the month of June 2009. RCL has submitted a detailed reply *vide* letter dated July 20, 2010 confirming the corrective steps taken to regularize the aforesaid irregularities / deficiencies. No further action has been taken by SEBI against RCL in this regard.

2. SEBI had issued an administrative warning letter dated March 21, 2014 with respect to its findings in relation to the inspection of books and records of Reliance Securities Limited ("**RSL**") carried out in August 2012 ("**Inspection**"). Majority period covered under the Inspection pertained to the period when the depository participant activities were carried out by RCL. The depository participant business has been currently transferred from RCL to RSL. Pursuant to the administrative warning, RSL submitted a detailed reply *vide* letter dated April 21, 2014 including the details of the coercive steps taken and thereafter *vide* letter dated May 20, 2014 conveying the satisfaction of the boards of both RSL and RCL with regard to the coercive action steps taken. However, *vide* its letter dated June 12, 2014, SEBI issued a show cause notice to RCL and initiated adjudication proceedings. The aforementioned show cause notice was subsequently set aside by an order of the Securities Appellate Tribunal dated February 9, 2015. No further communication has been received in this regard.

Taxation Proceedings

There are 6 (six) direct tax proceedings involving RCL, which involve an aggregate amount of tax of approximately Rs. 1.50 million. Further, there are 7 (seven) indirect tax proceedings involving RCL which involve an aggregate amount of approximately Rs. 261.40 million.

II. Reliance Commercial Finance Limited ("RComFL")

Pending Criminal Litigation against RComFL

1. Joydip Banerjee (the "**Complainant**") has filed a criminal complaint before the Chief Judicial Magistrate, Alipore, against RComFL (a part of which was a business division of RCL earlier) alleging, *inter alia*, the commission of offences under Sections 506, 120B and 34 of the Indian Penal Code, 1860. The matter is currently pending.

III. Reliance Money Express Limited ("RMEL")

Pending Regulatory Action involving RMEL

1. The Directorate of Enforcement, Lucknow has issued a show cause notice to RMEL to show cause as to why inquiry proceedings should not be held against RMEL in relation to two large transaction of Rs. 12.50 million in foreign exchange which were alleged to be in contravention of the Foreign Exchange Management Act, 1999 ("**FEMA**"). RMEL filed its reply in the aforementioned matter and has denied all allegations. The Directorate of Enforcement, Lucknow, *vide* its adjudication order has directed RMEL to pay an amount of Rs. 12.50 million towards penalty for contravention of the provisions of FEMA. RMEL filed an appeal before the Appellate Tribunal for Foreign Exchange, Delhi, challenging the order of the Directorate of Enforcement, Lucknow. The Appellate Tribunal for Foreign Exchange, Delhi, by way of its order has stayed the operation of the impugned order of the Directorate of Enforcement, Lucknow, during the pendency of the proceeding. The matter is currently pending.

2. The Directorate of Enforcement, Delhi ("**ED**") issued summons to RMEL to give evidence and produce certain documents in relation to the proceedings under the Foreign Exchange Management Act, 1999 ("**FEMA**") pursuant to the seizure of foreign currency worth Rs. 33.3 million from an employee of the Surat Branch of RMEL at the Delhi Airport. The statement of RMEL in the aforementioned matter was recorded. After due internal enquiries, the ED had released the major amount of seized foreign currencies. Assorted foreign currencies worth about Rs.1.66 million was retained by the ED for verification with the sellers of the same to RMEL. Further, the Reserve Bank of India ("**RBI**") issued a show cause notice to RMEL to show cause as to why the Full Fledged Money Changer (FFMC) license issued in favour of RMEL should not be revoked. RMEL has replied to the aforementioned show cause notice. The RBI had renewed the licences and finally, those licences have been surrendered by RMEL. The matter is currently pending.

3. The Reserve Bank of India ("**RBI**") had issued a show cause notice to RMEL to show cause as to why the permission issued in favour of RMEL to deal as an authorised dealer in foreign exchange or in foreign securities should not be revoked and the renewal application not be refused in relation to an investigation carried on by the Directorate of Revenue Intelligence, Jaipur ("**DRI**") of the inward money transfer operations conducted under the Money Transfer Service Scheme by RMEL and its sub-agents. RMEL had filed its reply to the aforementioned show cause notice. RMEL also attended a personal hearing with RBI and made further submissions pursuant to the personal hearing with RBI. No further communication has been received in this regard.

4. The Directorate of Revenue Intelligence, Jaipur ("**DRI**") had issued summons to the Jaipur branch of RMEL to appear before the DRI along with certain documents and information in relation to an investigation carried on by the DRI regarding the inward money transfer operations conducted under the Money Transfer Service Scheme by RMEL and its sub-agents. The Jaipur branch of RMEL has vide its reply to the aforementioned summons, submitted the required information and documents to the DRI. Further, the Directorate of Enforcement, Jaipur, had issued summons to RMEL. All the necessary documents were provided to the Directorate of Enforcement, Jaipur and statements were recorded. No further communication has been received in this regard.

5. National Investigation Agency ("**NIA**") issued notices to RMEL in relation to a criminal investigation

carried on by the NIA against certain accused persons, some of which have used RMEL's Money Transfer Services network to transfer money from Saudi Arabia. The NIA vide its notices had asked RMEL along with its sub-agents to appear before the Chief Investigation Officer and produce certain documents. RMEL has complied and submitted the required documents and also the statements of sub-agents have also been duly recorded. No further communication has been received in this regard.

6. The Directorate of Enforcement ("**ED**") has passed an order directing RMEL to produce certain informantion and documents in relation to the purchase of assorted foreign exchange by RMEL from M/s VKC Credit & Forex Services Private Limited. RMEL has, *vide* its response in the aforementioned matter, complied and submitted the required documents. No further communication has been received in this regard.

7. The Directorate of Enforcement ("**ED**") has passed an order directing RMEL to produce certain informantion and documents in relation to the purchase of assorted foreign exchange by RMEL from M/s R.J Trade Wings, Varanasi. RMEL has, *vide* its response in the aforementioned matter, complied and submitted the required documents. No further communication has been received in this regard.

Taxation Proceedings

There are 2 (two) indirect tax proceedings involving RMEL which involve an aggregate amount of approximately Rs. 67.20 million.

IV. Reliance Securities Limited ("RSL")

Criminal Litigation against RSL

1. There are 2 (two) first information reports filed against RSL for cheating, forgery and breach of trust.

Completed Regulatory Action involving RSL

1. The Securities and Exchange Board of India ("**SEBI**") has issued two show cause notices ("**Notices**") dated August 9, 2010 and August 31, 2010, to RSL to show cause as to why legal action under the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 and the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 (the "**Regulations**") should not be taken in relation to the alleged violations of the Regulations. The Notices were issued pursuant to enquiries conducted by the designated authority, into the alleged violations of the provisions of the Regulations, as observed by SEBI during the inspection of books of accounts and other records. RSL has filed a consent application with SEBI proposing a settlement of the proceedings under consent terms in relation to the facts and allegations pertaining to the Notices. Further, RSL has also filed a response to the Notices, submitting, *inter alia*, (a) that the practices in violation of the SEBI norms alleged by the Notices have since been discontinued and the same was informed to SEBI and (b) none of the alleged violations set out in the Notices have resulted in any adverse consequence to any of the clients of RSL or any other investor. Pursuant to the consent application filed by RSL, SEBI passed a consent order directing certain conditions for settlement, including, (a) payment of a sum of Rs. 2.5 million towards settlement charges, (b) payment of a sum of Rs. 10 million towards investor education and awareness programmes and development of materials focussing on making investors more aware of their rights in connection with internet based trading in the securities market and (c) suspension of further registration of new clients for a period of 45 days. RSL has paid a sum of Rs. 2.5 million towards settlement charges in the form of a demand draft drawn on HDFC Bank Limited, Mumbai. Confirmation in the form of a certificate from a chartered accountant in relation to the expenditure of Rs. 10 million in accordance with consent order has been received. No further communication has been received in relation to the aforementioned matter.

Taxation Proceedings

There is 1 (one) direct tax proceedings involving RSL. There will be no outflow of tax in this proceeding. Further, there are 5 indirect tax proceedings involving RSL, which involve an aggregate amount of approximately Rs. 190.40 million.

V. Reliance Nippon Life Insurance Company Limited ("RNLICL")

Pending Criminal Litigation against RNLICL

1. Bimla Devi Agarwal and others ("**Respondents**") had filed a complaint which was registered as a criminal case ("**Complaint Case**") against RNLICL (formerly known as Reliance Life Insurance Company Limited) ("**Petitioner**") and nine other accused persons, before the Judicial Magistrate First Class, Tinsukia, alleging charges under Sections 120B, 420, 406 and 34 of the Indian Penal Code, 1860 ("**IPC**"). The Judicial Magistrate First Class, Tinsukia, *vide* its order proceeded to take cognizance of the alleged charges and issued summons to the accused accordingly ("**Order**"). Thereafter, the Petitioner filed a criminal petition in the High Court of Gauhati, seeking, *inter alia*, (a) the quashing and setting aside of the Order and the entire proceedings thereof and (b) pending the final disposal of this application, to stay all further proceedings of the Complaint Case and the Order. The said relief was sought on, *inter alia*, the alleged grounds (a) that the essential ingredients required to constitute offences under Sections Section 120B, 420, 406 and 34 of the IPC are lacking and (b) that the entire allegations of forgery, conspiracy and criminal misappropriation are made against the broker and the sales manager of the branch office of the Petitioner and not against the Petitioner. The High Court of Gauhati *vide* its order dismissed the petition as lacking in merit. Further, the Petitioner filed a special leave petition before the Supreme Court of India challenging the order of the High Court of Guahati. The matter is currently pending.

2. Alok Kumar Shahi and certain others ("**Applicants**") have filed an application before the Court of House Controller, Patna against RNLICL (formerly known as Reliance Insurance Company Limited) ("**Respondent**") seeking for the fixing of a fair rent of the premises which is under the tenancy of the Respondent with effect from the date of filing of this application. The Court of House Controller, Patna vide its order fixed the rent at Rs. 50 per square feet totaling to Rs. 89,400 for 1,788 square feet. Alok Kumar Shahi has filed an appeal before the District Magistrate, Patna against the order of the Court of House Controller. The District Magistrate has vide its order remanded the matter to the Court of House Controller. The matter is currently pending.

3. Khalid Abdul Nazar (the "**Complainant**") has filed a complaint against Reliance Insurance Company Limited ("**RICL**") and another (the "**Accused**") under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881, before the court of the Learned Judicial Magistrate First Class, Pattambi. The Complainant has also brought a complaint against the Managing Director, Reliance Life Insurance Company Limited ("**RLIC**") before the Consumer Disputes Redressal Forum, Kozhikode ("**District Forum**"). The matter is currently pending.

4. Chanda Sharma (the "**Complainant**") has filed a complaint against Reliance Life Insurance Company Limited ("**RLIC**"), Anasuya Ghosh (Head, Central Operating and Underwriting, RLIC), Anup Rau (Chief Executive Officer, RLIC), J. Bhattacharjee, Sandip Pal, Malay Ghosh Aloke Dey and Swapan Sen (the "**Accused**"), alleging charges under Sections 417, 420, 406, 427 and 468 of the Indian Penal Code, 1860, before the court of the Additional Chief Judicial Magistrate Second Class, Alipurduar District, Alipurduar. The Judicial Magistrate, Alipurduar, has issued summons to certain Accused. The matter is currently pending.

5. Raj Kishore Prasad Sharma (the "**Complainant**") filed a criminal complaint against Reliance Life Insurance Company Limited ("**RLIC**") and certain others (the "**Accused**"), before the court of the Chief Judicial Magistrate, Patna, alleging charges under Sections 406, 420, 456, 467 and 120B of the Indian Penal Code, 1860. The matter is currently pending.

Pending Regulatory Action against RNLICL

1. The Insurance Regulatory and Development Authority of India ("**IRDAI**") has *vide* its order imposed an aggregate penalty of Rs. 8.5 million on Reliance Life Insurance Company Limited ("**RLIC**") towards alleged violations of the provisions of the 'Guidelines on Outsourcing of Activities by Insurance Companies' laid down under the circular dated February 1, 2011 ("**Outsourcing Guidelines**") and IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010. RLIC has filed an appeal against the said order of IRDAI before the Securities Appellate Tribunal on September 21, 2015. IRDAI filed its affidavit in response to RLIC appeal on March 28, 2016. The matter is currently pending.

Completed Regulatory Action against RNLICL

1. IRDAI, through an order issued to Reliance Life Insurance Company Limited ("**RLIC**") had imposed a penalty of Rs. 1 million on RLIC for payment of excess referral fees than envisaged in the referral guidelines and deviation in the 'File and Use' procedure particularly in group products in violation of IRDAI circular dated July 12, 2006. RLIC has paid the amount of the penalty.

2. IRDAI conducted an on-site inspection of Reliance Life Insurance Company Limited ("**RLIC**") in January, 2012, and issued a show cause notice to RLIC to show cause as to why action should not be taken against RLIC's alleged violations of various laws, regulations, guidelines and circulars issued by the IRDAI. RLIC had filed its reply to the said show cause notice and made submissions during a personal hearing before the IRDAI. The IRDAI vide its order has imposed an aggregate penalty of approximately Rs. 17.7 million on RLIC towards the aforementioned violations. RLIC has paid the total amount of the penalty.

3. IRDAI *vide* its order ("**Order**") imposed an aggregate penalty of Rs. 0.5 million on Reliance Life Insurance Company Limited ("**RLIC**") towards alleged violations of Regulation 2(g)(i) of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000 in relation to the non-disclosure of information regarding the status of Reliance Capital Limited being a subsidiary company of Reliance Innoventures Private Limited. RLIC has paid the total amount of the penalty and filed an appeal before the IRDAI to review its Order. IRDAI has *vide* its letter communicated to RLIC that there was no reason for review or modification of its Order.

Taxation Proceedings

There are 2 direct tax proceedings involving RNLICL. There will be no outflow of tax in these proceedings. Further, there are 6 indirect tax proceedings involving RNLICL, which involve an aggregate amount of approximately Rs. 1,399.80 million.

VI. Reliance General Insurance Company Limited ("RGICL")

Pending Regulatory Action against RGICL

1. IRDAI issued an order against RGICL levying a penalty of Rs. 0.5 million towards failure to meet the obligatory target in relation to the declined risk pool for the year 2012-2013. RGICL has paid the penalty amount. No further action has been initiated against RGICL with respect to the said matter.

2. IRDAI issued a show cause notice to RGICL to show cause as to why no legal action should be initiated against RGICL for alleged violations of the provisions of IRDA (Health Insurance) Regulations, 2013. RGICL has filed its response in the aforementioned matter. In pursuance of the response to the said show cause notice, IRDA has passed an order directing RGICL to pay a penalty of Rs. 0.5 million. RGICL has paid the penalty amount. No further communication has been received by RGICL in this matter.

3. IRDAI issued a show cause notice to RGICL to show cause as to why regulatory action should not be initiated for the violation of the provisions of Regulation 2(g)(i) of the IRDA (Registration of Indian Insurance Companies) Regulations, 2000 ("**RIIC Regulations**") and non-disclosure of information regarding status of Reliance Capital Limited being a subsidiary company of Reliance Innoventures Private Limited. RGICL had filed its reply to the show cause notice. Pursuant to the reply of RGICL, IRDA has issued an order imposing a penalty of Rs. 0.5 million in relation to the violation of the provisions of the RIIC Regulations. RGICL has paid the penalty amount. No further communication has been received.

Taxation Proceedings

There are 2 direct tax proceedings involving RGICL, which involve an aggregate amount of tax of approximately Rs. 1.20million. Further, there are 14 indirect tax proceedings involving RGICL, which involve an aggregate amount of approximately Rs. 2,081.16 million.

VII. Reliance Money Precious Metal Private Limited ("RMPMPL")

Pending Regulatory Action involving RMPMPL

1. The Registrar of Companies ("**RoC**") issued a letter to RMPMPL in relation to the gold investment plans run by RMPMPL and sought details about the nature of the product and whether it complies with various

provisions of the Companies Act including provisions relating to accepting deposits and the rules relating thereto. RMPMPL submitted its reply in the aforementioned matter claiming complete compliance of the Companies Act and provided the necessary information and explanations. The RoC responded to RMPMPL's submissions *vide* a letter seeking further clarifications and explanations, which were duly submitted by RMPMPL. Thereafter, no further communication has been received.

2. Forward Markets Commission ("**FMC**") issued a letter to the Managing Director, RMPMPL seeking an explanation for the violation of various provisions of the Forward Contracts (Regulation) Act, 1952 in relation to the gold investment plans run by RMPMPL. RMPMPL submitted its reply in the aforementioned matter claiming compliance with all the provisions of the Forward Contracts (Regulation) Act, 1952, and provided the necessary information and explanations. The FMC further sought / information in relation to the customers since the launch of the plan, which were duly submitted by RMPMPL. Thereafter, no further communication has been received from the FMC. Further, the FMC has also merged with SEBI.

C. Material Litigation and Regulatory Action against the Project Manager and Associates of the Project Manager

For details in relation to the litigation and regulatory action against the Project Manager and its Associates, please see "- *Litigation and Regulatory Action against the Sponsor*" herein above.

D. Material Litigation and Regulatory Action against the Trustee

Pending Civil Litigation against the Trustee

1. Hubtown Limited (the "**Plaintiff**") had filed a case before the High Court of Bombay against the Trustee and its directors (the "**Defendants**") for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorize the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is Rs. 3000 million. The matter is currently pending.

2. SBI Cap Trustee (the "**Plaintiff**") had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is Rs. 1,550.3 million. The matter is pending.

3. Balmer Lawrie and Company Limited and another (the "**Plaintiffs**") had filed a petition before the Calcutta High Court against the Trustee and certain others (the "**Defendants**") challenging the validity of the sale transaction of 14,820,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have *inter alia* sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being Rs. 237.12 million and (b) interest at the rate of 18% (eighteen percent) per annum on the decreetal amount. The matter is currently pending.

GOVERNMENT AND OTHER APPROVALS

The Trust and the Project SPVs have received the material consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/or regulatory authorities, required for carrying out their present or proposed business, as the case may be, and except as mentioned below, no further approvals are required for carrying on said businesses.

The material approvals, licences and registrations obtained by the Trust or the Project SPVs, as the case may be, which enable the Trust or the Project SPVs to undertake their respective businesses, are set out in this section. Certain licenses and/or approvals may expire/elapse periodically, in the ordinary course of business, and applications to the appropriate authorities for the renewal of such licenses and/or approvals are/will be submitted in accordance with applicable requirements and procedures.

Registration of the Trust

The Trust has received a certificate of registration as an infrastructure investment trust (SEBI Registration Number: IN/InvIT/16-17/0004), as issued by SEBI, dated November 24, 2016.

The aforesaid certificate has been granted subject to the following conditions, *inter alia*, as specified in Regulation 7 of the InvIT Regulations:

1. the Trust shall abide by the provisions of the SEBI Act and the InvIT Regulations;

2. the Trust shall fortwith inform the SEBI in writing, if any information or particulars previously submitted to the SEBI are found to be false or misleading in any material particular or if there is any material change in the information already submitted;

3. the Trust and the parties to the Trust, namely the Sponsor, the Investment Manager, the Trustee and the Project Manager, shall satisfy with the conditions specified in Regulation 4 of the InvIT Regulations at all times;

4. the Trust and the parties to the Trust, namely the Sponsor, the Investment Manager, the Trustee and the Project Manager, shall comply, at all times, with the Code of Conduct specified in Schedule VI of the InvIT Regulations, wherever applicable;

Further, the aforesaid certificate, *inter alia*, stipulates that:

- the investment conditions and other restrictions prescribed under the InvIT Regulations shall apply to all the investments and distributions made by the Trust;

- the Trust shall keep and maintain the book of accounts, records and such other documents as may be required by SEBI under the InvIT Regulations from time to time;

- the Trust shall ensure compliance with the Guidelines, Directives, Instructions and Circulars as may be issued from time to time by SEBI or the Governemnt of India relating to the activities carried on by the Trust;

- the Trust shall not make use of its status as a SEBI registered infrastructure investment trust in furtherance of unrelated activities or any other purpose which is not permitted in the InvIT Regulations;

- any material change in the information on the basis of which the registration is granted must be communicated to SEBI immediately; and

- the certificate of registration is granted on the basis of information available with SEBI at that point of time and does not preclude SEBI from cancelling the registration later if anthing adverse is found against the Trust or if the Trust is convicted.

Approvals in Relation to the Issue

1. Special resolution of the shareholders of the Sponsor dated October 21, 2016, passed by way of postal ballot, in relation to the sponsorship of the Trust and authorizing any sale or disposal of the whole, or substantially the whole, of the undertakings of the Sponsor, including the Project SPVs.

2. Resolution of the board of directors of Sponsor dated September 13, 2016, approving the formation of the Trust and to act as the Sponsor of the Trust.

3. Resolution of the duly authorized committee of the board of directors of the Investment Manager dated November 9, 2016, and April 12, 2017, in relation to the Issue and other related matters.

4. In-principle approvals each dated January 13, 2017, issued by the BSE and the NSE.

5. NHAI's letter dated March 27, 2017, approving the transfer of shares held by the Sponsor in DS, JR, NK, SU, TD and TK to the Trust (to the extent of 100% subject to NHAI's exit policy), subject to the following conditions:

    a. the Trust shall comply with all relevant contractual obligations of the concession agreements;

    b. the proposal shall not have the effect of increasing any financial liability or obligation on NHAI and it shall not jeopardize the interests of the NHAI in any manner;

    c. the Sponsor of the InvIT will make additional disclosures in the offer document to the public for projects that are in financial default to NHAI clearly elaborating the default;

    d. all provisions including the limitations placed on the quatum of termination payments will be applicable in totality and no relaxation in the same would be made;

    e. the concessionaire will utilize the proceeds from the sale of the divested equity in the specified avenues as per the conditions stated in NHAI circulars dated June 9, 2015, September 9, 2015, and November 19, 2015. A statutory auditor certificate is required to be provided to NHAI within six months after completion of the transaction certifying the same;

    f. NHAI will undertake its due diligence in public interest with respect to operations & maintenance in the same way it currently undertakes as per the provisions of its circular NHAI/11033/CGM (FA)/4/2014 dated January 29, 2014, on harmonious substitution;

    g. an undertaking that any replacement of the Project Manager shall be subject to the prior approval of the NHAI. Further, any change in Project Manager will only be to an entity which is equal or betterin terms of the prescribed operatons & maintenance capacity requirements for the project;

    h. an undertaking that all statutory compliances as required by the guidelines issued by SEBI in relation to infrastructure investment trusts shall be adhered to; and

    i. necessary documentation will be ensured by the Project SPVs and submitted for review of the NHAI.

    Further, by way of the aforesaid letter, NHAI had also approved the transfer of shares held by the Sponsor in DA, KM, HK and PS to the Trust (to the extent of 49% subject to NHAI's exit policy) as per the terms of the relevant concession agreement. However, as a majority of the equity shares of each of DA, KM, HK and PS cannot be transferred currently, the Sponsor proposes to enter into the ROFO and Future Assets Agreements in order to enable the Trust to have the right to acquire these assets upon the completion of certain milestones after the listing of the Units. For additional details, see the sections "*The ROFO/ROFR Assets*" and "*Related Party Transactions - Potential Conflicts of Interest - Right of First Offer and Future Assets Agreement*".

Approvals in Relation to the Project SPVs

Completion Certificates

As on date, seven of the Project SPVs, namely DS, GF, JR, NK, SU, TD and TK, are 'completed and revenue generating' projects, in accordance with the InvIT Regulations, and have received the following certificates in this regard:

1. Provisional completion certificate dated September 27, 2009, with respect to DS's Dindigul Samayanallore Project. The aforesaid provisional completion certificate was issued along with a punch list containing certain items to be completed within 120 days from the date of issuance thereof, including, *inter alia*, a) plantation of avenue trees along the edge of the RoW and other landscaping works within RoW, b) completion of work on provison of unlined roadside drains, c) lining of roadside drains in identified stretches, d) construction of rest areas, as approved, e) completion of fencing works of RoW, f) turfing on embankment slopes in indentified sections, g) pointing to stone masonry works in identified cross drainage structures, h) stone pitching at identified locations, and ii) certain additional items to be constructed/completed, including, *inter alia*, a) construction of service roads including gravel service road, junctions adjoining service roads, side drains, toe drains, footpath, bus buys on service roads, including pavement marking; b) flyover junctions at Palani and Vathalakundu, c) Toll plaza administration building, toll plaza outer RHS extra wide lanes and installation of weigh in motion equipment in outer extra wide lanes, d) minor junctions abutting main carriageway, e) stone pitching protection works for pipe culverts & box culverts utility duct marker posts, f) truck lay byes facilities including footpath and drains, bus shelters and their amenities, and pedestrian guard rails, g) Noise barriers, rehabilitation of existing ponds, water harvesting structures/infiltration ponds, and h) all other works necessary for issuance of final completion certificate in accordance with the Concession Agreement.

2. Provisional completion certificate dated June 29, 2012, with respect to GF's Gurgaon Faridabad Project. The aforesaid provisional completion certificate was issued along with a punch list containing certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia*, a) Toll plaza canopy, b) repairing/construction of lined, unlined and vertical drains, c) avenue plantation, d) balance slope protection work SEZ location, e) cover of side drains, f) landscaping of junction, and g) administrative buildings for toll plaza.

3. Provisional completion certificate dated July 15, 2013, with respect to the length of 48 kms of JR's Jaipur Reengus Project. Subsequently, the provisional completion certificate dated October 16, 2015, with respect to the full length of JR's Jaipur Reengus Project. The aforesaid provisional completion certificate was issued along with a punch list containing certain items to be completed within 90 days from the date of issuance thereof, including, *inter alia*, a) service roads, b) line drains, c) unlined drains, and d) boundary pillar.

4. Provisional completion certificate dated August 21, 2009, with respect to NK's Namakkal Karur Project. The aforesaid provisional completion certificate was issued along with a punch list containing certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia*, a) avenue plantation along the edge of the ROW and other landscaping works, b) road side drains, c) rainwater harvesting structures, d) RCC lined drain, e) lined drain with thick stone pitching, f) fencing of ROW, g) turfing on embankment slopes, h) median plantation, i) stone pitching work, j) improvement of major junctions beyond ROW, k) administrative block and control room at toll plaza, l) pipe railing over crash barriers, m) service road along flyover, n) end of Velur bypass, o) service road along Namakkal bypass and other locations, p) drinking water kiosks, q) overhead signs at major intersections, r) culverts at location of cross roads and s) rain water drainage pipe extension.

5. (i) Provisional completion certificate dated July 26, 2012, with respect to SU's Salem Ulundurpet Project, for the stretch from Km 45+765 to Km 136+670 related to toll plazas at Km 73+760 and Km 105+000. The aforesaid provisional completion certificates were issued along with a punch list containing certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia*, : a) way side amenities, b) urban service roads, c) collector and distributor roads, d) bus bays, e) primary intersection, f) secondary intersection, g) avenue planation, h) earthen drain, i) open pacca drain, j) road land boundary pillars, k) TNEB utilities, l) TWAD utilities, and m) landscaping.

(ii) Provisional completion certificate dated August 30, 2012, with respect to SU's Salem Ulundurpet Project, for the stretch from Km 0+313 to Km 45+765 related to toll plaza at Km 21+750. The aforesaid provisional completion certificates were issued along with a punch list containing certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia*, : a) urban service road, and b) avenue plantation.

6. Provisional completion certificate dated January 10, 2012, with respect to TD's Trichy Dindigul Project. The aforesaid provisional completion certificate was issued along with a punch list containing certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia* a) slope protection and drainage, b) earthen drain, c) lining of drain of roadside drain, d) turfing, e) avenue plantation, f) land scaping, g) rain water harvesting, and h) RCC drain.

7. Provisional completion certificate dated February 22, 2014, with respect to TK's Trichy Karur Project. The aforesaid provisional completion certificate was issued along with a punch list containing containing (i) certain items to be completed/constructed within 120 days from the date of issuance thereof, including, *inter alia;* a) earthen drain, b) lining of roadside drain, c) turfing & geo mesh, d) avenue plantation, and e) land scaping, and (ii) certain items that need to be completed as per the time frame mentioned in the concerned supplementary agreement.

Approvals for Continuing Commercial Operations

During the commercial operations phase of their respective projects, DS, GF, JR, NK, SU, TD and TK, are required to, either through themselves or their respective sub-contractors, as applicable, obtain and maintain certain permits, registrations, approvals and licenses including, *inter alia*, registration as a principal employer in relation to contract labour, licenses for diesel generator sets, certificates with respect to weigh-in-motion systems, employee provident fund registration, along with the necessary registrations under taxation laws.

Each of DS, GF, JR, NK, SU, TD and TK, have obtained the necessary permits, registrations, approvals and licenses that are required to operate their respective businesses. Further, certain approvals may have lapsed in their normal course and the aforesaid Project SPVs have either (i) made applications to the appropriate authorities for renewal of such licenses and/or approvals; or (ii) are in the process of making such applications.

Some of the material consents, licenses, registrations, permissions and approvals for which applications have been made are:

License for Diesel Generator Sets

1. Application dated December 7, 2016, made by DS to the Electrical Inspector, Dindigul;

2. Application dated November 29, 2016, made by NK to the Electrical Inspector, Namakkal;

3. Applications dated November 30, 2016, made by SU to the Electrical Inspector, Salem;

4. Application dated December 2, 2016, made by TD to the Electrical Inspector, Trichy; and

5. Application dated November 29, 2016, made by TK to the Electrical Inspector, Namakkal, and application dated November 30, 2016, to the Electrical Inspector, Trichy.

Other Applications

Pending HPWD Application

1. The Sponsor has applied to HPWD vide its letters in relation to GF dated October 8, 2016, and January 17, 2017, requesting HPWD's approval for the transfer of the Sponsor's shareholding in GF to the Trust, and waiver of any lock-up arrangements under the respective concession agreement. Further, the Sponsor has informed HPWD that the Trust proposes to use a portion of the proceeds of the Issue to (a) replace all or part of the existing senior debt provided by the senior secured lenders to GF with the senior debt provided by the Trust, and (b) replace part of the existing unsecured subordinate debt provided by the Sponsor to GF with the unsecured debt provided by the Trust, without leading to an increase in the obligation of HPWD with respect to the termination payment or any other liabilities under the relevant concession agreement.

However, by way of its letter dated April 10, 2017, the Sponsor has intimated HPWD that while the aforementioned requests are under consideration with the HPWD, the Sponsor proposes to transfer only up to 74% of its aggregate paid-up equity share capital in GF to the Trust in connection with the Issue. The Sponsor will continue to maintain 26% of the paid up equity share capital in GF during the operations period (as defined under the relevant concession agreement) till the approval for 100% transfer is accorded.

OTHER REGULATORY DISCLOSURES

Eligibility for the Issue

The Trust proposes to hold not less than 80% of its assets in completed and revenue generating projects and proposes to undertake the Issue in accordance with Regulation 14(4)(a) of the InvIT Regulations.

The Trust is eligible for the Issue in compliance with the Regulation 14(1) of InvIT Regulations, in the manner set out below:

a) The Trust is registered with SEBI under the InvIT Regulations;

b) The Trust proposes to enter into binding agreements with the relevant parties, by way of the Formation Transactions, such that the value of the assets held by the Trust is not less than Rs. 5,000 million prior to the Allotment of Units; and

c) The proposed Issue size is not less than Rs. 2,500 million.

Prohibition by SEBI or RBI

None of the Trust, the Sponsor, the Investment Manager, and the Project Manager, or the promoter(s) or director(s) of any of the Sponsor, the Investment Manager, the Project Manager (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI. The Trustee is not (i) debarred from accessing the securities market by SEBI; (ii) a promoter, director (as applicable) or person in control of any other company or a sponsor, investment manager or trustee of any infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) in the list of willful defaulters published by the RBI.

To the best of the knowledge of the Trustee, none of the promoters or directors of the Trustee (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of willful defaulters published by the RBI.

Minimum Subscription and Minimum Allotment

In the event that a minimum Allotment of at least 25% of the total outstanding Units on a post-Issue basis cannot made or if the number of prospective 'public' Allottees is less than 20 or if the Trust does not receive the minimum subscription of at least 90% of the Issue, including devolvement of Underwriters, if any, the Investment Manager shall forthwith refund the entire subscription amount received within 12 Working Days from the Bid/Issue Closing Date. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.

If there is a delay beyond the prescribed time, the Investment Manager shall pay interest prescribed under the InvIT Regulations and applicable law.

Minimum Unitholding Post-Listing of Units

In accordance with the InvIT Regulations, at all times post-listing of the Units, other than the Sponsor, its related parties and Associates, the Trust is required to have, and maintain, a minimum of 20 Unitholders forming part of the 'public', each holding not more than 25% of the aggregate amount of the Units on a post-Issue basis, failing which action may be taken as may be specified by the SEBI and the Stock Exchanges, including delisting of the Units under the InvIT Regulations. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by the SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term ‘public’. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the ‘public’.

Prohibition on Offer of Incentives

No person connected with the Issue, including any person connected with the distribution of the Issue, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of the Units.

The Investment Manager, on behalf of the Trust, shall ensure that transactions in the Units by the Sponsor and its Associates, during the period between the date of filing the Offer Document with the SEBI and the Stock Exchanges and the Bid/Issue Closing Date, shall be reported to the Stock Exchanges within 24 hours of such transactions.

The GCBRLMs and the BRLMs have submitted a due diligence certificate to SEBI dated December 15, 2016, in relation to the Issue.

Undertakings by the Investment Manager

The Investment Manager (on behalf of the Trust) undertakes the following:

- at any given time, there shall be only one denomination for the Units; and
- it shall comply with such disclosure and accounting norms specified by SEBI from time to time.

A COPY OF THE DRAFT OFFER DOCUMENT DATED DECEMBER 15, 2016, AS ISSUED IN ACCORDANCE WITH THE INVIT REGULATIONS, HAD BEEN FILED WITH SEBI AND THE STOCK EXCHANGES. THIS UPDATED DRAFT OFFER DOCUMENT IS BEING MADE AVAILABLE ON THE WEBSITES OF SEBI, THE STOCK EXCHANGES, THE GCBRLMS AND BRLMS, AFTER INCORPORATING ADDITIONAL INFORMATION AND UPDATES TO THE DRAFT OFFER DOCUMENT DATED DECEMBER 15, 2016, AND SHOULD NOT BE DEEMED TO CONSTITUTE THE FILING OF A ‘DRAFT OFFER DOCUMENT’ UNDER THE INVIT REGULATIONS. READERS SHOULD RELY ONLY UPON THE INFORMATION IN THIS UPDATED DRAFT OFFER DOCUMENT AND NOT ON ANY INFORMATION CONTAINED IN THE DRAFT OFFER DOCUMENT DATED DECEMBER 15, 2016.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE TRUST OR THE OBJECTS FOR WHICH THE ISSUE IS PROPOSED TO BE UNDERTAKEN OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS, IDFC BANK LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND ICICI SECURITIES LIMITED, AND THE BOOK RUNNING LEAD MANAGER, IIFL HOLDINGS LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE INVIT REGULATIONS, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

Disclaimer Clause of the BSE

"*BSE Limited (the "Exchange") has given vide its letter dated January 13, 2017 permission to this Trust to use the Exchange's name in this offer document as one of the stock exchanges on which this Units of this Trust are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Trust. The Exchange does not in any manner: -*

a) *warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
b) *warrant that this Trust Units will be listed or will continue to be listed on the Exchange; or*
c) *take any responsibility for the financial or other soundness of this Trust, its Investment Manager, its Sponsor(s), its Trustee or Project Manager(s);*

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires the Units of this Trust may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of the NSE

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/100509 dated January 13 2017, permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's units are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE of been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's units will be listed or will continue to be listed on the Exchange; nor does it take any granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has responsibility for the financial or other soundness of this Issuer, its Sponsor, its Investment Manager or any project of this Issuer.*

Every person who desires to apply for or otherwise acquire any units of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Important Information for Investors – Eligibility and Transfer Restrictions

The Units have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Offer Document as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Offer Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Units within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

Units Offered and Sold within the United States

Each purchaser that is acquiring the Units offered pursuant to the Issue within the United States, by its acceptance of the Offer Document and of the Units, will be deemed to have acknowledged, represented to and agreed with the Trust, the GCBRLMs and the BRLMs that it has received a copy of the Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the Units offered pursuant to the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Units for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them;

(6) the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Units;

(7) the purchaser will not deposit or cause to be deposited such Units into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt

facility, so long as such Units are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act or general solicitation or advertising within the meaning of Regulation D under the U.S. Securities Act in the United States with respect to the Units;

(9) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S.SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) the Trust will not recognise any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Trust, the GCBRLMs, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Units Offered and Sold in the Issue

Each purchaser that is acquiring the Units offered pursuant to the Issue outside the United States, by its acceptance of the Offer Document and of the Units offered pursuant to the Issue, will be deemed to have acknowledged, represented to and agreed with the Trust, the GCBRLMs and the BRLMs that it has received a copy of the Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the Units offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the Units offered pursuant to the Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser is purchasing the Units offered pursuant to the Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Units offered pursuant to the Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Units was originated;

(5) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Units;

(8) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) the Trust will not recognise any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Trust, the GCBRLMs, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

SECTION VIII – ISSUE INFORMATION

ISSUE STRUCTURE

Initial public offer of up to [●] Units, aggregating to Rs. 25,000 million, with an option to retain oversubscription of up to 25% of the Issue size in accordance with the InvIT Regulations. The Issue will constitute at least 25% of the total Units of the Trust on post-Issue basis.

The Issue is being made through the Book Building Process.

Particulars	**Institutional Bidders Category**			**Other Bidders Category**
	Strategic Investors	**Anchor Investors**	**Institutional Investors**	
Number of Units available for Allotment/allocation	Not more than [●] Units		Not more than [●] Units	Not less than [●] Units available for allocation
Percentage of Issue size available for Allotment/allocation	Not more than 60% of the Institutional Bidder Category		Not more than 75% of the Issue size. In case of under - subscription, the unsubscribed portion may be Allotted to Bidders in the other category.	Not less than 25% of the Issue size. In case of under-subscription, the unsubscribed portion may be Allotted to Bidders in the other category.
Basis of Allotment/ allocation if respective category is oversubscribed	On a discretionary basis, subject to minimum Bid lot		Proportionate, subject to minimum Bid lot.	Proportionate, subject to minimum Bid lot.
Mode of Bidding	Non-ASBA		ASBA	
Minimum Bid	Strategic Investors shall make an application of a value of at least Rs. 100 million(1)	Anchor Investors shall make an application of a value of at least Rs. 100 million	Such number of Units that the Bid Amount exceeds Rs. 1 million	Such number of Units that the Bid Amount exceeds Rs. 1 million
Maximum Bid	Such number of Units (in multiples of [●] Units) not exceeding the size of the Issue, subject to applicable limits.			
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Units and in multiples of [●] Units thereafter			
Allotment Lot	[●] Units and in multiples of [●] Units thereafter			
Trading Lot	Such number of Units that exceed Rs. 0.50 million			
Who can apply(2)(3)	• An infrastructure finance company registered with the RBI as an NBFC; a scheduled commercial bank; • an international multilateral financial institution; • a systemically	• A QIB, which currently means, (i) a mutual fund, VCF, AIF and FVCI, (ii) an FPI other than Category III FPI, (iii) a public financial institution as defined in section 4A of the Companies Act, 1956, (iv) a scheduled commercial bank, (v) a multilateral and bilateral development financial institution, (vi) a state industrial development corporation, (vii) an insurance company registered with the IRDAI, (viii) a provident fund with minimum corpus of Rs. 250 million; a pension fund with minimum corpus of Rs. 250 million, (ix) national investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23,			• An infrastructure finance company registered with the RBI as an NBFC; an international multilateral financial institution; • a Category III FPI; • an NRI; • an HUF; • a family trust that is not an

Particulars	Institutional Bidders Category			Other Bidders Category
	Strategic Investors	Anchor Investors	Institutional Investors	
	important NBFC registered with the RBI; and • an FPI.	2005 of the Government published in the gazette of India, (x) insurance funds set up and managed by army, navy or air force of the Union of India, and (xi) insurance funds set up and managed by the Department of Posts, India; • a family trust with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements; • a systemically important NBFC, registered with the RBI, with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements; and • an intermediary, registered with the SEBI, with a net-worth of more than Rs. 5,000 million, as per its last audited financial statements		Institutional Investor; • a systemically important NBFC, registered with the RBI that is not an Institutional Investor; • an intermediary, registered with the SEBI that is not an Institutional Investor; and • any other person(s) authorised in India to invest in the Units.
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Anchor Investor Application Form or Strategic Investor Application Form, as the case may be[(4)]		Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form.

(1) *In case of Bids by Strategic Investors, the application value shall be subject to Regulation 2(1)(zza) of the InvIT Regulations.*

(2) *In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(3) *The categories of investors specified are based on the investor categories listed in Regulation 2(1)(zza) of the InvIT Regulations and Regulation 106X of the ICDR Regulations. Bidders are advised to consult their own advisors with respect to any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Trustee, the GCBRLMs, the BRLMs and the Syndicate Members that it is eligible to participate in the Issue and be Allotted Units under applicable law.*

(4) *If the Issue Price is greater than the Anchor Investor and Strategic Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor and Strategic Investor Allocation Price will be payable by the Anchor Investors or Strategic Investors, as the case may be, within two days from the Bid/Issue Closing Date.*

Investors should note that currently, the InvIT Regulations restrict a person forming part of the 'public' from holding more than 25% of the Units of the Trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, in accordance with the InvIT Regulations, the Sponsor, the Investment Manager, the Project Manager, or their respective related parties and Associates, will not form part of the 'public'.

In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange.

In accordance with the InvIT Regulations, (i) Units Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment, and (ii) Units Allotted to Strategic Investors under the Anchor Investor Portion shall be locked-in for a period of one year from the date of Allotment.

Bid/Issue Programme

BID/ISSUE OPENS ON	[●][(1)]
BID/ISSUE CLOSES ON	**[●]**[(2)]

(1) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors. The Anchor Investor and Strategic Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations.*

(2) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Issue Period for Institutional Bidders one Working Day prior to the Bid/Issue Closing Date in accordance with the InvIT Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Bid/Issue Opening Date[(1)]	[●]
Bid/Issue Closing Date[(2)]	[●]
Transfer of equity shares held in the Project SPVs from the Sponsor to the Trust and issue of Units to the Sponsor pursuant to the Formation Transactions	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors and Strategic Investors)/unblocking of funds from ASBA Accounts	On or about [●]
Credit of Units to demat accounts of Allottees	On or about [●]
Commencement of trading of the Units on the Stock Exchanges	On or about [●]

(1) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors. The Anchor Investor and Strategic Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the InvIT Regulations.*

(2) *The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider closing the Bid/Issue Period for Institutional Bidders one Working Day prior to the Bid/Issue Closing Date in accordance with the InvIT Regulations.*

The above timetable is indicative and does not constitute any obligation or liability on the Trust, the Investment Manager, the Trustee, the GCBRLMs or the BRLMs.

While the Investment Manager shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, including any extension of the Bid/Issue Period by the Investment Manager due to any revision(s) of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors and Strategic Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/Issue Period (except the Bid/Issue Closing Date) at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form. Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.

It is clarified that Bids not uploaded on the electronic bidding system would be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Issue Closing Date. Any time mentioned in this Draft Offer Document is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among the Trust, the Investment Manager, the Trustee or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the InvIT Regulations. However, it is clarified that the Price Band may not be revised more than twice during the Bid/Issue Period.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least one Working Day, subject to the total Bid/Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period. Any revision to the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges during the Bid/Issue Period and by indicating the change on the websites of the Trust, the Sponsor, the Investment Manager and Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges will be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data.

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Units offered pursuant to the Issue. Bidders are advised to consult their own advisors and inform themselves of any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Trustee, the GCBRLMs, the BRLMs and the Syndicate Members that it is eligible to participate in the Issue and be Allotted Units under applicable law. Bidders are also advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Units that can be held by them under applicable law or as specified herein.

The Investment Manager, the Trustee, the GCBRLMs, the BRLMs and Syndicate Members do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and are not liable for any amendment, modification or change in the applicable law which may occur after the date hereof.

Book Building Procedure

The Issue is being made through the Book Building Process, wherein not more than 75% of the Issue shall be available for allocation to Institutional Bidders on a proportionate basis, provided that the Investment Manager may, in consultation with the GCBRLMs and the BRLMs, allocate up to 60% of the Institutional Bidder Category to Anchor Investors and Strategic Investors on a discretionary basis in accordance with the InvIT Regulations. Further, not less than 25% of the Issue shall be available for allocation on a proportionate basis to Other Bidders, subject to valid Bids being received at or above the Issue Price.

In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange.

The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Units will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Units in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged version of the Offer Document will be available with the Designated Intermediaries at the Bidding Centers and at the registered office of the Trust. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

Copies of the Anchor Investor Application Form and the Strategic Investor Application Form will be available at the offices of the GCBRLMs and the BRLMs.

All Bidders (other than Anchor Investors and Strategic Investors) shall mandatorily participate in the Issue only through the ASBA process. Anchor Investors and Strategic Investors are not permitted to participate in the Issue through the ASBA process.

ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed color of the Bid cum Application Form for the various categories is as follows

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-residents applying on a repatriation basis	Blue
Anchor Investors**	White
Strategic Investors**	White

** Excluding electronic Bid cum Application Form.*
*** Bid cum Application Forms for Anchor Investors and Strategic Investors shall be available at the offices of the GCBRLMs and the BRLMs.*

Designated Intermediaries shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Bidders do not have the right to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.

Participation by associates, affiliates and persons related to the GCBRLMs, BRLMs and Syndicate Members

The GCBRLMs, BRLMs and the Syndicate Members shall not be entitled to subscribe in this Issue in any manner, except towards fulfilling their underwriting obligations.

Further, the GCBRLMs, the BRLMs and any persons related to the GCBRLMs or BRLMs are not permitted to participate in the Issue under the Anchor Investor Portion (except for Mutual Funds, insurance companies and Pension Funds sponsored by the GCBRLMs or the BRLMs or entities related to the GCBRLMs or the BRLM).

However, the associates and affiliates of the GCBRLMs, the BRLMs and the Syndicate Members may Bid for Units in the Issue, either in the Institutional Bidder Category or in the Other Bidder Category, as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the GCBRLMs, the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Anchor Investors

The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors in the Issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations. Only Institutional Investors (as defined under Regulation 106X of the ICDR Regulations) and Strategic Investors (as defined under Regulation 2(1)(zza) of the InvIT Regulations) are eligible to invest in the Anchor Investor Portion. The Institutional Bidder Category will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Bidder Category.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the InvIT Regulations, the key terms for participation by Anchor Investors in the Anchor Investor Portion are provided below:

- Bid cum Application Forms will be made available for Anchor Investors at the offices of the GCBRLMs and the BRLM;
- The Bid must be for a minimum of such number of Units so that the Bid Amount is at least Rs. 100 million;
- The bidding for Anchor Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Anchor Investors shall be completed on the same day;

- The Investment Manager, in consultation with the GCBRLMs and the BRLMs, will finalise allocation to Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:

  - where allocation in the Anchor Investor Portion is up to Rs. 2,500 million, minimum of two Anchor Investors; and

  - where the allocation under the Anchor Investor Portion is more than Rs. 2,500 million, minimum of five Anchor Investors.

- Allocation to Anchor Investors will be completed on the Anchor Investor and Strategic Investor Bid/Issue Period;

- The number of Units allocated to Anchor Investors and the price at which the allocation is made will be made available on the website of the Stock Exchanges, the Sponsor, the Investment Manager, the GCBRLMs and the BRLMs before the Bid/Issue Opening Date;

- Anchor Investors cannot withdraw or lower the size of their Bids (in terms of number of Units or the Bid Amount) at any stage after submission of the Bid;

- If the Issue Price is greater than the Anchor Investor and Strategic Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor and Strategic Investor Allocation Price will be payable by the Anchor Investors within two days from the Bid/Issue Closing Date. However, if the Issue Price is lower than the Anchor Investor and Strategic Investor Allocation Price, Allotment to successful Anchor Investors will be at the Anchor Investor and Strategic Investor Issue Price;

- In accordance with the InvIT Regulations, the Units Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment

- Neither the GCBRLMs nor the BRLMs nor any person related to the GCBRLMs or the BRLMs (except for Mutual Funds, insurance companies and Pension Funds sponsored by the GCBRLMs or the BRLMs or entities related to the GCBRLMs or the BRLM) are permitted to participate in the Anchor Investor Portion; and

- Bids made by Anchor Investors under both the Anchor Investor Portion and the Institutional Bidder category will not be considered multiple Bids.

Bids by Strategic Investors

The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors in the Issue for up to 60% of the Institutional Bidder Category in accordance with the InvIT Regulations. Only Institutional Investors (as defined under Regulation 106X of the ICDR Regulations) and Strategic Investors (as defined under Regulation 2(1)(zza) of the InvIT Regulations) are eligible to invest in the Anchor Investor Portion. The Institutional Bidder Category will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Bidder Category.

Strategic Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the InvIT Regulations, the key terms for participation by Strategic Investors in the Anchor Investor Portion are provided below:

- Bid cum Application Forms will be made available for Strategic Investors at the offices of the GCBRLMs and the BRLM;

- Bids by Strategic Investors, must together be for a minimum of such number of Units so that the Bid Amount is for at least 5% of the Issue size or such amount as may be specified by SEBI from time to time;

- The bidding for Strategic Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Strategic Investors shall be completed on the same day;

- The Investment Manager, in consultation with the GCBRLMs and the BRLMs, will finalise allocation to Strategic Investors on a discretionary basis;

- Allocation to Strategic Investors will be completed on the Anchor Investor and Strategic Investor Bid/Issue Period;

- The number of Units allocated to Strategic Investors and the price at which the allocation is made will be made available on the website of the Stock Exchanges, the Sponsor, the Investment Manager, the GCBRLMs and the BRLMs before the Bid/Issue Opening Date;

- Strategic Investors cannot withdraw or lower the size of their Bids (in terms of number of Units or the Bid Amount) at any stage after submission of the Bid;

- If the Issue Price is greater than the Anchor Investor and Strategic Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor and Strategic Investor Allocation Price will be payable by the Strategic Investors within two days from the Bid/Issue Closing Date. However, if the Issue Price is lower than the Anchor Investor and Strategic Investor Allocation Price, Allotment to successful Strategic Investors will be at the Anchor Investor and Strategic Investor Issue Price;

- In accordance with the InvIT Regulations, the Units Allotted to Strategic Investors will be locked-in for a period of one year from the date of Allotment;

- Neither the GCBRLMs nor the BRLMs nor any person related to the GCBRLMs or the BRLMs (except for Mutual Funds, insurance companies and Pension Funds sponsored by the GCBRLMs or the BRLMs or entities related to the GCBRLMs or the BRLM) are permitted to participate in the Anchor Investor Portion; and

- Bids made by Strategic Investors (where such Strategic Investors are Institutional Investors) under both the Anchor Investor Portion and the Institutional Bidder category will not be considered multiple Bids.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

In accordance with the Securities and Exchange Board of India (Mutual Funds)(Amendment) Regulations, 2017, issued on February 15, 2017, no Mutual Fund scheme is permitted to invest more than:

(i) 5% of its net asset value in the units of a single infrastructure investment trust; and

(ii) 10% of its net asset value in the units of infrastructure investment trusts and real estate investment trusts.

Provided that the limits prescribed under (i) and (ii) hereinabove shall not be applicable for investments in the case of an index fund or sector or industry specific scheme pertaining to infrastructure investment trusts and real estate investment trusts.

Further, no Mutual Fund, under all its schemes, is permitted to own more than 10% of the units issued by a single infrastructure investment trust.

Bids by Eligible NRIs

Eligible NRIs are permitted to participate in the Issue subject to compliance with the applicable restrictions and conditions which may be prescribed by Government from time to time. The RBI had vide its notification No. FEMA.355/2015-RB dated November 16, 2015, made certain amendments to the FEMA Regulations, thereby permitting investment by NRIs in units of infrastructure investment trusts in a manner (and subject to such terms and conditions) specified in Schedule 11 thereof. Payment for the units of an infrastructure investment trust acquired by an Eligible NRI shall be made by an inward remittance through the normal banking channels including by debit to an NRE or an FCNR account.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

On January 7, 2014, SEBI notified the FPI Regulations pursuant to which the existing classes of portfolio investors, namely FIIs and QFIs, were subsumed under a new category, namely FPIs. The RBI had vide its notification No. FEMA.355/2015-RB dated November 16, 2015, made certain amendments to the FEMA Regulations, thereby permitting investment by FPIs in units of infrastructure investment trusts in a manner (and subject to such terms and conditions) specified in Schedule 11 thereof. The payment for the units of an infrastructure investment trust acquired by an FPI shall be made by an inward remittance through the normal banking channels including by debit to an NRE or an FCNR account. Further, vide its circular dated March 15, 2016, SEBI has permitted FPIs to invest in units of infrastructure investment trusts subject to compliance with such other terms and conditions as SEBI may prescribe from time to time.

In case of Bids made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached along with the Bid cum Application form, failing which the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject the Bid.

Bids by SEBI registered VCFs and AIFs

The VCF Regulations, as amended, *inter alia*, prescribe the investment restrictions on VCFs registered with SEBI. Further, the AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Additionally, VCFs which have not re-registered as an AIF under the AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations. Additionally, VCFs and AIFs are subject to certain investment restrictions with respect to, *inter-alia*, the percentage of investible funds held in each investee entity.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to any lock-in requirements.

All Non-Resident Bidders including Eligible NRIs and FPIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by LLPs

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid.

Bids by Provident Funds/Pension Funds

On March 2, 2015 the Ministry of Finance has issued a notification allowing investments by non-government provident funds, super-annuation funds and gratuity funds up to 5% in infrastructure investment trusts. On May 29, 2015, the Ministry of Labour and Employment has issued a notification allowing investments by provident funds up to 5% in infrastructure investment trusts. On September 2, 2015, the Pension Fund Regulatory and Development Authority and Employment has issued a circular allowing investments by pension funds up to 5% in infrastructure investment trusts. However such investments by provident funds and pension funds will be subject to the sponsor having a minimum of AA or equivalent rating from at least two credit rating agencies registered with SEBI. In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid.

Bids by Banking Companies

In furtherance of its statement on developmental and regulatory policies issued on April 6, 2017, the RBI vide its notification no. DBR.No.FSD.BC.62/24.01.040/2016-17 dated April 18, 2017, allowed banks to participate in infrastructure investment trusts and real estate investment trusts within the overall ceiling of 20% of their net worth permitted for direct investments in shares, convertible bonds/debentures, units of equity-oriented mutual funds and exposures to VCFs (both registered and unregistered), subject to the following conditions:

(i) banks should put in place a board approved policy on exposures to infrastructure investment trusts, which lays down an internal limit on such investments within the overall exposure limits in respect of the infrastructure sector;

(ii) banks shall not invest more than 10% of the unit capital of an infrastructure investment trust; and

(iii) banks should ensure adherence to the prudential guidelines issued by RBI from time to time on equity investments by banks, classification and valuation of investment portfolio, Basel III capital requirements for commercial real estate exposures and large exposure framework, as applicable.

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment/relevant committee are required to be attached to the Bid cum Application Form, failing which, the Investment Manager in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of applicable SEBI circulars and directions. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making applications in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Insurance Companies

On March 14, 2017, the IRDAI has issued a notification permitting investments by insurance companies in units of infrastructure investment trusts, subject to an exposure limit of not more than 3% of the respective fund size of such insurance company or 5% of the units issued by a single infrastructure investment trust, whichever is lower. However, insurance companies are not permitted to invest in the units of an infrastructure investment trust whose sponsor is part of the promoter group of such insurance company. Infrastructure investment trusts rated not less than "AA" shall form part of 'approved investments', while infrastructure investment trusts rated less than "AA" shall form part of 'other investments'.

Insurance companies participating in this Issue are required to comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time. In case of Bids made by insurance companies registered with the IRDAI, subject to applicable laws, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right to reject any Bid.

The above information is given for the benefit of the Bidders. Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law. Certain categories of Bidders may not be allowed to Bid in the Issue or hold Units exceeding certain limits specified under applicable law.

Investors should note that currently, the InvIT Regulations restrict a person forming part of the 'public' from holding more than 25% of the Units of the Trust. For the purposes of the foregoing, 'public' means any person other than a related party of such infrastructure investment trust or any other person as may be specified by the SEBI, provided however that if any related party of such infrastructure investment trust is a qualified institutional buyer, such person shall be included in the term 'public'. Moreover, in accordance with the InvIT Regulations, the Sponsor, the Investment Manager, the Project Manager, or their respective related parties and Associates, will not form part of the 'public'.

The Trust, the Investment Manager, the Trustee, the GCBRLMs and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date hereof. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Units that can be held by them under applicable law or regulation or as specified herein.

Pre-Issue Advertisement

The Investment Manager shall, after filing the Offer Document with SEBI, make a pre-Issue advertisement on the website of the Trust, the Sponsor, the Investment Manager and the Stock Exchanges.

Price Band

The Price Band and the minimum Bid Lot will be decided by the Investment Manager, in consultation with the GCBRLMs and the BRLMs, and will be announced at least five Working Days prior to the Bid/Issue Opening Date, on the website of the Trust, the Sponsor and the Investment Manager, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

Differential price shall not be offered to any investor. The Floor Price or Price Band and the relevant financial ratios computed for both the upper and lower end of the Price Band shall be disclosed on the websites of the Stock Exchanges. The Floor Price or Price Band shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges.

The Investment Manager, in consultation with the GCBRLMs and the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Issue Period, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period.

Issue Period

The Issue shall be kept open for at least three Working Days and not more than thirty days. Bidders are advised to refer to the Bid cum Application Form and the abridged version of the Offer Document or the Offer Document for details of the Bid/Issue Period. Details of Bid/Issue Period shall also be available on the website of the Stock Exchanges.

The Investment Manager may, in consultation with the GCBRLMs and the BRLMs, consider participation by Anchor Investors and Strategic Investors. Bidding for Anchor Investors and Strategic Investors will open one Working Day before the Bid/Issue Opening Date and allocation to Anchor Investors and Strategic Investors, if any, shall be completed on the same day.

In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least one Working Day, subject to the total Bid/Issue Period not exceeding 30 days, provided that there shall not be more than two revisions to the Price Band during the Bid/Issue Period. Any revision to the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges during the Bid/Issue Period and by indicating the change on the websites of the Trust, the Sponsor, the Investment Manager and Stock Exchanges.

The Investment Manager, in consultation with the GCBRLMs and the BRLMs, may decide to close the Bidding by Institutional Bidders one day prior to the Bid/Issue Closing Date, subject to the condition that the total Bid/Issue Period shall be kept open for a minimum of three days for all categories of Bidders.

Submission of Bid cum Application Forms or Revision Forms

Bidders may submit completed Bid cum Application Forms/Revision Forms in the following manner:

Mode of Application	Submission of Bid cum Application Form/Revision Form
Anchor Investor Application Forms	To the GCBRLMs or the BRLMs at the locations mentioned in the Anchor Investor Application Form
Strategic Investor Application Forms	To the GCBRLMs or the BRLMs at the locations mentioned in the Strategic Investor Application Form
ASBA Forms	(i) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDPs at the Designated CDP Location; or (ii) Designated branches of the SCSBs where the ASBA Account is maintained.

Bidders should not submit the Bid cum Application Forms/Revision Form directly to the Escrow Collection Banks. Bid cum Application Forms/Revision Forms submitted to the Escrow Collection Banks are liable for rejection. Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.

Maximum and Minimum Bid Size

The Bid must be for a minimum of such number of Units such that the Bid Amount exceeds Rs.1 million and in multiples of [●] Units thereafter. A Bid cannot be submitted for more than the Issue size. The maximum Bid by any Bidder including Institutional Bidders should not exceed the investment limits prescribed for them under the applicable laws.

Multiple Bids

- Bidders should submit only one Bid cum Application Form. A Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options will not be considered as multiple Bids.

- Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- The following Bids may not be treated as multiple Bids:

  - Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made

- o Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs;
- o Bids by Anchor Investors under the Anchor Investor Portion and the Institutional Bidder Category; and
- o Bids made by Strategic Investors (where such Strategic Investors are Institutional Investors) under the Anchor Investor Portion and the Institutional Bidder Category.

The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Units Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid.

Payment Details

The full Bid Amount shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism. Bid Amount cannot be paid in cash, through money order or through postal order.

Payment into Escrow Account for Anchor Investors

The Investment Manager, in consultation with the GCBRLMs and the BRLMs, in its absolute discretion, will decide the list of Anchor Investors and Strategic Investors to whom the CAN will be sent, pursuant to which the details of the Units allocated to them in their respective names will be notified to such Anchor Investors and Strategic Investors. For Anchor Investors and Strategic Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

a) In case of resident Anchor Investors and Strategic Investors: "*[●]*"; or

b) In case of non-resident Anchor Investors and Strategic Investors: "*[●]*".

Instructions for Anchor Investors and Strategic Investors

a) Anchor Investors and Strategic Investors may submit their Bids with a GCBRLMs or BRLM;

b) Payments should be made either by RTGS or NEFT; and

c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors and Strategic Investors until the Designated Date.

Instructions for ASBA Bidders

a) Bidders may submit the ASBA Form either:

   i) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

   ii) in physical mode to any Designated Intermediary.

b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted;

c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account;

e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted;

f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations;

g) Bidders bidding through a Designated Intermediary, other than an SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms;

h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained;

i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form;

j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid;

k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such Bids are liable to be rejected;

l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs;

m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Units to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be; and

n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

General Instructions

Do's

a) Check if you are eligible to apply as per the terms of the Offer Document and under applicable law, rules, regulations, guidelines and approvals;

b) Ensure that you have Bid within the Price Band;

c) Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

d) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

e) Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;

f) Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

g) If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

h) Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

i) In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

j) Ensure that the PAN (of the sole/first Bidder) provided in the Bid cum Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held;

k) If the Bid cum Application Form was submitted in joint names, Bidders are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Bid cum Application Form;

l) Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;

m) Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

n) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons who are exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

o) Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

p) Ensure that the category and the investor status is indicated;

q) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

r) Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

s) With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

t) Ensure that the demographic details with the Depositories are updated, true and correct in all respects;

u) Ensure that the Depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and

v) Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

a) Do not Bid for lower than the minimum Bid size such that the Bid Amount is less than Rs.1 million;

b) Do not pay the Bid Amount in cheques, demand drafts or by cash, by money order or postal order;

c) Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

d) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

e) Do not submit the Bid for an amount more than funds available in your ASBA account;

f) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

g) Do not submit a Bid in case you are not eligible to acquire Units under applicable law or your relevant constitutional documents or otherwise

h) Do not fill up the Bid cum Application Form such that the Units Bid for exceeds the Issue size and/or investment limit or maximum number of Units that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Offer Document;

i) Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

j) Do not submit your Bid after 1.00 pm on the Bid/Issue Closing Date;

k) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository);

l) Do not Bid/revise the Bid lower than the Floor Price or above the Cap Price;

m) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Units or the Bid Amount) at any stage; and

n) Do not Bid if you are the Valuers or any of its employees involved in valuing of the Trust Assets.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

Bidders are advised that incomplete or illegible Bid cum Application Forms can be rejected at the time of submission by Designated Intermediaries or at the time of finalization of the Basis of Allotment. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

a) Bids made by Strategic Investors in the Anchor Investor Portion (to the extent that such Bid(s) are in the capacity of Strategic Investor(s)) in the event that the cumulative Bids made by all the Strategic Investors cumulatively in the Issue is less than 5% of the Issue size or such amount as may be specified by the SEBI from time to time;

b) The amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Units Bid for;

c) Application on plain paper;

d) Applications in the name of partnership firms and not individual partners; in case of partnership firms, Units may be registered in the names of the individual partners and no firm as such will be entitled to apply;

e) Bids by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

f) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, or where PAN is not applicable);

g) Where PAN details cannot be verified with demat accounts, i.e., where the demat account is "suspended for credit";

h) Bids for lower value of Units than specified for that category of Bidders;

i) Bids at a price less than the Floor Price;

j) Bids at a price over the Cap Price;

k) Submission of more than five Bid cum Application Forms per ASBA Account;

l) Bids for a value of less than Rs. 1 million;

m) Bidder category not specified;

n) Multiple Bids as described in the Offer Document;

o) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

p) Bids accompanied by cash, stockinvest, money order, postal order, cheque and/or demand draft;

q) Signature of sole and/or the First Bidder (in case of joint Bids) is missing;

r) The Bid cum Application form not being signed by the ASBA Account holder;

s) Bid cum Application Form does not have the stamp of a Designated Intermediary (except for electronic ASBA Bids), as the case may be;

t) Bid cum Application Forms are not submitted within the time prescribed as per the Bid cum Application Form, Price Band announcement and the Offer Document and as per the instructions in the Offer Document and the Bid cum Application Forms;

u) Inadequate funds in the ASBA Account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

v) Authorization for blocking funds in the ASBA Account not provided;

w) Bids for amounts greater than the maximum permissible amounts prescribed by Applicable Law;

x) Bids by OCBs;

y) Bids by persons in the United States other than "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act;

z) Bank account details for the refund not given in case of Bids by Anchor Investors and Strategic Investors;

aa) Bids by persons prohibited from buying, selling or dealing in the Units directly or indirectly by SEBI or any other regulatory authority;

bb) Bids by persons who are not eligible to acquire Units under applicable law or their relevant constitutional documents or otherwise;

cc) Bids that do not comply with the securities laws of their respective jurisdictions;

dd) Bids/Applications not uploaded on the terminals of the Stock Exchanges

ee) Where no confirmation is received from SCSB for blocking of funds; and

ff) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN.

Build-up of the Book and Revision of Bids

Bidders shall submit their Bids within the Bid/Issue Period. An amount to the extent of entire application money shall be collected or blocked, as the case may be, from a Bidder before a Bid is accepted an order is placed on its behalf. The payment accompanied with any revision of Bid, shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. However, Bidders are not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. Bidders can only make upward revisions in their Bids.

The Bidding process shall be conducted through an electronically linked transparent bidding facility provided by a recognised stock exchange. The bidding terminals shall contain an online graphical display of demand and bid prices updated at periodic intervals, not exceeding thirty minutes. The Stock Exchanges shall continue to display on their website, the data pertaining to the Issue in a uniform format, *inter alia* giving category-wise details of Bids received, for a period of at least three days after Bid/Issue Closing Date.

Price Discovery and Allocation

- Based on the Bids received and demand generated at various price levels, the Investment Manager, in consultation with the GCBRLMs and the BRLMs, will determine the Issue Price and the Anchor Investor and Strategic Investor Issue Price.

- Once the Issue Price is determined, all successful Bidders (i.e. whose Bids have been found to be at and above the Issue Price) shall be entitled for Allotment of the Units.

- In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to Bidders in the other category at the discretion of the Investment Manager, in consultation with the GCBRLMs, the BRLMs and the Designated Stock Exchange.

- Allocation to Non-Residents, including Eligible NRIs and FPIs will be subject to applicable law, rules, regulations, guidelines and approvals.

- Allocation to Anchor Investors and Strategic Investors shall be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLMs, subject to compliance with the InvIT Regulations.

- The Investment Manager, in consultation with the GCBRLMs and the BRLMs, may reject a Bid placed by an Institutional Bidder for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders.

Withdrawal of the Issue

The Investment Manager, in consultation with the GCBRLMs and the BRLMs, reserves the right not to proceed with the Issue, in whole or any part thereof after the Bid/Issue Opening Date but before the Allotment. In the event that the Investment Manager, in consultation with the GCBRLMs and the BRLMs, decides not to proceed with the Issue at all, the Investment Manager shall issue a public notice on the website of the Trust, the Sponsor and the Investment Manager, within six days of the Bid/Issue Closing Date, or such other time as may be prescribed by SEBI in this regard. The GCBRLMs and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. The Investment Manager shall also inform the same to the Stock Exchanges.

If the Investment Manager withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with a fresh issue of the Units, the Investment Manager shall file a fresh draft offer document with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Trust shall apply for after Allotment.

Basis of Allotment

The Allotment of Units to Bidders other than Anchor Investors and Strategic Investors shall be on a proportionate basis within the specified investor categories and the number of Units Allotted shall be rounded off to the nearest integer, subject to minimum Allotment as per InvIT Regulations and a minimum of [●] Units, and in multiples of [●] Units thereafter.

A. Allotment to Institutional Bidders (other than Anchor Investors and Strategic Investors)

a) Bids received from Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Institutional Bidders will be made at the Issue Price.

b) The Institutional Bidder Category will be available for Allotment to Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

c) The Issue size less Allotment to Other Bidders will be available for Allotment to Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The aggregate Allotment to Institutional Bidders shall be not more than 75% of the Issue.

d) If the aggregate demand in this category is less than or equal to [●] Units at or above the Issue Price, full Allotment shall be made to Institutional Bidders to the extent of their demand.

e) If the aggregate demand in this category is greater than the allocation in the Institutional Bidder Category at or above the Issue Price, then the maximum number of Institutional Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Units available for Allotment to Institutional Bidders by the minimum Bid Lot ("**Maximum Institutional Bidder Allottees**"). The Allotment to the Institutional Bidders will then be made in the following manner:

  - In the event the number of Institutional Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum Institutional Bidder Allottees, (i) all such Institutional Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance available Units, if any, remaining in the Institutional Bidder Category shall be Allotted on a proportionate basis to the Institutional Bidders who have received Allotment as per (i) above for the balance demand of the Units Bid by them (i.e. who have Bid for more than the minimum Bid Lot); and

  - In the event the number of Institutional Bidders who have submitted valid Bids in the Issue is more than Maximum Institutional Bidder Allottees, the Institutional Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

f) The identity of Institutional Bidders (other than Anchor Investors and Strategic Investors) shall not be made public.

B. Allotment to Other Bidders

a) Bids received from Other Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Other Bidders will be made at the Issue Price finalized by the Investment Manager, in consultation with the GCBRLMs and the BRLMs.

b) The Other Bidder Category will be available for Allotment to Other Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

c) The aggregate Allocation to Other Bidders shall be not less than 25% of the Issue, subject to valid Bids being received from them at or above the Issue Price.

d) If the aggregate demand in this category is less than or equal to [●] Units at or above the Issue Price, full Allotment shall be made to Other Bidders to the extent of their demand.

e) If the aggregate demand in this category is greater than the allocation in the Other Bidder Category at or above the Issue Price, then the maximum number of Other Bidders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Units available for Allotment to Other Bidders by the minimum Bid Lot ("**Maximum Other Bidder Allottees**"). The Allotment to the Other Bidders will then be made in the following manner:

  - In the event the number of Other Bidders who have submitted valid Bids in the Issue is equal to or less than Maximum Other Bidder Allottees, (i) all such Other Bidders shall be Allotted the minimum Bid Lot; and (ii) the balance available Units, if any, remaining in the Other Bidder Category shall be Allotted on a proportionate basis to the Other Bidders who have received Allotment as per (i) above for the balance demand of the Units Bid by them (i.e. who have Bid for more than the minimum Bid Lot); and

  - In the event the number of Other Bidders who have submitted valid Bids in the Issue is more than Maximum Other Bidder Allottees, the Other Bidders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

C. Allotment to Anchor Investors (if applicable)

a) Allocation of Units to Anchor Investors at the Anchor Investor and Strategic Investor Issue Price will be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLMs, subject to compliance with the following requirements:

  - Not more than 60% of the Institutional Bidder Category will be Allocated to Anchor Investors;

  - Allocation to Anchor Investors shall be in discretionary basis and subject to:

    - a minimum of two Anchor Investors for allocation of up to Rs. 2,500 million; and

    - a minimum of five Anchor Investors for allocation of more than Rs. 2,500 million.

  - The identity of Anchor Investors shall be made public.

b) An Anchor Investor shall make an application of a value of at least Rs. 100 million in the Issue.

c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

d) **In the event that the Issue Price is higher than the Anchor Investor and Strategic Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor and Strategic Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

e) **In the event the Issue Price is lower than the Anchor Investor and Strategic Investor Issue Price:** Anchor Investors who have been Allotted Units will directly receive Allotment Advice.

D. Allotment to Strategic Investors (if applicable)

a) Allocation of Units to Strategic Investors at the Anchor Investor and Strategic Investor Issue Price will be at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLMs, subject to compliance with the following requirements:

- Not less than 5% of the Issue size will together be Allocated to Strategic Investors;
- Not more than 60% of the Institutional Bidder Category will be Allocated to Strategic Investors;
- The identity of Strategic Investors shall be made public.

b) Strategic Investors shall together make an application for not less than 5% of the Issue size, subject to such application being of a value of at least Rs. 100 million.

c) A physical book is prepared by the Registrar to the Issue on the basis of the Strategic Investor Application Forms received from Strategic Investors. Based on the physical book and at the discretion of the Investment Manager, in consultation with the GCBRLMs and the BRLMs, selected Strategic Investors will be sent a CAN and if required, a revised CAN.

d) **In the event that the Issue Price is higher than the Anchor Investor and Strategic Investor Issue Price:** Strategic Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Strategic Investor and the pay-in date for payment of the balance amount. Strategic Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor and Strategic Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Strategic Investors.

e) **In the event the Issue Price is lower than the Anchor Investor and Strategic Investor Issue Price:** Strategic Investors who have been Allotted Units will directly receive Allotment Advice.

The Investment Manager, the GCBRLMs and the BRLMs, shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The authorized representatives of the Designated Stock Exchange along with the GCBRLMs and the BRLMs, the Investment Manager and the Registrar to the Issue shall ensure that the Basis of Allotment is finalized in a fair and proper manner.

Designated Date and Allotment Advice

Designated Date

On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Units to Anchor Investors and Strategic Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Public Issue Account Bank(s). The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the Offer Document. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Units from ASBA Accounts into the Public Issue Account.

Issuance of Allotment Advice

Upon the finalization of the Basis of Allotment, the Investment Manager shall undertake the necessary action to facilitate the Allotment and credit of Units. Bidders are advised to instruct their Depository Participant to accept the Units that may be Allotted to them pursuant to the Issue. Pursuant to confirmation of such actions, the Registrar will dispatch Allotment Advice to the Bidders who have been Allotted Units in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

The Investment Manager will ensure that the Allotment of Units will be completed within 12 Working Days of the Bid/Issue Closing Date

Interest and Refunds

Non-Receipt of Listing and Trading Permission

If the listing and trading approvals with respect to the Units are not granted by both Stock Exchanges, the Investment Manager (and the Trust) shall forthwith repay all moneys received from the Bidders in pursuance of the Offer Document, in such manner and within such time as prescribed under the InvIT Regulations. Further, in such a case, the Trust shall be liable to refund the subscription moneys, if any, to the respective Allottees, immediately, along with interest at 15% per annum from the date of Allotment.

Withdrawal of SEBI's Observation Letter

In the event of withdrawal of SEBI's observation letter, the Units shall not be eligible for listing and the Trust shall be liable to refund the subscription moneys, if any, to the respective Allottees, immediately, along with interest at 15% per annum from the date of Allotment.

Non-Receipt of Minimum Subscription or Failure to make Minimum Allotment

In case of a failure to receive the minimum subscription of 90% of the Issue (including devolvement of Underwriters) or in case minimum Allotment of at least 25% of the total outstanding Units on a post-Issue basis cannot be made or if the number of prospective 'public' Allottees is less than 20, the Investment Manager shall forthwith refund the entire subscription amount received. In accordance with the InvIT Regulations, 'public' means any person other than a related party of the Trust or any other person as may be specified by SEBI, provided however that if any related party of the Trust is a qualified institutional buyer, such person shall be included in the term 'public'. Further, in accordance with the InvIT Regulations, any Units offered to the Sponsor, the Investment Manager, the Project Manager, or their respective related parties or Associates, will not be counted towards Units offered to the 'public'.

Mode of Refund

a) **In case of ASBA Bids:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bids and also for any excess amount blocked on Bidding.

b) **In case of Anchor Investors and Strategic Anchors:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors and Strategic Investors.

c) In case of Anchor Investors and Strategic Investors, the Registrar to the Issue may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms and the Strategic Investors in their Strategic Investor Application Forms, for refunds. Accordingly, Anchor Investors and Strategic Investors are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the sole risk of such Anchor Investor or Strategic Investor, as the case may be, and neither the Trust, the Investment Manager, the Trustee, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors or Strategic Investors, as the case may be, for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Hence, Anchor Investors and Strategic Investors should carefully fill in their Depository Account details in the Bid cum Application Form.

d) In the case of Bids from non-resident Bidders, refunds, if any, will only generally be payable in Indian Rupees only and net of bank charges and/or commission. The Trust, the Investment Manager and the Trustee may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

Mode of making refunds for Anchor Investors and Strategic Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

a) **NEFT:** Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investor's bank or Strategic Investor's bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors and Strategic Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors or Strategic Investors, as the case may be, through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

b) **RTGS:** Anchor Investors and Strategic Investors having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS;

c) **Direct Credit:** Anchor Investors and Strategic Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

d) **Demand Draft:** Refunds to Anchor Investors and Strategic Investors may also be made through the issue and delivery of demand drafts drawn on the Refund Bank and payable at par at places where the Bids are received.

For details of levy of charges, if any, for any of the above methods, Anchor Investors and Strategic Investors may refer to the Offer Document/Final Offer Document. All such charges shall be borne by such Anchor Investors and Strategic Investors.

Unblocking of ASBA Accounts

Once the Basis of Allotment is finalized by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines:

i) the number of Units to be Allotted against each Bid;

ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid;

iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account; and

iv) details of rejected Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account. In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

Interest

The Investment Manager shall pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working Days of the Bid/Issue Closing Date.

The Investment Manager may pay interest at 15% per annum for any delay beyond 12 Working Days from the Bid/Issue Closing Date, if Allotment is not made.

In the event of withdrawal of SEBI's observation letter or non-receipt of final listing and trading approvals in respect of the Units, the Investment Manager (on behalf of the Trust) shall forthwith repay all moneys received from the Bidders in such manner and within such time as prescribed under the InvIT Regulations. Further, in such a case, the Trust shall be liable to refund the subscription moneys, if any, to the respective Allottees, along with interest at 15% per annum from the date of Allotment.

Underwriting Agreement

The Trustee (acting on behalf of the Trust), the Investment Manager and the Syndicate Members may enter into an Underwriting Agreement after the finalisation of the Issue Price. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Units:

(This portion has been intentionally left blank and will be completed before filing the Final Offer Document)

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Units to be underwritten	Amount underwritten (Rs. in Million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after pricing and actual allocation and subject to the provisions of the InvIT Regulations.

Final Offer Document

An updated Offer Document will be filed with SEBI in accordance with the applicable law, which then would be termed as the 'Final Offer Document'. The Final Offer Document will contain, *inter alia*, details of the Units issued, Issue Price, the Anchor Investor and Strategic Investor Issue Price, Issue size and underwriting arrangements, and will be complete in all material respects.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material have been entered or are to be entered into in due course. These contracts and also the documents for inspection referred to hereunder, may be inspected at the registered office of the Trust, from 11:00 A.M. to 5:00 P.M., from the date of the Offer Document until the date of listing of the Units pursuant to the Issue, on Working Days.

A. Material Contracts

1. Issue Agreement dated December 15, 2016, as amended and restated on April 28, 2017, among the Trustee (acting on behalf of the Trust), the Investment Manager, the Sponsor, the GCBRLMs and the BRLM;

2. Registrar Agreement dated December 5, 2016, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Registrar to the Issue;

3. Escrow Agreement dated [●], among the Trustee (acting on behalf of the Trust), the Investment Manager, the GCBRLMs, the BRLMs, the Syndicate Members, the Registrar to the Issue, the Escrow Collection Bank(s), the Public Issue Account Bank(s) and the Refund Bank(s);

4. Syndicate Agreement dated [●], among the Trustee (acting on behalf of the Trust), the Investment Manager, the GCBRLMs, the BRLMs and the Syndicate Members; and

5. Underwriting Agreement dated [●], among the Trustee (acting on behalf of the Trust), the Investment Manager, the GCBRLMs, the BRLMs and the Syndicate Members.

B. Documents for Inspection

1. The Indenture of Trust dated September 12, 2016, together with the deed of amendment thereto dated April 12, 2017;

2. Certificate of registration of the Trust as an infrastructure investment trust (SEBI Registration Number: IN/InvIT/16-17/0004), issued by SEBI dated November 24, 2016;

3. The resolution of the shareholders of the Sponsor dated October 21, 2016, and the resolution of the board of directors of the Sponsor dated September 13, 2016;

4. The Investment Management Agreement dated October 3, 2016;

5. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and DS, dated October 3, 2016;

6. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and GF, dated October 3, 2016;

7. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and JR, dated October 3, 2016;

8. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and NK, dated October 3, 2016;

9. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and SU, dated October 3, 2016;

10. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and TD, dated October 3, 2016;

11. The project implementation agreement, among the Trustee (acting on behalf of the Trust), the Investment Manager and the Project Manager and TK, dated October 3, 2016;

12. Resolutions of the duly authorized committee of the board of directors of the Investment Manager dated November 9, 2016, and April 12, 2017, in relation to the Issue and other related matters.

13. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and DS;

14. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and GF;

15. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and JR;

16. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and NK;

17. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and SU;

18. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and TD;

19. The securities purchase agreement dated [●] entered into among the Sponsor, the Trustee (acting on behalf of the Trust), the Investment Manager and TK;

20. The Right of First Offer and Future Assets Agreement dated [●], among the Sponsor, the Investment Manager and the Trustee (acting on behalf of the Trust);

21. The concession agreement between DS and NHAI dated January 30, 2006, together with any amendments or supplements thereto;

22. The concession agreement between GF and HPWD dated January 31, 2009, together with any amendments or supplements thereto;

23. The concession agreement between JR and NHAI dated February 19, 2010, together with any amendments or supplements thereto;

24. The concession agreement between NK and NHAI dated January 30, 2006, together with any amendments or supplements thereto;

25. The concession agreement between SU and NHAI dated July 19, 2007, together with any amendments or supplements thereto;

26. The concession agreement between TD and NHAI dated July 19, 2007, together with any amendments or supplements thereto;

27. The concession agreement between TK and NHAI dated July 19, 2007, together with any amendments or supplements thereto;

28. The audit report of the Auditors on the Condensed Combined Financial Statements dated April 24, included in this Draft Offer Document;

29. Consent of the Auditors, in relation to their report on the Revenue, Profit and Cash Flow Projections dated April 24, 2017, and the statement of tax benefits dated April 24, 2017, included in this Draft Offer Document;

30. The statement of tax benefits dated April 24, 2017, from the Auditors, included in this Draft Offer Document;

31. Consent of the Auditors, Traffic Consultants, GCBRLMs, BRLMs, Syndicate Members, Indian Legal Counsel to the Trust, Indian Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrar to the Issue, Escrow Collection Bank(s), Refund Bank(s), Compliance Officer, as referred to in their specific capacities;

32. Consent of the Valuers, in relation to their report dated April 25, 2017, included in this Draft Offer Document;

33. Due Diligence Certificate dated December 15, 2016, addressed to SEBI from the GCBRLMs and the BRLM;

34. The approval from NHAI dated March 27, 2017;

35. In-principle listing approvals each dated January 13, 2017, issued by the BSE and the NSE;

36. Tripartite Agreement dated January 23, 2017, among Trustee (acting on behalf of the Trust), the Investment Manager, NSDL and the Registrar to the Issue; and

37. Tripartite Agreement dated February 16, 2017, among Trustee (acting on behalf of the Trust), the Investment Manager, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Offer Document may be amended or modified at any time if so required in the interest of the Trust or if required by the other parties, without reference to the Unitholders, subject to compliance with applicable law.

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Draft Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE DIRECTORS OF THE INVESTMENT MANAGER

Mr. Kanu Doshi Independent Director	**Mr. S. C. Tripathi** Independent Director
Ms. Ameeta Chatterjee Independent Director	**General Ved Prakash Malik (Retd.)** Independent Director
Mr. Kazuhide Toda Director	**Mr. Takayuki Murai** Director
Mr. Sundeep Sikka Wholetime Director	

Date: April 28, 2017
Place: Mumbai

DECLARATION

The Trustee (on behalf of the Trust) hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Trustee (on behalf of the Trust) further certifies that all the statements and disclosures in this Draft Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE TRUSTEE (ON BEHALF OF THE TRUST)

FOR IDBI TRUSTEESHIP SERVICES LIMITED

Date: April 28, 2017
Place: Mumbai

DECLARATION

The Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, the SEBI Act, or rules, regulations, and guidelines issued thereunder (as the case may be). The Sponsor further certifies that all the statements and disclosures in this Draft Offer Document are material, true, correct, not misleading and are adequate in order to enable the investors to make an informed decision.

SIGNED BY THE DIRECTORS OF THE SPONSOR

Mr. Anil D. Ambani Non-executive and Non-independent Director	**Mr. S. Seth** Non-executive and Non-independent Director
Dr. V.K. Chaturvedi Non-executive and Non-independent Director	**Mr. Shiv Prabhat** Non-executive and Non-independent Director
Mr. S.S. Kohli Independent Director	**Mr. K. Ravikumar** Independent Director
Mr. V.R. Galkar Independent Director	**Ms. Ryna Karani** Independent Director

FOR RELIANCE INFRASTRUCTURE LIMITED

Date: April 28, 2017
Place: Mumbai

VALUATION REPORT

Reliance Infrastructure InvIT Fund
502, Plot No. 91/94,
Prabhat Colony, Santacruz (East),
Mumbai - 400 055

Reliance Nippon Life Asset Management Limited
H Block, Ist Floor
DhirubhaiAmbani Knowledge City
Navi Mumbai 400710

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
5th Floor, No. 65/2, Block "A",
Bagmane Tridib, Bagmane Tech Park
C V Raman Nagar, Bengaluru 560093
India

T +91 80 4243 0700
F +91 80 4126 1228

25 April 2017

For the kind attention of Muneesh Sud, Reliance Nippon Life Asset Management Limited

Re: Valuation Services

Dear Sir,

With reference to our Engagement Letter (hereinafter referred to as "EL") dated 28 September 2016 along with the addendum to the EL dated 21 April 2017, confirming the appointment of Walker Chandiok & Co LLP (hereinafter referred to as "WCC" or the "Firm")as an independent valuer for the purpose of valuation of the 7 Subsidiaries or Special Purpose Vehicles (hereinafter referred to as "SPVs") of Reliance Infrastructure Limited (hereinafter referred to as "RIL" or the "Company") proposed to be transferred to Reliance Infrastructure InvIT Fund (hereinafter referred to as "InvIT"), acting through its Investment Manager, Reliance Nippon Life Asset Management Limited(collectively hereinafter referred to as the "Client") as on 31 March 2017 (hereinafter referred to as the "Valuation Date") in accordance with the SEBI (Infrastructure Investment Trusts) Regulation, 2014, as amended on 30 November 2016 (hereinafter referred to as "SEBI InvIT Regulations")

We have relied on explanations and information provided by the management of RIL (hereinafter referred to as "Management"). Although we have reviewed such data for consistency, we have not independently investigated or otherwise verified the data provided. We have no present or planned future interest in Company, SPVs or Client and the fee for our Valuation Report ("Report") is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Company.

Please note that all comments in our Report must be read in conjunction with the Caveats to the Report, which are contained in Section XII of this Report.

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The Report and the Summary of Valuation included herein can be reproduced and included in the Offer Document proposed to be filed in connection with an IPO offering of the units of the InvIT and may be made available for inspection in the manner specified therein

Limitation of liability: We draw your attention to the limitation of liability clauses in Section XII of the Report.

Yours sincerely,
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Shashishekhar Chaugule
Partner
Membership No: 212151

Place: Bangalore
Date: 25 April 2017

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

CONTENT

PAGE

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

I. SUMMARY OF VALUATION

I. a) Background & Scope

RIL incorporated in 1929, is a constituent of the Reliance Group. RIL owns and operates five power stations with aggregate generating capacity of 941 MW and distributes more than 25 billion units of electricity to over 6.4 million consumers in India's two premier cities, Mumbai and Delhi. RIL also provides Engineering, Procurement and Construction (EPC) services for developing power and road projects.

In the Roads sector, RIL is amongst the largest private concessionaires in India. It has a portfolio of 11 projects totalling length of approximately 1,000 km. The company is also amongst the largest developers of 6 lane NHAI road projects with three projects totalling approximately 380 km in its portfolio.

RIL has sponsored and floated an Infrastructure Investment Trust ("Trust") and registered it with SEBI as "Reliance Infrastructure InvIT Fund" ("InvIT") under the SEBI InvIT Regulations. IDBI Trusteeship Services Ltd has been appointed as the Trustee to the above mentioned InvIT. Reliance Nippon Life Asset Management Limited has been appointed as the Investment Manager to the InvIT by the Trustee and will be responsible to carry out the duties of such person as mentioned in Regulation 10 of the SEBI InvIT Regulations.

The Client had requested for the assistance of the Firm to carry out the fair valuation of 10 Special Purpose Vehicles ("hereinafter referred to as "SPV") of RIL proposed to be transferred to it in accordance with the SEBI InvIT Regulations for which the Firm issued the valuation report as on 14 December 2016. Based on our recent discussion with the Client, we understand that instead of 10 Road Assets, 100% stake in 6 SPVs and 74% shareholding in 1 SPV (hereinafter together referred to as "Road Assets") (mentioned in section I c) of the report) is proposed to be transferred to InvIT following which it proposes to issue units which are to be listed on one or more Indian stock exchange consequent to an IPO process. Hence, the Client has approached the Firm to provide an updated valuation report for valuation of 7 Road Assets as on a recent Valuation Date i.e. 31 March 2017. This Report covers all the disclosures required as per the SEBI InvIT Regulations.

The Firm declares that:

- It is competent to undertake the valuation
- It is independent and has prepared the Report on a fair and unbiased basis
- It has valued the SPVs based on the valuation standards as specified under sub-regulation 10 of regulation 21 of SEBI InvIT Regulations

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I. b) Valuation Approach& Assumptions

To arrive at fair value of the SPVs, we have used a Discounted Cash Flows ("DCF") method under the Income Approach.

For the purpose of this valuation exercise, the Firm has been provided with the financial projections of the SPVs under Indian Accounting Standard ("Ind AS") by the Management as on the Valuation Date. The projections are based on the best judgement of the Management on the future cash flows supported by the traffic surveys conducted by independent traffic consultancy firms namely GMD Consultants ("GMD") and Systra MVA Consulting (India) Private Limited ("Systra") (together referred to as "Traffic Surveyors").

In addition to the aforementioned financial projections, the following approach and assumptions have been considered for the valuation exercise:

- The Free Cash Flows to Firm under the Discounted Cash Flow Method has been used for the purpose of the valuation of each of the SPVs.
- The Weighted Average Cost of Capital based on average debt equity over the life of the project for each of the SPVs has been considered as the discount rate for respective SPV for the purpose of valuation.

I. c) Conclusion of Value

Based on the methodology and assumptions discussed above, we have arrived at the Fair Enterprise Value ("EV") of the 7 SPVs as on the Valuation Date

Table 1.1: Fair EV of the 7 SPVs as on the Valuation Date (INR Millions ("Mn")

Name of the SPV	Fair Enterprise Value
NK Toll Road Limited	2,656.8
DS Toll Road Limited	5,073.7
TD Toll Road Private Limited	4,887.5
TK Toll Road Private Limited	8,289.4
SU Toll Road Private Limited	10,059.5
JR Toll Road Private Limited	4,125.2
GF Toll Road Private Limited *	5,173.2
Total Fair Enterprise Value of the 7 SPVs	**40,265.3**

* Please note that as informed by the Management, only 74% equity stake of GF Toll Road Private Limited will be transferred from RIL to InvIT as allowed under the Concession Agreement. We have considered the Enterprise Value of GF Toll Road Private Limited to be 100% in Table 1.1 and Equity Value to be 74% stake in Table 1.2.

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The EV has further been adjusted for cash, net current assets, net long term assets and liabilities, external bank debt and net dues from/to related parties including interest free subordinate debt to arrive at the Fair Value of Equity of the 7 SPVs as on the Valuation Date.

Table 1.2: Fair Value of Equity of the 7 SPVs as on the Valuation Date (INR Mn)

Name of the SPV	Fair Equity Value
NK Toll Road Limited	(196.8)
DS Toll Road Limited	2,406.5
TD Toll Road Private Limited	2,115.4
TK Toll Road Private Limited	2,941.2
SU Toll Road Private Limited	4,215.9
JR Toll Road Private Limited	(832.1)
GF Toll Road Private Limited (74% stake) *	(1,295.3)
Total Fair Value of Equity for the 7 SPVs	**9,354.8**

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II. CONTEXT AND PURPOSE

RIL incorporated in 1929, is a constituent of the Reliance Group. RIL owns and operates five power stations with aggregate generating capacity of 941 MW and distributes more than 25 billion units of electricity to over 6.4 million consumers in India's two premier cities, Mumbai and Delhi. RIL also provides Engineering, Procurement and Construction (EPC) services for developing power and road projects.

In the Roads sector, RIL is amongst the largest private concessionaires in India. It has a portfolio of 11 projects totalling length of approximately 1,000 km. The company is also amongst the largest developers of 6 lane NHAI road projects with three projects totalling approximately 380 km in its portfolio.

RIL has sponsored and floated an InvIT and registered it with SEBI as "Reliance Infrastructure InvIT Fund" under the SEBI InvIT Regulations. IDBI Trusteeship Services Ltd has been appointed as the Trustee to the above mentioned InvIT. Reliance Nippon Life Asset Management Limited has been appointed as the Investment Manager to the InvIT by the Trustee and will be responsible to carry out the duties of such person as mentioned in Regulation 10 of the SEBI InvIT Regulations.

Based on discussions with the Client, we understand that InvIT proposes to acquire 100% shareholding in the Road Assets (except in GF Toll Road Private Limited where it proposes to acquire 74%) , following which it proposes to issue units which are to be listed on one or more Indian stock exchange consequent to an IPO process.

The 7 SPVs which are proposed to be transferred from RIL to InvIT are:

1. NK Toll Road Limited
2. DS Toll Road Limited
3. TD Toll Road Private Limited
4. TK Toll Road Private Limited
5. SU Toll Road Private Limited
6. JR Toll Road Private Limited
7. GF Toll Road Private Limited (74% Stake)

For this purpose, the Firm has assisted the Client to carry out a fair valuation of the 7 SPVs of RIL proposed to be transferred to InvIT in accordance with the SEBI InvIT Regulations.

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VALUATION DATE

In the earlier valuation report issued dated 14 December 2016, the Valuation Date was considered as 31 December 2016 which was closest to the earlier report date and the nearest quarter end date.

As per the addendum to Engagement Letter dated 21 April 2017, Management has requested us to carry out the revised valuation as on 31 March 2017 which is the closest quarter end date as on the current report date.

Hence, in order to arrive at the equity value of the SPVs, the Gross Enterprise Value has been adjusted for cash, net current assets, bank borrowings etc. based on the audited Balance Sheet as on 31 March 2017 as provided by the Management.

The market based inputs for arriving at the discount rate have been considered as on 31 March 2017.

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III. Overview of the SPVs

The details of the individual SPVs are as given below:

- **NK Toll Road Limited ("NK")**

  NK project covers the Namakkal and Karur section of NH-7 from km 248.625 to km 292.600. The project involving 4 laning has been implemented on a Build Operate Transfer ("BOT") basis by the NHAI in the Design Build Finance Operate Transfer ("DBFOT") format. This project has been awarded to NK for a concession period of 20 years starting from 29 July 2006 and ending on 28 July 2026 on the basis of a grant given by NHAI of INR 240.0 Mn during the concession period.

  The project is in the state of Tamil Nadu and passes through the districts of Nammakal and Karur. The project corridor bypasses major settlements of Paramatty and Pugaloor / Veleyudampalayam. NK project has been commissioned and is currently in the operation / maintenance phase.

Table 3.1: Details of NK

Parameters	Details
Length of the project	41.375 km
Project Cost	INR 3,520 Mn
Concession Period – Start	29 July 2006
Concession Period – End	28 July 2026
Tolling Start Date	22 August 2009
Date of Inspection	3 October 2016
RIL's Stake	100%

Source: Management

Pictures of the Project Corridor:

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- **DS Toll Road Limited ("DS")**

DS project covers the Dindigul and Samayanallore section of NH-7 from km 373.28 to km 426.6. The project involving 4 laning has been implemented on a BOT basis by the NHAI in the DBFOT format. This project has been awarded to DS for a concession period of 20 years starting from 29 July 2006 and ending on 28 July 2026 on the basis of a grant given by NHAI of INR 310.0 Mn during the concession period.

The project is in the state of Tamil Nadu and passes through the districts of Dindigul and Samayanallore which mainly comprise of agricultural land with patches of built-up areas, industrial areas etc. Several educational institutions, medium and heavy industries, hatcheries, poultry farms have been observed along the Project corridor. DS project has been commissioned and is currently in the operation / maintenance phase.

Table 3.2: Details of DS

Parameters	Details
Length of the project	53.049 km
Project Cost	INR 4,280 Mn
Concession Period – Start	29 July 2006
Concession Period – End	28 July 2026
Tolling Start Date	28 September 2009
Date of Inspection	3 October 2016
RIL's Stake	100%

Source: Management

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Pictures of the Project Corridor:

- **TD Toll Road Private Limited("TD")**

  TD project covers the Trichy and Dindigul section of NH-45 from km 333.0 to km 421.6. TD project has been implemented on a BOT basis in the DBFOT format by the NHAI. This project has been awarded to TD for a concession period of 30 years starting from 15 January 2008 and ending on 14 January 2038 on the basis of a grant given by NHAI of INR 1,074.6 Mn during the concession period.

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The project is in the state of Tamil Nadu and passes through districts, viz. Trichy and Dindigul. En-route, it passes few major/minor urban centres, viz. Manaparai, Vaiyampatti, Ayyalur and Vadamadurai. The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.3: Details of TD

Parameters	Details
Length of the project	87.273 Km
Project Cost	INR 5,400 Mn
Concession Period – Start	15 January 2008
Concession Period – End	14 January 2038
Tolling Start Date	10 January 2012
Date of Inspection	3 October 2016
RIL's Stake	100%

Source: Management

<u>Pictures of the Project Corridor:</u>

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- **TK Toll Road Private Limited("TK")**

TK project covers the Trichy and Karur section of NH-67 from km 135.8 to km 218.0. The part 2 laning and part 4 laning project have been implemented on a BOT basis in the DBFOT format by the NHAI. This project has been awarded for a concession period of 30 years starting from 15 January 2008 and ending on 14 January 2038 on the basis of a grant given by NHAI of INR 1,342.6 Mn during the concession period.

The project is in the state of Tamil Nadu and passes through five taluks namely, Trichy, Srirangam, Kulithalai, Krishnarayapuram and Karur. The road stretch runs very close to Cauvery River for length of 26 Kms and follows its southern bank.

The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.4: Details of TK

Parameters	Details
Length of the project*	61.348
Project Cost	INR 8,116 Mn
Concession Period – Start	15 January 2008
Concession Period – End	14 January 2038
Tolling Start Date	22 Feb,2014
Date of Inspection	3 October 2016
RIL's Stake	100%

Source: Management

* In November 2013, a supplementary agreement was executed between NHAI and Concessionaire in which total length of 18.475 Km (Trichy Bypass and stretch from Km 0.0 to Km 17.3 and KM 153.230 to Km 154.400) was delinked from project for COD purpose. Additionally, 2.28 Km length of Lalapet Railway Over Bridge ("ROB") was added to project length, which is not tollable. Therefore, the total length of project road for which COD has been awarded is 63.628 Km. After adjusting for the 2.28 Km of Lalpet ROB, which is not tollable, the total tollable length is 61.348.

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Pictures of the Project Corridor:

- **SU Toll Road Private Limited ("SU")**

SU project covers the Salem and Ulundurpet section of NH-68 from km 0.313 to km 136.670. The project involving 4 laning has been implemented on a BOT basis by the NHAI in the DBFOT format. This project has been awarded for a concession period of 25 years starting from 15 January 2008 and ending on 14 January 2033 on the basis of a grant given by NHAI of INR 2,122.60 Mn during the concession period. The project also include approximately 38 Km of bypass length, which will be converted to a four lane road pursuant to the concession agreement

The project is in the state of Tamil Nadu and passes through districts, viz. Salem and Villupuram. It originates from Salem and traverses through major settlements of Attur, China Salem and Kallakurichu before ending at Ulundurpet.

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The project has been commissioned and is currently in the operation / maintenance phase.

Table 3.5: Details of SU

Parameters	Details
Length of the project	136.357 km
Project Cost	INR 11,070 Mn
Concession Period – Start	15 January 2008
Concession Period – End	14 January 2033
Tolling Start Date	26 July 2012*
Date of Inspection	1 October 2016
RIL's Stake	100%

Source: Management

*Full commencement date is 1 September 2013. Collection of tolls started on 26 July 2012

<u>Pictures of the Project Corridor:</u>

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- **JR Toll Road Private Limited ("JR")**

JR project covers the Jaipur and Reengus section of NH-11 from km 246.3 to km 298.1. The project has been implemented on a BOT basis by the NHAI. This project has been awarded for an initial concession period of 18 years starting from 14 August 2010 and ending on 13 August 2028 on the basis of a grant given by NHAI of INR 1,029.0 Mn during the concession period. The project has been commissioned and is currently in the operational / maintenance phase.

Table 3.6: Details of JR

Parameters	Details
Length of the project	51.84 km
Project Cost	INR 5,680 Mn
Concession Period – Start	14 August 2010
Concession Period – End	04 November 2031
Tolling Start Date	15 July 2013
Date of Inspection	4 October 2016
RIL's Stake	100%

Source: Management

Modification in the Concession Period

As per the Clause 29 of the concession agreement between NHAI and JR provided to us by the Management, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

Target Date - 01 October 2020

Target Traffic – 35,663 PCUs

Projected Traffic as on Target Date – 31,376 PCUs based on Average expected traffic of FY20 to FY22 by the Management

As per the traffic projections provided by the Management, the traffic volume falls short of the target traffic as on the target date. This warrants for an extension of the concession period. Hence, the concession period has been extended to 21.2 years (from the original 18 years) up to 04 November 2031 by the Management.

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Pictures of the Project Corridor:

- **GF Toll Road Private Limited ("GF")**

  GF project covers the Gurgaon and Faridabad section and Ballabhgarh - Sohna. GF project has been implemented on a BOT basis by the Haryana Public Works Department. This project has been awarded to GF for a concession period of 17 years starting from 31 May 2009 and ending on 30 May 2026. GF paid a grant of INR 1,503 Mn.

  The project is in the state of Haryana and the project corridor includes Gurgaon Faridabad road, Crusher road, Ballabgarh Sohna Road and MCF road. The project has been commissioned and is currently in the operation / maintenance phase.

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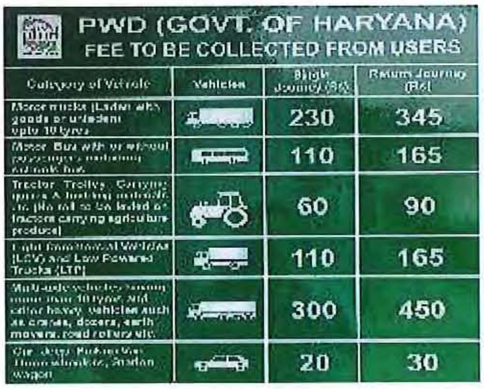
Table 3.7: Details of GF

Parameters	Details
Length of the project:	
Gurgaon Faridabad Road	24.31 km
Crusher Road	3.10 km
Ballabhgarh Sohna Road	32.7 km
MCF Road	6.1 km
Project Cost*	INR 7,790 Mn
Concession Period – Start	31 May 2009
Concession Period – End	30 May 2026
Tolling Start Date	29 June 2012
Date of Inspection	3 October 2016
RIL's Stake	100%

Source: Management

*Includes negative grant of INR 1,074.6

Pictures of the Project Corridor:



IV. IMPACT OF LITIGATIONS FOR THE 7 SPVS

The list of all material litigations, (including tax litigations, if any) against the project SPVs has been provided to us for review by the Management. The Management has confirmed that it is not aware of any other potential litigation, pending or threatened claims in relation to any of the SPVs that may arise in the future, other than what has been provided to us. We have been informed by the Management that the Sponsor would indemnify the InvIT and its SPVs against any financial losses suffered or incurred in connection with any litigations, pending or threatened claims against the Project SPVs made prior to the transfer of the assets to the InvIT, hence no impact has been factored on the valuation of the SPVs.

V. DISCLOSURES OF PERMITS & LICENSES FOR THE 7 SPVS

We have been provided by the Management with the lists of the permits and licenses of the individual SPVs. We have not independently verified the documents related to the permits and licenses and have relied on the representation by the Management regarding the same.

VI. DISCLOSURES OF ESTIMATED MAJOR REPAIRS OF THE 7 SPVS

The Management has considered the estimates and timing of the proposed major repairs for the individual SPVs as per the Traffic Surveyors' Reports. We have not independently verified these estimates and have relied on the Management and Traffic Surveyors Reports.

VII. INDUSTRY OVERVIEW

Road construction sector in India

Road network development is an important constituent for the infrastructural development in India. Road development in India is undertaken by the Central and State Governments and implemented through agencies like Ministry of Road Transport and Highways (MORTH) NHAI, Border Roads Organisation (BRO), State Public Works Departments (PWDs) and municipal corporations. Historically, development and maintenance of road infrastructure has been funded by the Government. Private sector interest in funding road projects was lacking because of the large investment requirement, long gestation period, and uncertainty of returns. However, the private sector has played an important role in the road sector in the Engineering Procurement Construction ("EPC") segment.

The Indian transportation sector accounts for 6.5% of the country's Gross Domestic Product ("GDP") of which road transport's share is 4.7%. The road sector constitutes 70% of the total Indian transport sector. The country has the second largest road network in the world of approximately 5.47 Mn km[1] as of 31 March 2017 of which national highways constitute about 2% and state highways constitute about 3%. The classification of highways is represented in Table 7.1:

[1] Ministry of Road Transport and Highways, Annual Report 2016-17

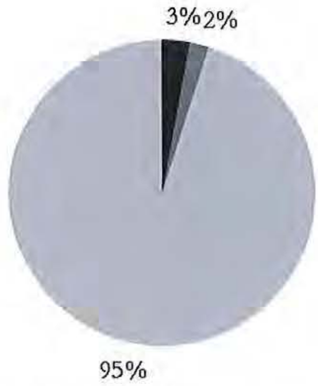
Table 7.1: Classification of Highways

Classification	Length-March 2017	Custodian
National Highways	103,933km	Central Government
State Highways	161,487km	State Government
Major District Roads and Rural Roads	5,207,044km	State/Local Government, Panchayat, Municipalities
Total	**5,472,464km**	

Source: Ministry of Road Transport and Highways, Annual Report 2016-17

The road network has a big role to play on transport and logistics in the country, almost 64.5%[2] of all goods and 85.9%[3] of total passenger traffic is transported through road networks. Though the national highways in India constitute only about 2% of the road network as shown in Chart 7.1 but account for about 40% of the total road traffic. The country transports nearly 57% of the total goods by road, as compared to 22% in China and 37% in the U.S.[4]

Chart 7.1. Distribution of Road Network across India



Source: Ministry of Road Transport and Highways (MoRTH), Annual Report 2015-16, TechSci Research, Note: 1- Data as of FY16

The value of roads and bridges infrastructure in India is projected to grow at a Compound Annual Growth Rate (CAGR) of 17.4 per cent over FY12–17[5]. The country's roads and bridges infrastructure, which was valued at US$ 8.6 billion in 2012, is expected to touch US$ 19.2 billion by 2017[5].

The construction of highways had reached an all-time high of 6,029 km during FY15-16, and the increased pace of construction is expected to continue for the coming years.

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[2] http://www.ibef.org/download/Roads-April-2017.pdf
[3] http://www.ibef.org/industry/roads-india.aspx
[4] Twelfth five year plan (2012-2017)
[5] http://www.ibef.org/industry/roads-india.aspx

The financial outlay for road transport and highways grew at a CAGR of 12.5%[5] between FY10-16. The plan outlay for FY16-17 stepped up budgetary support for Road Transport and Highways to US$ 14.5 billion[5].

Government Initiatives

Indian Government to support the growth of the road construction sector has taken some initiatives:

- Taking a step towards improving freight movement, inter-city connectivity in the country and easing traffic bottlenecks, the Government plans to invest $44.73 billion[5] for developing roads totalling a length of 35,000[5] km out of which 21,000[5] km will be economic corridors.
- To step up execution of highway projects, National Highways Authority of India (NHAI) has delegated powers to its Regional officers for hiring of equipment and labourers to enable NHAI to make free land speedily available to contractors.
- To propel economic growth, Ministry of Road Transport has accelerated the construction of highways and it plans to build five more greenfield expressways across the country. The Government expects this to revive investments in infrastructure sector which may create 5 million jobs in next two years.
- Infusion of funds is another area where the Government is taking initiatives. In partnership with Japan, Indian Government plans to set up an infrastructure finance company which will provide soft loans for Indian road projects with a credit target of $30 billion[5].
- In a bid to attract private sector participation in the road sector, the Government introduced the Hybrid Annuity Model ("HAM") in February, 2015. With the Government funding 40% of the developer-determined total project cost under the HAM, developers stand to benefit as their equity requirements are likely to be lower by 40% when compared with BOT (annuity). Moreover, if the EPC work is taken up in-house, the developer's net equity contribution could be much lower. From the developer's perspective, HAM has several positives when compared with BOT (annuity) and has more similarities with EPC projects. These features of HAM model are expected to elicit a favourable response, especially from large EPC players and some BOT players.

Growth Drivers

- During 11M FY2017, 51 projects totalling 2982 km were awarded (against 3457 km during 11M FY2016); of these, 20 projects totaling 1,337 km (45% of total awards) were awarded through the Hybrid Annuity Mode, 26 projects totalling 1,222 km (41%) were awarded through the EPC route and the remaining five projects totalling 422 km (14%) were awarded through the BOT route.
- One of the key drivers of growth in the roads construction sector is growth in demand. Growing demand for roadways can be directly attributed to higher individual discretionary spending which has led to increased spending on cars, motorbikes and scooters. This can be seen from the rise in sales of passenger vehicles which has increased at a CAGR of 5.5% in FY10-16. Further, an increase in domestic trade flows has led to a jump in commercial vehicles and freight movement. Due to this rise in freight movement India has seen a growth in freight traffic from 13.8% to 65%.

- Another key driver to the growth is the policy support in Infrastructure development. Government has been increasing the funding in the infrastructure sector. Infrastructure's total share in bank funding rose from 3.74% in 2002 to about 9.8% in FY16. The Government also aims to attract funding from the private sector for infrastructure projects.

Public Private Partnership in Road Projects in India

In the FY15–16, Infrastructure investments were expected to rise to USD 11.6 Bn from the Central funds and internal resources of Central Public Sector Enterprises.[6] The private sector is emerging as a key player in the development of road infrastructure in India. As of 31 July 2016, there were 1,270 PPP projects in India of which 658 were related to roads and bridges accounting for a value of $670 Mn.[6] Investment of USD 31 Bn is expected in PPP during the next five years (by 2020) for national highways.[6] National highways are reached 100,475 km by the end of FY16 from 97,135 km in FY15[6]. As per Union Budget 2016–17, the government has provided an outlay of USD 9.52 Bn for the road sector.[6]

A mega push to the road sector has been planned by the government by increasing the target to award projects for construction from 10,000 km in FY16 to 25,000 km in FY17.[7]

Key Policy Initiatives in the Road Infrastructure sector over the last three Financial Years[8]

2013-2014	2014-2015	2015-2016
Classification of road BOT projects, loans secured. Environmental clearance for forest land delinked for road widening projects	80% land acquisition before project awarded Premium re-scheduling for stressed projects.	100% exit after two years for all road projects (including projects awarded pre 2009) NHAI prepares to infuse funds into projects that are stuck.
	Fast track clearance: i.) States to clear projects up to 40 acres of forest land. ii.) Increased limit for sand mining. iii.) Online filing and clearance of ROB and RUBS.	Extending concession period for projects delayed due to lack of clearance for authority: The CCEA has given its approval for authorising NHAI to allow extension of concession period for all current projects in BOT (Toll) mode that are languishing during the construction period due to causes not attributable to the concessionaire.

[6] http://www.ibef.org/download/Roads-April-2017.pdf
[7] http://www.livemint.com/Politics/J5MnWOwah7MYDyeJp54qJO/Roads-sector-prospects-brighten-with-new-project-awards-few.html
[8] Press Release by CRISIL Research titled "New concession agreement is a booster shot for highways" released on 15 September 2015.

Future Outlook

Contribution of road transport sector in GDP of India

The Government of India targets to widen and expand national highways to 150,000 km in next two years across the country for ensuring that the roads and highways sector contributes at least 2% to the GDP growth.[9]As a consequence of increasing economic activity and the new government's thrust on improving road-infrastructure development, spending on constructing/augmenting roads is expected to increase. It would chiefly be supported by greater budgetary allocation for road augmentation, gradually increasing number of project awards (in EPC, BOT and hybrid annuity modes) and by private sector making a slow and gradual comeback.

There has been a gain in momentum in development of infrastructure including roads, which can be linked to the aim of the Government to develop roads with a total length of 66,117 km[2]. The Government focus has been on investments for developments of Highways. During the period FY15 – FY19, investments through Public private Partnership (PPP) are expected to be over $31 Billion[2] for National highways and around $10 billion[2] for State highways. Under the 12th Five – year plan, the Government targets to develop national highways at the rate of 20 km per day.

National highways set to see rise in spending

Attracting private investments to road infrastructure projects through various incentives such as capital grants, tax free bonds and exemptions, allowing the collection and retention of tolls by private participants in Build-Operate-Transfer Projects and set up of special purpose vehicles will increase the participation of private players in road construction projects and in turn, contribute to growth of road and highway construction industry.

Dispute resolution and contract enforcement are key areas that need to be addressed to revive the Indian road sector. The Road Ministry has prepared a Regulatory Authority for Highways in India Bill, 2013, which will provide the regulator with powers to check these problems and bring solutions. The Indian Government is trying to address these problems and help revive the industry.

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[9] News Article titled "Road Transport to Spur GDP Growth by 2 Percent: Gadkari" issued by Indian Express on 26 November 2015.

VIII. VALUATION METHODOLOGY AND APPROACH

The standard of value used in our analysis is fair value which is often defined as the price, in terms of cash or equivalent, that a buyer could reasonably be expected to pay, and a seller could reasonably be expected to accept, if the business were exposed for sale on the open market for a reasonable period of time, with both buyer and seller being in possession of the pertinent facts and neither being under any compulsion to act.

There are several commonly used and internationally accepted methods for determining the fair value of companies, which have been considered in the present case, to the extent relevant and applicable.

It should be understood that the valuation of any company or its assets is inherently subjective and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation analysis.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner is based on our previous experience of assignments of a similar nature.

In respect of going concerns, certain valuation techniques have evolved over time and are commonly in vogue. These can be broadly categorised as follows:

Market Based

- *Market Price Method*

  This valuation method reflects the price that the market, at a point in time, is prepared to pay for the shares of an entity. It is therefore influenced by the condition of the stock market, and the concerns and opportunities that are seen for the business in the sector or market in which it operates. The market price also reflects the investor's view of the ability of management to deliver a return on the capital it is using. In case of companies not frequently traded, this value may be very different from the inherent value of the shares, but nevertheless forms a benchmark value. Clearly, this method can be used only in case of shares of a company listed on a stock exchange. Since the shares of the SPVs are not currently listed on any stock exchange, we have not applied this method for the purpose of valuation.

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- *Market Multiple Method*

  Under this methodology, appropriate valuation multiples of comparable listed companies are computed and applied to the financials of the company being valued in order to arrive at a multiple based valuation.

  This method applies a reasonable multiple to the relevant operating performance metrics of the company being valued to estimate its Equity Value. The relevant multiple is derived from reference to market based conditions of similar quoted companies. The methodology is considered appropriate to use for an established business with an identifiable stream of continuing revenues that are considered maintainable.

  We have not considered this method in our valuation analysis in the absence of closely comparable listed companies having similar geographical locations, stage of growth, size, terms and profitability.

- *Precedent Transaction Multiple Method*

  This method is similar to the above Market Multiple Method, with the exception that the companies used as guidelines are those that have been recently acquired. Under this method, acquisitions or divestitures involving similar companies are identified, and the multiples implied by their purchase prices are used to assess the subject company's value. There is no rule of thumb for the appropriate age of a reasonable transaction; however, it is important to be aware of the competitive market at the time of the transaction and factor any changes in the marketplace environment into the analysis. All other things being equal, the more recent the transaction, the more reliable the value arrived at using this technique. We have not considered this method for the valuation of the SPVs due to lack of availability of the recent transactions involving road projects in India having similar geographical locations, stage of growth, size, terms and profitability as that of the SPVs.

Asset Based

- *Adjusted Net Asset Value Method (NAV)*

  The value arrived at under this approach is based on the audited / provisional financial statements of the business and may be defined as Shareholders' Funds or Net Assets owned by the business. The NAV method is generally used as the minimum break-up value for the transaction since this methodology ignores the future return the assets can produce and is calculated using historical accounting data that may not reflect the worth of the business to someone who may buy or invest in the business as a going concern. We have therefore not considered this method for valuation of the SPVs.

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Income Based

- *Discounted Cash flow Method (DCF)*

  Under the DCF method, forecasted cash flows for a reasonably long period are discounted back at an appropriate discount rate, to the present date, generating a net present value for the cash flow stream of the business during the forecast period. The rates at which future cash flows are discounted reflect not only the time value of the cash flows but also the risk associated with the business' future operations. Typically under this method, forecasted cash flows are developed based on several inputs which tend to be subjective particularly for dynamic companies. Considering that this method is based on future potential of the SPVs and is widely accepted method in road sector, we have used this approach in the valuation of the SPVs.

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IX. VALUATION ANALYSIS

Discounted Cash Flow Method (Free Cash Flows to Firm)

Using the DCF analysis involves determining the following:

Estimating future free cash flows:
Free cash flows are the cash flows expected to be generated by each individual SPV and available to the capital providers in each SPV has been estimated based on projected financial information provided by the Management. Projections provided by the Management are only the best estimates of each individual SPV's growth and sustainability of profitability margins. Although we have reviewed the financial forecast provided by the Management for consistency and reasonableness, we have not specifically validated these financial projections and have relied on the estimates provided by the Management.

Appropriate discount rate to be applied to cash flows i.e. the cost of capital:
This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital for each individual SPV. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

The key assumptions under the DCF Method

For the DCF analysis, we have relied on the projected financials of the SPVs provided by the Management based on their best estimates on the growth and sustainability of profitability margins of the individual SPVs. Please note that though we have reviewed the financial forecast provided by the Management for consistency and reasonableness based on site visits, data available in public domain and Traffic Surveyors' reports provided by the Management for each SPV, we have not independently investigated or otherwise verified the data and key inputs estimated by the Management for the 7 SPVs. Nothing has come to our attention to indicate that the information provided by the Management had material mis-statements or would not afford reasonable grounds upon which to base our Report. The Free Cash Flows to Firm ("FCFF") have been calculated for each individual SPV as on the Valuation Date based on the Financial Projections.

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The key assumptions and the basis for the valuation are explained in detail below:

Discounting Factor

The discount rate considered for arriving at the present value of the free cash flows to the firm is the Weighted Average Cost of Capital ("WACC"). The WACC for the SPVs as on the Valuation Date are derived as follows:

WACC= (ke x we) + (kd x (1 – t) x wd)

where,

we = weight of equity in the capital structure

wd = weight of debt in the capital structure

ke = cost of equity

kd = cost of debt, and

t = effective tax rate

Cost of Equity ("ke")

The cost of equity is computed using the Capital Asset Pricing Model ("CAPM") as shown below:

ke = rf + β (rm-rf) where

ke = Cost of Equity,

rf = Risk Free Return,

β = Beta, a measure of Market Risk

rm = Market Return

Cost of Equity is estimated using the following factors:

- Risk Free Return (rf) – The risk free rate (rf) is the return on an investment with zero risk where actual returns are equal to the expected return. Rf at 7.1% has been considered for each SPV based on the 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of the 31 March 2017;

- Beta (β) – Beta has been computed by re-levering the average asset beta of companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure. Beta has been considered based on 5 year trailing Beta of comparable companies, re-levered for each of the SPV specific debt to equity ratio and effective taxes. Refer Appendix 1 for a list of comparable companies.

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- Debt to Equity Ratio ("DER") –The DER is based on the average debt to equity ratio of each individual SPV over the projected period.

- Income Tax – Effective tax rate has been applied after considering 80IA benefits and applicable MAT credit (if any) in the projected period as confirmed to us by the Management for each SPV.

- Equity Risk Premium ("ERP") (rm-rf) – ERP is considered at 7.4% for each SPV based on Grant Thornton research for India.

Cost of Debt ("kd")

Marginal cost of raising debt for each SPV is based on the prevailing interest rate as on 31 March 2017.

The WACC Calculation for the SPVs is based on the Average DER of each SPV over the projected period.

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X. Valuation Analysis of the Individual SPVs

As discussed above, we have estimated the value of the SPVs using the Discounted Cash Flow Method. We have considered projections estimated by the Management for the individual SPVs.

The key inputs of the projections provided to us by the Management are:

Traffic Volume – The growth in traffic volumes for each SPV were provided to us by the Management supported by the Traffic Surveyors' reports for the 7 SPVs. As confirmed by the Management, the traffic volumes for each SPV has been estimated by the Traffic Surveyors after considering overall structure and condition of the projects including analysis of demand and supply and strategic geographical locations of the individual road projects.

Toll Rates – The current toll rates provided by the Management have been validated based on the site visits carried out by the Firm. The toll rates have been projected to grow in the manner stipulated in the individual concession agreements of the SPVs. The variable determinant supporting the toll rate forecast is "Wholesale price Index" (WPI) as estimated by the Management and Traffic Surveyors. Additionally Management has informed that the NHAI has proposed Ministry of Road Transport and Highway to change the criteria for rounding off the user fee to INR 5 from present criteria of rounding off to INR 1 in earlier BOT projects. Management has considered the same in projecting future toll rates.

Operations & Maintenance ("O&M") – O&M expenditures provided by the Management over the Projected Period are based on the future estimates as provided by the Traffic Surveyors for each SPV.

Amortisation – The toll collection rights, (including negative grant to NHAI) for the 7 SPVs have been amortised over the period of concession, using revenue based amortisation.

Debt Repayment – The Management has provided us with the debt repayment schedule of each individual SPV based on the agreements with various banks.

Non-Cash Net Working Capital – As per the nature of the business of operating toll road projects, there is no requirement of working capital to run the business and hence the Management has considered it to be nil for the entire projected period.

Other Inputs:

In case of GF & JR the growth in traffic revenue is based on certain project specific reasons as explained below:

- GF – As highlighted in the Traffic Surveyor's report and as mentioned by the Management, the project has historically witnessed leakage of revenues as certain vehicles are not paying toll. As per Traffic Surveyor's survey, 16% and 9% of car passengers were not paying toll at BS1 and BS2 toll plaza locations respectively. Similarly, at Crusher zone toll plaza about 21% of car users were not paying toll. At Bandhwari toll plaza, about 10% Truck users were not paying toll.

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Management has represented that necessary measures have already been initiated to avoid non-compliance which would result in the non-compliance being significantly reduced over the next three years.

- JR – As highlighted in the Traffic Surveyor's report, there is an Escape Route in the vicinity of toll plaza which traffic is using to bypass the toll plaza. As per the Traffic Surveyor's estimates and Management representation, barricades are being provided on the Escape Route to avoid any leakage of traffic through the alternate road. Accordingly, the traffic, which is presently using the escape route, has been included by the Traffic Surveyor to project the road traffic in the year FY 2018.

- **Valuation of NK Toll Road Limited**

The FCFF for NK has been calculated based on the financial projections provided by the Management for the period FY18 through FY27.

The base cost of equity for NK is considered to be 11.3% based on the factors mentioned above in Section IX. The pre-tax cost of debt is considered to be 10.9% based on the prevailing interest rate of the SPV. An effective tax rate of 21.3% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.6%.

Based on an average DER of 0.1 over the projected period for NK, the WACC arrived at for the purpose of valuation is 11.0%.

As on the Valuation Date, we have discounted the free cash flows of NK using the WACC leading to a Gross Enterprise Value ("GEV") of INR 2,656.8 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of NK as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of NK is negative INR 196.8 Mn as on the Valuation Date.

Refer Appendix II for the detailed Discounted Cash Flow workings of NK.

- **Valuation of DS Toll Road Limited**

The FCFF for DS project has been calculated based on the financial projections provided by the Management for the period FY18 through FY27.

The base cost of equity for DS is considered to be 13.6% based on the factors mentioned above in Section IX. The pre-tax cost of debt is considered to be 10.9% based on the prevailing interest rate of the SPV. An effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.6%.

Based on an average DER of 0.9 over the projected period for DS, the WACC arrived at for the purpose of valuation is 11.2%.

As on the Valuation Date, we have discounted the free cash flows of DS SPV using the WACC leading to a GEV of INR 5,073.7 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of DS as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of DS is INR 2,406.5 Mn as on the Valuation Date.

Refer Appendix III for the Discounted Cash Flow workings of DS project.

- **Valuation of TD Toll Road Private Limited**

The FCFF for TD has been calculated based on the financial projections provided by the Management for the period FY18 through FY38.

The base cost of equity for TD is considered to be 11.5% based on the factors mentioned above in Section IX. The pre-tax cost of debt is considered to be 10.9% based on the prevailing interest rate of the SPV. An effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.6%.

Based on an average DER of 0.2 over the projected period for TD, the WACC arrived at for the purpose of valuation is 11.0%.

As on the Valuation Date, we have discounted the free cash flows of TD project using the WACC leading to a GEV of INR 4,887.5 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of TD as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of TD is INR 2,115.4 Mn as on the Valuation Date.

Refer Appendix IV for the Discounted Cash Flow workings of TD.

- **Valuation of TK Toll Road Private Limited**

The FCFF for TK has been calculated based on the financial projections provided by the Management for the period FY18 through FY38.

In the years where MAT rate i.e. 21.3% is applicable, the base cost of equity for TK is considered to be 11.2% based on the factors mentioned above in Section IX. The pre-tax cost of debt is considered to be 11.0% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 8.6%.

In the years where the corporate tax rate i.e. 34.6% is applicable, the base cost of equity for TK is considered to be 11.6% based on the factors mentioned above in Section IX. The pre-tax cost of debt is

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considered to be 11.0% based on the prevailing interest rate of the SPV leading to a post-tax cost of debt of 7.2%.

Based on an average DER of 0.1 over the projected period for TK, the WACC arrived at for the purpose of valuation is 11.0% and 11.2% based on the MAT rate and corporate tax rate, respectively.

As on the Valuation Date, we have discounted the free cash flows of TK using the WACC leading to a GEV of INR 8, 289.4 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of TK as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of TK is INR 2,941.2 Mn as on the Valuation Date.

Refer Appendix V for the Discounted Cash Flow workings of TK.

- **Valuation of SU Toll Road Private Limited**

The FCFF for SU has been calculated based on the financial projections provided by the Management for the period FY18 through FY33.

The base cost of equity for SU is considered to be 14.6% based on the factors mentioned above in Section IX. The pre-tax cost of debt is considered to be 11.2% based on the prevailing interest rate of the SPV. An effective tax rate of 21.34% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.8%.

Based on an average DER of 1.2 over the projected period for SU, the WACC arrived at for the purpose of valuation is 11.4%.

As on the Valuation Date, we have discounted the free cash flows of SU project using the WACC leading to a GEV of INR 10,059.5 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, based on the audited balance sheet of SU as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of SU is INR 4,215.9 Mn as on the Valuation Date.

Refer Appendix VI for the Discounted Cash Flow workings of SU.

- **Valuation of JR Toll Road Private Limited**

The FCFF for JR has been calculated based on the financial projections provided by the Management for the period FY18 through FY32.

The WACC has been calculated based on the applicable tax rate in the projected period.

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The base cost of equity for JR is considered to be 12.9% based on the factors mentioned above in Section IX. Additionally, we have considered 1% project specific risk for JR to factor in risk related to higher estimates of traffic volumes due to expected stoppage of traffic leakages in few months which results in an adjusted cost of equity of 13.9%. The pre-tax cost of debt is considered to be 12.0% based on the prevailing interest rate of the SPV. An Effective tax rate of 21.3% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 9.4%.

Based on an average DER of 0.7 over the projected period for JR, the WACC arrived at for the purpose of valuation is 12.1%.

As on the Valuation Date, we have discounted the free cash flows of JR using the WACC leading to a GEV of INR 4,125.2 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of JR as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of JR is negative INR 832.1 Mn as on the Valuation Date.

Refer Appendix VII for the Discounted Cash Flow workings of JR.

- **Valuation of GF Toll Road Private Limited**

The FCFF for GF has been calculated based on the financial projections provided by the Management for the period FY18 through FY27.

The WACC has been calculated based on the applicable tax rate in the projected period.

The base cost of equity for GF is considered to be 11.9% based on the factors mentioned above in Section IX. Additionally, we have considered 2% project specific risk for GF to factor in risk related to higher estimates of traffic volumes in the forecast period on account of steps taken to overcome the current loss in traffic volumes due to non-compliance which results in an adjusted cost of equity of 13.9%.

The pre-tax cost of debt is considered to be 11.2% based on the prevailing interest rate of the SPV. An Effective tax rate of 21.3% has been considered as applicable throughout the projected period, resulting in a post-tax cost of debt of 8.8%.

Based on an average DER of 0.3 over the projected period for GF, the WACC arrived at for the purpose of valuation is 12.6%.

As on the Valuation Date, we have discounted the free cash flows of GF project using the WACC leading to a GEV of INR 5,173.2 Mn.

The GEV has then been adjusted for cash, net current assets, net cash impact of long term assets and liabilities, bank borrowings, net dues from/to related parties including interest free subordinate debt based on the audited balance sheet of GF as on 31 March 2017 provided by the Management. Based on the above adjustments, the Fair Value of Equity of GF is negative INR 1,750.4 Mn. As discussed earlier, InvIT is proposing to acquire 74% stake in GF. Hence the fair value of Equity of GF transferred to InvIT is negative INR 1,295.3 Mn as on the Valuation Date.

Refer Appendix VIII for the Discounted Cash Flow workings of GF.

Summary of Discount Rates

A summary of the adjusted cost of equity and WACC for the different projects is presented below (Refer Table 10.1). As mentioned earlier, the cost of equity of each projects has been estimated by taking into account the average debt equity ratio over the remaining life of the respective project. Based on the cost of equity for each project and applying weights based on the Enterprise Values, the overall weighted average cost of equity and WACC for the InvIT comes to approximately 13.0% and 11.5% respectively.

Table 10.1: Summary of Discount Rates

Name of the SPV	Adjusted Cost of Equity	WACC
NK Toll Road Limited	11.3%	11.0%
DS Toll Road Limited	13.6%	11.2%
TD Toll Road Private Limited	11.5%	11.0%
TK Toll Road Private Limited	11.2%	11.0%
SU Toll Road Private Limited	14.6%	11.4%
JR Toll Road Private Limited	13.9%	12.1%
GF Toll Road Private Limited	13.9%	12.6%
Weighted Average*	**13.0%**	**11.5%**

**Weighted Average has been calculated based on Enterprise Value of each SPV since the equity value is negative in certain SPVs*

We understand from the Management that a significant part of the funds from InvIT would be utilized to pay off the existing debt which will result in the overall debt equity ratio of the InvIT to reduce significantly in the year immediately following the InvIT listing. Accordingly, in order to present the impact of change in debt equity ratio on the discount rate, we have re estimated the weighted average cost of equity and WACC of InvIT by considering a debt equity ratio of 10% as shown below. As per the Management, a debt to equity ratio of 10% is representative of the post listing average debt/equity ratio over the life of projects.

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Table 10.2: Summary of Discount Rates (D/E ratio of 10%)

Name of the SPV	Adjusted Cost of Equity	WACC
NK Toll Road Limited	11.2%	11.0%
DS Toll Road Limited	11.2%	11.0%
TD Toll Road Private Limited	11.2%	11.0%
TK Toll Road Private Limited	11.2%	11.0%
SU Toll Road Private Limited	11.2%	11.0%
JR Toll Road Private Limited	12.2%	12.0%
GF Toll Road Private Limited	13.2%	12.8%
Weighted Average	**11.6%**	**11.3%**

**Weighted Average has been calculated based on Enterprise Value of each SPV since the equity value is negative in certain SPVs*

Please note the above computation in Table 10.2 of post listing cost of equity/WACC is only for presentation purpose and has not been used in our analysis.

XI. SOURCES OF INFORMATION

We have relied on the following sources of information:

- Provided by the Management:
  - Information on business and profile of the SPVs as provided by the Management.
  - Concession Agreement of each SPV between NHAI and individual SPV.
  - Audited financial statements on a standalone basis from the date of operation of individual SPV till FY17 as per Indian GAAP.
  - Audited balance sheet of each SPV as per IndAS as on the 31 March 2017
  - Financial projections of the SPVs from FY18 till the end of the concession period of the respective SPV as provided by the Management as per IndAS.
  - Traffic Surveyors' Reports prepared by GMD and Systra for their respective SPVs as provided by the Management.
  - The list of all the permits and licenses of the individual SPVs as provided by the Management.
  - The estimates and timing of the proposed major repairs to be carried out by the SPVs considered by the Management based on the reports provided by the Traffic Surveyors.
- International databases
- Site Visits and Physical inspection for the 7 SPVs
- Other industry related information from various publicly available sources
- Other discussions with the Management

In addition to the above, we have also obtained such other information and explanations which were considered relevant for the purpose of our analysis. While we have relied on the information, we have not independently verified or audited these information

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Please note that with respect to the audited, provisional and projected financial statements, rounding-off of amounts in the underlying financial information could result in immaterial arithmetic differences.

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CHARTERED ACCOUNTANTS

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XII. CAVEATS

a) Provision of valuation recommendations and considerations of the issues described herein are areas of our regular corporate advisory practice. The services do not represent accounting, audit, and financial due diligence review, consulting, transfer pricing or domestic tax-related services that may otherwise be provided by WCC.

b) Our analysis and review of the SPVs does not constitute an audit in accordance with Auditing Standards. We have relied on explanations and information provided by the Management and accepted the information provided to us as accurate. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided. Nothing has come to our attention to indicate that the information provided contains material mis-statements or would not afford reasonable grounds upon which to base the Report.

c) We must emphasize that the Financial Projections are prepared by the Management and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realisations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the Financial Projections. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material.

d) In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification, the accuracy of the information that was publicly available and formed a substantial basis for this Report. These sources, although considered to be reliable, are external and hence, we assume no liability for the accuracy of the data. We have assumed that the business continues normally without any disruptions due to statutory or other external/internal occurrences.

e) Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheet of the 7 SPVs. Our conclusion assumes that the assets and liabilities of the 7 SPVs, reflected in their respective latest balance sheets remain intact as of the Report date.

f) We are not advisors with respect to legal tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

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g) The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover. It may be noted that valuation is not an exact science and ultimately depends upon what the business is worth to a serious investor or buyer who may be prepared to pay a substantial goodwill.

h) The valuation analysis recommendation contained herein is not intended to represent the value at any time other than the date that is specifically stated in this Report. This Report is issued on the understanding that the Management have drawn our attention to all matters of which they are aware concerning the financial position of the businesses, which may have an impact on our Report up to the date of issue. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

i) This Report does not look into the business/ commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

j) We have no present or planned future interest in the Client, Trustee, Investment Manager, Company or the SPVs and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Client, Company or the SPVs.

k) The fee for the engagement is not contingent upon the results reported.

l) Limitation of Liability of Walker Chandiok & Co LLP (referred as the "Firm") as per paragraphs 8 i) to 8 iii) to Appendix 3 of our Engagement Letter with the Client

   i. The aggregate liability of the Firm, its partners, directors, consultants, employees, agents, affiliates and other personnel for damage shall be limited to the amount of the fees that the Firm has received in connection with the engagement. If the engagement is of a recurring nature then the aggregate liability shall not exceed the amount received by the Firm in the immediately preceding year.

   ii. For the purposes of this engagement "damage" shall mean the aggregate of all losses or damages and costs suffered or incurred, directly or indirectly, by the Client under or in connection with the engagement or its subject matter (as the same may be amended or varied) and any report prepared pursuant to it, including as a result of breach of contract, breach of statutory duty, tort (including negligence), or other act or omission by the Firm but excluding any such losses, damages or costs arising from the fraud or dishonesty of the Firm or in respect of liabilities which cannot lawfully be limited or excluded.

   iii. It is agreed that, having regard to the Firm's interest in limiting the personal liability and exposure to litigation of its personnel, the Client will not bring any claim in respect of any damage against any of the Firm's personnel personally.

BENGALURU

XIII. DISTRIBUTION OF REPORT

This Report is confidential and is provided exclusively for the addressee. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of WCC. Such consent will only be given after full consideration of the circumstances at the time. It can however be used for statutory and regulatory filings in connection with proposed transaction which attracts the provisions of SEBI InvIT Regulations. The Report and the Summary of Valuation included herein can be reproduced and included in the Offer Document proposed to be filed in connection with an IPO offering of the units of the InvIT and may be made available for inspection in the manner specified therein.

It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

BENGALURU

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XIV. CONCLUSION

Based on the above analysis and subject to the assumptions and limitations stated in this Report and in our Engagement Letter, the Fair Enterprise Value as on the Valuation Date of the 7 SPVs is illustrated in Table 14.1.

Table 14.1: Fair Enterprise Value of the 7 SPVs as on the Valuation Date

Name of the SPV	Fair Enterprise Value
NK Toll Road Limited	2,656.8
DS Toll Road Limited	5,073.7
TD Toll Road Private Limited	4,887.5
TK Toll Road Private Limited	8,289.4
SU Toll Road Private Limited	10,059.5
JR Toll Road Private Limited	4,125.2
GF Toll Road Private Limited *	5,173.2
Total Fair Enterprise Value of the 7 SPVs	**40,265.3**

* Please note that as informed by the Management, only 74% equity stake of GF Toll Road Private Limited will be transferred from RIL to InvIT as allowed under the Concession Agreement. We have considered the Enterprise Value of GF Toll Road Private Limited to be 100% in Table 14.1 and Equity Value to be 74% stake in Table 14.2.

The EV has further been adjusted for net dues from/to related parties including interest free subordinate debt to arrive at the Fair Value of Equity of the 7 SPVs as on the Valuation Date is illustrated in Table 14.2.

Table 14.2: Fair Value of Equity of the 7 SPVs as on the Valuation Date

Name of the SPV	Fair Equity Value
NK Toll Road Limited	(196.8)
DS Toll Road Limited	2,406.5
TD Toll Road Private Limited	2,115.4
TK Toll Road Private Limited	2,941.2
SU Toll Road Private Limited	4,215.9
JR Toll Road Private Limited	(832.1)
GF Toll Road Private Limited (74% Stake) *	(1,295.3)
Total Fair Value of Equity for the 7 SPVs	**9,354.8**

The Fair Value of Equity of the SPVs are arrived from the Enterprise Value of the respective SPVs after making certain adjustments of current assets and non-current assets and liabilities including outstanding

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS Chartered Accountants net debt of the individual SPVs (including interest free Subordinate debt from related parties) based on the audited balance sheets of the respective SPVs as on 31 March 2017 provided to us by the Management

Yours faithfully,
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

Shashishekhar Chaugule
Partner
Membership No: 212151

Place: Bangalore
Date: 25 April 2017

APPENDICES

APPENDIX I

List of Comparable Companies used for the computation of Beta

Ashoka Buildcon Ltd.
Atlanta Ltd.
IRB Infrastructure Developers Limited
MEP Infrastructure Developers Limited
Sadbhav Engineering Ltd.
IL&FS Transportation Networks Limited

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Appendix II - NK Toll Road Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS							
(Free Cash Flows to Firm or FCFF Model)		FY18	FY19	FY20	FY21	FY22	FY23
No of days operationsl		365	365	366	365	365	365
Net Revenue (a)		368.4	419.4	477.9	538.9	612.4	689.6
Growth Rate		*5.6%*	*13.8%*	*14.0%*	*12.8%*	*13.6%*	*12.6%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**286.5**	**332.1**	**384.8**	**439.5**	**507.0**	**577.5**
Margin		*77.8%*	*79.2%*	*80.5%*	*81.6%*	*82.8%*	*83.8%*
Less: Depreciation & Amortization		158.8	180.8	206.0	232.3	264.0	297.2
Less: Interest on BG		0.4	0.4	0.5	0.5	0.5	0.5
Less: Interest on MMR provision		2.0	4.5	7.5	11.3	15.8	21.2
Earnings Before Interest and Tax		**125.3**	**146.4**	**170.8**	**195.5**	**226.7**	**258.6**
Income Tax (b)		26.7	31.3	36.4	41.7	48.4	55.2
Gross Free Cash Flows to Firm		**98.6**	**115.2**	**134.3**	**153.7**	**178.3**	**203.4**
Add: Depreciation & Amortization		158.8	180.8	206.0	232.3	264.0	297.2
Add: Major Maintenance Expenses provision		20.7	25.4	31.0	37.6	45.2	54.2
Less: Major Maintainence Expenses Payment		0.0	0.0	0.0	0.0	115.4	115.4
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**278.1**	**321.4**	**371.4**	**423.6**	**372.1**	**439.4**
Present Value Factors (c)	**11.0%**	0.9492	0.8551	0.7703	0.6940	0.6252	0.5633
Present Value of Free Cash Flows to Firm		**264.0**	**274.8**	**286.1**	**294.0**	**232.7**	**247.5**

Gross Enterprise Value	**2,656.8**
Add: Cash balance (d)	189.8
Add/Less: Net current assets (including investments) (d)	164.1
Add/Less: Net cash impact of long term assets and liabilities (d)	(11.1)
Less: External bank debt (d)	(2,613.7)
Equity Value (INR Mn.) inclusive of sub debt	**385.9**
Less: Interest Free Subordinate debt from related parties (d)	(582.7)
Equity Value (INR Mn.) excluding sub debt	**(196.8)**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March			
(Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27
No of days operationsl		366	365	365	122
Net Revenue (a)		772.2	868.7	962.9	348.5
Growth Rate		*12.0%*	*12.5%*	*10.8%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**690.0**	**783.2**	**874.0**	**318.7**
Margin		*89.4%*	*90.2%*	*90.8%*	*91.4%*
Less: Depreciation & Amortization		332.9	374.5	415.1	150.2
Less: Interest on BG		0.0	0.0	0.0	0.0
Less: Interest on MMR provision		0.0	0.0	0.0	0.0
Earnings Before Interest and Tax		**357.1**	**408.8**	**459.0**	**168.4**
Income Tax (b)		76.2	87.2	97.9	35.9
Gross Free Cash Flows to Firm		**280.9**	**321.5**	**361.0**	**132.5**
Add: Depreciation & Amortization		332.9	374.5	415.1	150.2
Add: Major Maintenance Expenses provision		0.0	0.0	0.0	0.0
Less: Major Maintainence Expenses Payments		0.0	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**613.8**	**696.0**	**776.1**	**282.7**
Present Value Factors (c)	**11.0%**	0.5074	0.4571	0.4118	0.3842
Present Value of Free Cash Flows to Firm		**311.5**	**318.2**	**319.6**	**108.6**

Weighted Average Cost of Capital

Cost of Equity Calculation	Value
Risk Free Rate (a)	7.1%
Relevered Beta (b)	0.56
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**11.3%**
Project Specific Risk Premium	0.0%
Adjusted Cost of Equity	**11.3%**

Cost of Debt Calculation	Value
Cost of Debt (d)	**10.9%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	8.6%

WACC Calculation	Weight (f)	Value
Debt	10.1%	8.6%
Equity	89.9%	11.3%
Adjusted Cost Of Capital		**11.0%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) Cost of debt has been considered to be 10.9% based on the interest rate on the borrowings of the Company as on the Valuation Date provided to us by the Management.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY27.

Appendix III - DS Toll Road Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS							
(Free Cash Flows to Firm or FCFF Model)		**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**
No of days operational		**365**	**365**	**366**	**365**	**365**	**365**
Net Revenue (a)		703.8	797.7	903.7	1,018.1	1,152.4	1,300.3
Growth Rate		*n/a*	*13.3%*	*13.3%*	*12.7%*	*13.2%*	*12.8%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**611.3**	**698.9**	**798.2**	**905.2**	**1,032.3**	**1,172.3**
Margin		*86.9%*	*87.6%*	*88.3%*	*88.9%*	*89.6%*	*90.2%*
Less: Depreciation & Amortization		182.0	206.3	233.8	263.4	298.1	336.3
Less: Interest on BG		1.1	1.2	1.1	1.3	1.3	1.3
Less: Interest on MMR provision		2.6	5.8	9.7	14.4	20.2	27.2
Earnings Before Interest and Tax		**425.7**	**485.7**	**553.6**	**626.1**	**712.7**	**807.5**
Income Tax (b)		90.8	103.6	118.2	133.6	152.1	172.3
Gross Free Cash Flows to Firm		**334.8**	**382.0**	**435.5**	**492.5**	**560.6**	**635.2**
Add: Depreciation & Amortization		182.0	206.3	233.8	263.4	298.1	336.3
Add: Major Maintenance Expenses provision		26.6	32.6	39.8	48.2	58.0	69.5
Less: Major Maintainence Expenses Payment		0.0	0.0	0.0	0.0	148.0	148.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**543.4**	**621.0**	**709.0**	**804.0**	**768.6**	**893.0**
Present Value Factors (c)	**11.2%**	0.9482	0.8526	0.7666	0.6893	0.6198	0.5573
Present Value of Free Cash Flows to Firm		**515.3**	**529.5**	**543.5**	**554.2**	**476.4**	**497.6**

Gross Enterprise Value	**5,073.7**
Add: Cash balance (d)	122.8
Add/Less: Net current assets (including investments) (d)	759.3
Add/Less: Net cash impact of long term assets and liabilities (d)	3.8
Less: External bank debt (d)	(3,085.1)
Equity Value (INR Mn.) inclusive of sub debt	**2,874.5**
Less: Interest Free Subordinate debt from related parties (e)	(468.0)
Equity Value (INR Mn.) excluding sub debt	**2,406.5**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March			
(Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27
No of days operational		**366**	**365**	**115**	**115**
Net Revenue (a)		1,467.6	1,640.1	1,823.4	636.3
Growth Rate		*12.9%*	*11.8%*	*11.2%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,378.5**	**1,547.4**	**1,727.0**	**605.0**
Margin		*93.9%*	*94.3%*	*94.7%*	*95.1%*
Less: Depreciation & Amortization		379.6	424.2	471.7	164.6
Less: Interest on BG		0.0	0.0	0.0	0.0
Less: Interest on MMR provision		0.0	0.0	0.0	0.0
Earnings Before Interest and Tax		**998.8**	**1,123.2**	**1,255.4**	**440.4**
Income Tax (b)		213.2	239.7	267.9	94.0
Gross Free Cash Flows to Firm		**785.7**	**883.5**	**987.5**	**346.4**
Add: Depreciation & Amortization		379.6	424.2	471.7	164.6
Add: Major Maintenance Expenses provision		0.0	0.0	0.0	0.0
Less: Major Maintainence Expenses Payments		0.0	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**1,165.3**	**1,307.7**	**1,459.1**	**511.0**
Present Value Factors (c)	11.2%	0.5011	0.4505	0.4051	0.3778
Present Value of Free Cash Flows to Firm		**583.9**	**589.2**	**591.1**	**193.0**

Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax
Risk Free Rate (a)	7.1%
Relevered Beta (b)	0.87
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**13.6%**
Project Specific Risk Premium	0.0%
Adjusted Cost of Equity	**13.6%**

Cost of Debt Calculation	@ 21.3% tax
Cost of Debt (d)	**10.9%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	8.6%

WACC Calculation	Weight (f)	@ 21.3% tax
Debt	47.0%	8.6%
Equity	53.0%	13.6%
Adjusted Cost Of Capital		**11.2%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) Cost of debt has been considered to be 10.9% based on the interest rate on the borrowings of the Company as on the Valuation Date provided to us by the Management.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY27.

Appendix IV - TD Toll Road Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS							
(Free Cash Flows to Firm or FCFF Model)		FY18	FY19	FY20	FY21	FY22	FY23
No of days operational		365	365	366	365	365	365
Net Revenue (a)		394.2	422.1	466.1	525.4	593.2	666.4
Growth Rate		*n/a*	*7.1%*	*10.4%*	*12.7%*	*12.9%*	*12.4%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**254.6**	**270.5**	**327.5**	**375.2**	**431.3**	**491.6**
Margin		*64.6%*	*64.1%*	*70.3%*	*71.4%*	*72.7%*	*73.8%*
Less: Depreciation & Amortization		54.9	61.7	70.2	79.1	89.3	100.3
Less: Interest on BG		0.9	1.0	1.0	1.2	1.2	1.2
Less: Interest on MMR provision		7.7	17.3	0.0	7.7	17.3	29.1
Earnings Before Interest and Tax		**191.1**	**190.5**	**256.2**	**287.2**	**323.4**	**361.0**
Income Tax (b)		40.8	40.6	54.7	61.3	69.0	77.0
Gross Free Cash Flows to Firm		**150.3**	**149.8**	**201.5**	**225.9**	**254.4**	**284.0**
Add: Grant income		172.8	119.5	0.0	0.0	0.0	0.0
Less: Interest on Grant		29.5	12.4	0.0	0.0	0.0	0.0
Add: Depreciation & Amortization		54.9	61.7	70.2	79.1	89.3	100.3
Add: Major Maintenance Expenses provision		80.0	98.2	64.4	79.8	98.1	119.5
Less: Major Maintainence Expenses Payment		202.2	202.2	0.0	0.0	0.0	253.2
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**226.3**	**214.5**	**336.1**	**384.8**	**441.8**	**250.6**
Present Value Factors (c)	**11.0%**	0.9490	0.8547	0.7698	0.6933	0.6244	0.5623
Present Value of Free Cash Flows to Firm		**214.8**	**183.4**	**258.7**	**266.8**	**275.8**	**140.9**

Gross Enterprise Value	**4,887.5**
Add: Cash balance (d)	34.1
Add/Less: Net current assets (including investments) (d)	(7.2)
Add/Less: Net cash impact of long term assets and liabilities (d)	188.6
Less: External bank debt (d)	(2,835.1)
Equity Value (INR Mn.) inclusive of sub debt	**2,267.9**
Less: Interest Free Subordinate debt from related parties (d)	(152.5)
Equity Value (INR Mn.) excluding sub debt	**2,115.4**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March						
(Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27	FY28	FY29	FY30
No of days operational		366	365	365	365	366	365	365
Net Revenue (a)		748.9	836.7	926.8	1,024.9	1,129.3	1,230.9	1,350.5
Growth Rate		*12.4%*	*11.7%*	*10.8%*	*10.6%*	*10.2%*	*9.0%*	*9.7%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**559.8**	**686.6**	**765.9**	**853.3**	**945.9**	**1,034.6**	**1,139.9**
Margin		*74.8%*	*82.1%*	*82.6%*	*83.3%*	*83.8%*	*84.0%*	*84.4%*
Less: Depreciation & Amortization		112.8	126.0	139.5	154.3	170.0	185.3	203.3
Less: Interest on BG		1.1	0.0	0.0	0.0	0.0	0.0	0.0
Less: Interest on MMR provision		43.4	0.0	7.1	15.8	26.6	39.7	55.6
Earnings Before Interest and Tax		**402.5**	**560.6**	**619.3**	**683.2**	**749.3**	**809.5**	**881.0**
Income Tax (b)		85.9	119.6	132.2	145.8	159.9	172.8	188.0
Gross Free Cash Flows to Firm		**316.6**	**440.9**	**487.2**	**537.4**	**589.4**	**636.8**	**693.0**
Add: Grant income		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Interest on Grant		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation & Amortization		112.8	126.0	139.5	154.3	170.0	185.3	203.3
Add: Major Maintenance Expenses provision		144.7	58.9	73.0	89.7	109.3	132.3	159.3
Less: Major Maintainence Expenses Payments		253.2	0.0	0.0	0.0	0.0	311.3	311.3
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**320.8**	**625.8**	**699.7**	**781.4**	**868.7**	**643.2**	**744.4**
Present Value Factors (c)	**11.0%**	0.5065	0.4561	0.4108	0.3700	0.3332	0.3001	0.2703
Present Value of Free Cash Flows to Firm		**162.5**	**285.4**	**287.4**	**289.1**	**289.5**	**193.0**	**201.2**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March							
(Free Cash Flows to Firm or FCFF Model)		FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
No of days operational		**365**	**366**	**365**	**365**	**365**	**366**	**365**	**282**
Net Revenue (a)		1,465.9	1,589.8	1,713.4	1,839.3	1,973.6	2,101.6	2,220.2	1,859.5
Growth Rate		*8.5%*	*8.4%*	*7.8%*	*7.3%*	*7.3%*	*6.5%*	*5.6%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,288.3**	**1,401.8**	**1,514.2**	**1,627.6**	**1,748.1**	**1,860.9**	**2,096.2**	**1,759.8**
Margin		*87.9%*	*88.2%*	*88.4%*	*88.5%*	*88.6%*	*88.5%*	*94.4%*	*94.6%*
Less: Depreciation & Amortization		220.7	239.4	258.0	276.9	297.2	316.4	334.3	280.0
Less: Interest on BG		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Interest on MMR provision		0.0	8.1	18.2	30.5	45.6	63.8	0.0	0.0
Earnings Before Interest and Tax		**1,067.5**	**1,154.3**	**1,238.0**	**1,320.1**	**1,405.4**	**1,480.7**	**1,761.9**	**1,479.8**
Income Tax (b)		227.8	246.3	264.2	281.7	299.9	316.0	376.0	315.8
Gross Free Cash Flows to Firm		**839.7**	**908.0**	**973.8**	**1,038.4**	**1,105.4**	**1,164.7**	**1,385.9**	**1,164.0**
Add: Grant income		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Interest on Grant		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation & Amortization		220.7	239.4	258.0	276.9	297.2	316.4	334.3	280.0
Add: Major Maintenance Expenses provision		67.6	83.8	103.0	125.5	152.0	183.0	0.0	0.0
Less: Major Maintainence Expenses Payments		0.0	0.0	0.0	0.0	357.4	357.4	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**1,128.0**	**1,231.2**	**1,334.8**	**1,440.8**	**1,197.1**	**1,306.6**	**1,720.2**	**1,444.0**
Present Value Factors (c)	**11.0%**	0.2434	0.2192	0.1974	0.1778	0.1602	0.1442	0.1299	0.1184
Present Value of Free Cash Flows to Firm		**274.6**	**269.9**	**263.5**	**256.2**	**191.7**	**188.5**	**223.5**	**171.0**

Weighted Average Cost of Capital

Cost of Equity Calculation	**@ 21.3% tax**
Risk Free Rate (a)	7.1%
Relevered Beta (b)	0.59
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**11.5%**
Project Specific Risk Premium	0.0%
Adjusted Cost of Equity	**11.5%**

Cost of Debt Calculation	**@ 21.3% tax**
Cost of Debt (d)	**10.9%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	8.6%

WACC Calculation	**Weight (f)**	**@ 21.3% tax**
Debt	15.8%	8.6%
Equity	84.2%	11.5%
Adjusted Cost Of Capital		**11.0%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) Cost of debt has been considered to be 10.9% based on the interest rate on the borrowings of the Company as on the Valuation Date provided to us by the Management.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY38.

Appendix V - TK Toll Road Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS							
(Free Cash Flows to Firm or FCFF Model)		**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**
No of days operational		**365**	**365**	**366**	**365**	**365**	**365**
Net Revenue (a)		572.3	642.7	731.3	824.5	931.6	1,051.1
Growth Rate		*n/a*	*12.3%*	*13.8%*	*12.7%*	*13.0%*	*12.8%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**460.8**	**524.0**	**604.8**	**697.4**	**797.5**	**909.4**
Margin		*80.5%*	*81.5%*	*82.7%*	*84.6%*	*85.6%*	*86.5%*
Less: Depreciation & Amortization		97.0	109.0	124.0	139.8	158.0	178.2
Less: Interest on MMR provision		2.5	5.6	9.4	0.0	3.0	6.7
Less: Interest on BG		1.3	1.3	1.3	1.6	1.4	1.3
Earnings Before Interest and Tax		**360.0**	**408.1**	**470.1**	**556.1**	**635.1**	**723.2**
Income Tax (b)		76.8	87.1	100.3	118.7	135.5	154.3
Gross Free Cash Flows to Firm		**283.2**	**321.0**	**369.8**	**437.4**	**499.6**	**568.9**
Add: Depreciation & Amortization		97.0	109.0	124.0	139.8	158.0	178.2
Add: Major Maintenance Expenses provision		25.8	31.7	38.6	24.9	30.9	38.0
Less: Major Maintainence Expenses Payment		0.0	102.2	102.2	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**406.0**	**359.5**	**430.2**	**602.1**	**688.5**	**785.1**
Present Value Factors (c)	**11.0%**	0.9492	0.8552	0.7705	0.6942	0.6255	0.5636
Present Value of Free Cash Flows to Firm	**11.2%**	**385.4**	**307.4**	**331.5**	**418.0**	**430.6**	**442.4**

Gross Enterprise Value	**8,289.4**
Add: Cash balance (d)	6.2
Add/Less: Net current assets (including investments) (d)	(358.7)
Add/Less: Net cash impact of long term assets and liabilities (d)	28.0
Less: External bank debt (d)	(3,236.0)
Equity Value (INR Mn.) inclusive of sub debt	**4,728.9**
Less: Interest Free Subordinate debt from related parties (d)	(1,787.7)
Equity Value (INR Mn.) excluding sub debt	**2,941.2**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March						
(Free Cash Flows to Firm or FCFF Model)		**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**
No of days operational		**366**	**365**	**365**	**365**	**366**	**365**	**365**
Net Revenue (a)		1,183.1	1,322.7	1,468.3	1,630.0	1,804.3	1,972.9	2,166.9
Growth Rate		*12.6%*	*11.8%*	*11.0%*	*11.0%*	*10.7%*	*9.3%*	*9.8%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,033.3**	**1,164.0**	**1,300.2**	**1,472.0**	**1,638.9**	**1,799.5**	**1,984.9**
Margin		*87.3%*	*88.0%*	*88.5%*	*90.3%*	*90.8%*	*91.2%*	*91.6%*
Less: Depreciation & Amortization		200.6	224.3	249.0	276.4	306.0	334.5	367.4
Less: Interest on MMR provision		11.3	16.8	23.5	0.0	3.6	8.1	13.6
Less: Interest on BG		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Interest and Tax		**821.4**	**922.9**	**1,027.7**	**1,195.6**	**1,329.3**	**1,456.8**	**1,603.8**
Income Tax (b)		175.3	197.0	219.3	255.2	283.7	310.9	342.3
Gross Free Cash Flows to Firm		**646.1**	**725.9**	**808.3**	**940.4**	**1,045.6**	**1,145.9**	**1,261.6**
Add: Depreciation & Amortization		200.6	224.3	249.0	276.4	306.0	334.5	367.4
Add: Major Maintenance Expenses provision		46.3	56.0	67.5	30.1	37.3	45.8	55.8
Less: Major Maintainence Expenses Payments		0.0	131.8	131.8	0.0	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**893.0**	**874.5**	**993.0**	**1,246.9**	**1,388.9**	**1,526.3**	**1,684.8**
Present Value Factors (c)	11.0%	0.5078	0.4575	0.4122	0.3714	0.3346	0.3015	0.2716
Present Value of Free Cash Flows to Firm	11.2%	**453.4**	**400.1**	**409.3**	**463.1**	**464.7**	**460.1**	**457.6**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March							
(Free Cash Flows to Firm or FCFF Model)		FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38
No of days operational		365	366	365	365	365	366	365	282
Net Revenue (a)		2,355.6	2,562.7	2,767.0	2,984.2	3,206.3	3,398.2	3,609.2	3,049.0
Growth Rate		*8.7%*	*8.8%*	*8.0%*	*7.9%*	*7.4%*	*6.0%*	*6.2%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**2,164.3**	**2,362.9**	**2,583.3**	**2,793.5**	**3,007.9**	**3,191.6**	**3,393.7**	**2,858.9**
Margin		*91.9%*	*92.2%*	*93.4%*	*93.6%*	*93.8%*	*93.9%*	*94.0%*	*93.8%*
Less: Depreciation & Amortization		399.4	434.6	469.2	506.0	543.7	576.2	612.0	517.0
Less: Interest on MMR provision		20.3	28.4	0.0	4.1	9.1	15.3	22.8	32.0
Less: Interest on BG		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Interest and Tax		**1,744.6**	**1,899.9**	**2,114.1**	**2,283.4**	**2,455.1**	**2,600.1**	**2,758.9**	**2,309.9**
Income Tax (b)		372.3	405.5	451.2	487.3	532.5	1,022.2	1,032.2	849.3
Gross Free Cash Flows to Firm		**1,372.3**	**1,494.5**	**1,662.9**	**1,796.1**	**1,922.7**	**1,577.9**	**1,726.7**	**1,460.6**
Add: Depreciation & Amortization		399.4	434.6	469.2	506.0	543.7	576.2	612.0	517.0
Add: Major Maintenance Expenses provision		67.6	81.3	33.8	42.0	51.6	62.8	76.1	91.6
Less: Major Maintainence Expenses Payments		158.9	158.9	0.0	0.0	0.0	0.0	179.0	179.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**1,680.4**	**1,851.5**	**2,166.0**	**2,344.1**	**2,517.9**	**2,217.0**	**2,235.9**	**1,890.3**
Present Value Factors (c)	**11.0%**	0.2447	0.2205	0.1987	0.1790	0.1552	0.1395	0.1254	0.1141
Present Value of Free Cash Flows to Firm	**11.2%**	**411.2**	**408.3**	**430.3**	**419.6**	**390.7**	**309.3**	**280.4**	**215.7**

Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax	@ 34.6% tax
Risk Free Rate (a)	7.1%	7.1%
Relevered Beta (b)	0.55	0.60
Equity Risk Premium (c)	7.4%	7.4%
Base Cost of Equity	**11.2%**	**11.6%**
Project Specific Risk Premium	0.0%	0.0%
Adjusted Cost of Equity	**11.2%**	**11.6%**

Cost of Debt Calculation	@ 21.3% tax	@ 34.6% tax
Cost of Debt (d)	**11.0%**	**11.0%**
Less: Tax (e)	21.3%	34.6%
Post-tax Cost Of Debt	8.6%	7.2%

WACC Calculation	Weight (f)	@ 21.3% tax	@ 34.6% tax
Debt	8.2%	8.6%	7.2%
Equity	91.8%	11.2%	11.6%
Adjusted Cost Of Capital		**11.0%**	**11.2%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing Median Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) Cost of debt has been considered to be 11.0% based on the interest rate on the borrowings of the Company as on the Valuation Date provided to us by the Management.

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY38.

Appendix VI - SU Toll Road Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March					
(Free Cash Flows to Firm or FCFF Model)		FY18	FY19	FY20	FY21	FY22	FY23
No of days operationsl		365	365	365	365	365	365
Net Revenue (a)		976.9	1,107.6	1,259.8	1,418.3	1,603.5	1,814.9
Growth Rate		*na*	*13.4%*	*13.7%*	*12.6%*	*13.1%*	*13.2%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**751.3**	**864.5**	**997.6**	**1,172.2**	**1,340.5**	**1,533.6**
Margin		*76.9%*	*78.1%*	*79.2%*	*82.7%*	*83.6%*	*84.5%*
Less: Depreciation & Amortization		194.4	220.5	250.9	282.5	405.0	458.4
Less: Interest on BG		2.7	2.7	2.7	2.8	3.7	4.2
Less: Interest on MMR provision		9.6	21.4	36.0	0.0	10.6	23.7
Earnings Before Interest and Tax		**544.6**	**619.8**	**708.0**	**887.0**	**921.3**	**1,047.2**
Income Tax (b)		116.2	132.3	151.1	189.3	196.6	223.5
Gross Free Cash Flows to Firm		**428.4**	**487.5**	**556.9**	**697.7**	**724.6**	**823.7**
Add: Grant income		32.4	0.0	0.0	0.0	0.0	0.0
Less: Interest on Grant		0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation & Amortization		194.4	220.5	250.9	282.5	405.0	458.4
Add: Major Maintenance Expenses provision		98.8	121.4	147.9	88.2	109.4	134.4
Less: Major Maintainence Expenses Payment		0.0	279.8	279.8	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0	190.0	760.1
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**754.0**	**549.6**	**675.8**	**1,068.4**	**1,049.0**	**656.4**
Present Value Factors (c)	11.4%	0.95	0.85	0.76	0.68	0.61	0.55
Present Value of Free Cash Flows to Firm		**714.3**	**467.3**	**515.7**	**731.6**	**644.7**	**362.1**

Gross Enterprise Value	**10,059.5**
Add: Cash balance (d)	506.6
Add/Less: Net current assets (including investments) (d)	165.7
Add/Less: Net cash impact of long term assets and liabilities (d)	(1.6)
Less: External bank debt (d)	(6,514.2)
Equity Value of SUTR (INR Mn.)	**4,215.9**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March									
(Free Cash Flows to Firm or FCFF Model)		**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**
No of days operationsl		**365**	**365**	**365**	**365**	**365**	**365**	**365**	**365**	**365**	**288**
Net Revenue (a)		2,044.7	2,280.0	2,522.9	2,809.1	3,099.0	3,406.2	3,754.4	4,073.7	4,425.6	3,757.7
Growth Rate		*12.7%*	*11.5%*	*10.7%*	*11.3%*	*10.3%*	*9.9%*	*10.2%*	*8.5%*	*8.6%*	*-15.1%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,743.2**	**1,956.5**	**2,251.0**	**2,521.8**	**2,795.0**	**3,084.1**	**3,412.5**	**3,710.3**	**4,198.5**	**3,575.0**
Margin		*85.3%*	*85.8%*	*89.2%*	*89.8%*	*90.2%*	*90.5%*	*90.9%*	*91.1%*	*94.9%*	*95.1%*
Less: Depreciation & Amortization		516.5	576.0	637.4	709.8	783.0	860.7	948.7	1,029.5	1,118.4	949.6
Less: Interest on BG		4.7	5.1	6.3	6.6	7.2	5.4	2.2	0.0	0.0	0.0
Less: Interest on MMR provision		39.8	59.5	0.0	9.6	21.5	36.1	53.9	75.4	0.0	0.0
Earnings Before Interest and Tax		**1,182.1**	**1,315.9**	**1,607.3**	**1,795.9**	**1,983.3**	**2,181.9**	**2,407.6**	**2,605.4**	**3,080.1**	**2,625.4**
Income Tax (b)		252.3	280.8	343.0	383.3	423.3	465.6	513.8	556.0	657.3	560.3
Gross Free Cash Flows to Firm		**929.9**	**1,035.1**	**1,264.3**	**1,412.6**	**1,560.0**	**1,716.2**	**1,893.8**	**2,049.3**	**2,422.7**	**2,065.1**
Add: Grant income		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Interest on Grant		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: Depreciation & Amortization		516.5	576.0	637.4	709.8	783.0	860.7	948.7	1,029.5	1,118.4	949.6
Add: Major Maintenance Expenses provision		163.8	198.3	79.9	99.1	121.7	148.3	179.6	216.3	0.0	0.0
Less: Major Maintainence Expenses Payments		347.0	347.0	0.0	0.0	0.0	0.0	422.5	422.5	0.0	0.0
Less: Capex		760.1	190.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**503.1**	**1,272.4**	**1,981.6**	**2,221.4**	**2,464.8**	**2,725.3**	**2,599.7**	**2,872.6**	**3,541.2**	**3,014.7**
Present Value Factors (d)	**11.4%**	0.50	0.44	0.40	0.36	0.32	0.29	0.26	0.23	0.21	0.19
Present Value of Free Cash Flows to Firm		**249.0**	**565.3**	**790.1**	**794.9**	**791.6**	**785.5**	**672.5**	**666.9**	**737.8**	**570.2**

Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax
Risk Free Rate (a)	7.1%
Relevered Beta (b)	1.00
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**14.6%**
Project Specific Risk Premium	0.0%
Adjusted Cost of Equity	**14.6%**

Cost of Debt Calculation	@ 21.3% tax
Cost of Debt (d)	**11.2%**
Less: Tax (e)	21.3%
Post-tax Cost Of Debt	8.8%

WACC Calculation	Weight (f)	@ 21.3% tax
Debt	54.9%	8.8%
Equity	45.1%	14.6%
Adjusted Cost Of Capital		**11.4%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing average Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) Cost of debt has been considered to be 11.2% based on the weighted average interest rate on the borrowings of the R Infra Project as on the Valuation Date

(e) Effective tax rate has been considered as applicable throughout the projected period.

(f) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY33.

Appendix VII - JR Toll Road Private Limited

Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March					
(Free Cash Flows to Firm or FCFF Model)		FY18	FY19	FY20	FY21	FY22	FY23
No of days operational		365	365	366	365	365	365
Net Revenue (a)		469.3	522.1	581.1	646.9	707.6	781.7
Growth Rate			*11.3%*	*11.3%*	*11.3%*	*9.4%*	*10.5%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**360.0**	**405.1**	**455.7**	**512.4**	**564.2**	**662.4**
Margin		*76.7%*	*77.6%*	*78.4%*	*79.2%*	*79.7%*	*84.7%*
Less: Depreciation & Amortization		140.9	156.7	174.4	194.2	212.4	234.6
Less: Interest on BG		1.1	1.1	1.1	1.3	1.6	1.8
Less: Interest on MMR Provision		3.5	7.7	13.0	19.4	27.2	0.0
Earnings Before Interest and Tax		**214.6**	**239.6**	**267.1**	**297.5**	**322.9**	**426.0**
Income Tax (b)		45.8	51.1	57.0	63.5	68.9	90.9
Gross Free Cash Flows to Firm		**168.8**	**188.5**	**210.1**	**234.0**	**254.0**	**335.1**
Add: Depreciation & Amortization		140.9	156.7	174.4	194.2	212.4	234.6
Add: Major Maintenance Expenses provision		35.7	43.9	53.5	64.8	78.0	22.9
Less: Major Maintainence Expenses Payment		0.0	0.0	0.0	152.4	152.4	0.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**345.4**	**389.1**	**438.1**	**340.6**	**392.0**	**592.6**
Present Value Factors (c)	12.1%	0.9444	0.8422	0.7511	0.6698	0.5973	0.5327
Present Value of Free Cash Flows to Firm		**326.2**	**327.7**	**329.0**	**228.1**	**234.2**	**315.7**

Gross Enterprise Value	**4,125.2**
Add: Cash balance (d)	47.1
Add/Less: Net current assets (including investments) (d)	(190.0)
Add/Less: Net cash impact of long term assets and liabilities (d)	0.3
Less: External bank debt (d)	(3,484.3)
Equity Valuation of JRTR including Subordinate Debt (INR Mn)	**498.2**
Less: Interest Free Subordinate debt from related parties (d)	(1,330.3)
Equity Valuation of JRTR excluding Subordinate Debt (INR Mn)	**(832.1)**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March					
(Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27	FY28	FY29
No of days operational		366	365	365	365	366	365
Net Revenue (a)		861.7	943.2	1,037.6	1,118.5	1,214.4	1,315.1
Growth Rate		*10.2%*	*9.5%*	*10.0%*	*7.8%*	*8.6%*	*8.3%*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**735.8**	**810.2**	**897.0**	**970.8**	**1,059.0**	**1,151.4**
Margin		*85.4%*	*85.9%*	*86.5%*	*86.8%*	*87.2%*	*87.6%*
Less: Depreciation & Amortization		258.7	283.1	311.5	335.7	364.5	394.7
Less: Interest on BG		2.2	0.0	0.0	0.0	0.0	0.0
Less: Interest on MMR Provision		2.7	6.2	10.3	15.5	21.6	29.1
Earnings Before Interest and Tax		**472.3**	**520.9**	**575.2**	**619.6**	**672.8**	**727.6**
Income Tax (b)		100.8	111.2	122.8	132.2	143.6	155.3
Gross Free Cash Flows to Firm		**371.5**	**409.8**	**452.5**	**487.4**	**529.2**	**572.3**
Add: Depreciation & Amortization		258.7	283.1	311.5	335.7	364.5	394.7
Add: Major Maintenance Expenses provision		28.4	34.9	42.5	51.5	62.0	74.3
Less: Major Maintainence Expenses Payment		0.0	0.0	0.0	0.0	0.0	202.6
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**658.5**	**727.8**	**806.5**	**874.6**	**955.8**	**838.7**
Present Value Factors (c)	**12.1%**	0.4751	0.4237	0.3778	0.3370	0.3005	0.2680
Present Value of Free Cash Flows to Firm		**312.9**	**308.3**	**304.7**	**294.7**	**287.2**	**224.8**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March		
(Free Cash Flows to Firm or FCFF Model)		FY30	FY31	FY32
No of days operational		**365**	**365**	**223**
Net Revenue (a)		1,413.6	1,530.2	1,009.4
Growth Rate		*7.5%*	*8.2%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a)		**1,241.0**	**1,404.6**	**930.5**
Margin		*87.8%*	*91.8%*	*92.2%*
Less: Depreciation & Amortization		424.3	459.3	303.0
Less: Interest on BG		0.0	0.0	0.0
Less: Interest on MMR Provision		38.0	0.0	0.0
Earnings Before Interest and Tax		**778.7**	**945.2**	**627.5**
Income Tax (b)		166.2	201.7	133.9
Gross Free Cash Flows to Firm		**612.5**	**743.5**	**493.6**
Add: Depreciation & Amortization		424.3	459.3	303.0
Add: Major Maintenance Expenses provision		88.7	0.0	0.0
Less: Major Maintainence Expenses Payment		202.6	0.0	0.0
Less: Capex		0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0
Net Free Cash Flows to Firm		**922.8**	**1,202.8**	**796.6**
Present Value Factors (c)	**12.1%**	0.2390	0.2131	0.1944
Present Value of Free Cash Flows to Firm		**220.5**	**256.4**	**154.8**

Weighted Average Cost of Capital

Cost of Equity Calculation	@ 21.3% tax
Risk Free Rate (a)	7.1%
Relevered Beta (b)	0.78
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**12.9%**
Project Specific Risk Premium (d)	1.0%
Adjusted Cost of Equity	**13.9%**

Cost of Debt Calculation	@ 21.3% tax
Cost of Debt (e)	**12.0%**
Less: Tax (f)	21.3%
Post-tax Cost Of Debt	9.4%

WACC Calculation	Weight (g)	@ 21.3% tax
Debt	40.3%	9.4%
Equity	59.7%	13.9%
Adjusted Cost Of Capital		**12.1%**

Footnotes:

D/E: Debt to Equity; FY: Financial Year

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing Average Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) We have considered 1% project specific risk for JRTR to factor in risk related to higher traffic volumes due to assumption of stoppage of traffic leakages in few months.

(e) Cost of debt has been considered to be 12% based on the interest rate on the borrowings of the Company as on 31 March 2017 provided to us by the Management.

(f) Effective tax rate has been considered as applicable throughout the projected period.

(g) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY32.

Appendix VIII - GF Toll Road Private Limited
Discounted Cash Flow Analysis

DISCOUNTED CASH FLOW ANALYSIS							
(Free Cash Flows to Firm or FCFF Model)		**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**
No of days operational		**365**	**365**	**366**	**365**	**365**	**365**
Net Revenue (a) (b)		765.3	1,021.5	1,114.2	1,178.1	1,391.4	1,511.0
Growth Rate		*n/a*	*33.5%*	*9.1%*	*5.7%*	*18.1%*	*8.6%*
Earnings Before Interest, Depreciation & Amortization and Tax (a) (b)		**538.9**	**779.9**	**879.7**	**928.7**	**1,128.0**	**1,232.5**
Margin		*70.4%*	*76.4%*	*79.0%*	*78.8%*	*81.1%*	*81.6%*
Less: Depreciation & Amortization		410.6	549.8	600.2	635.0	750.9	816.0
Less: Interest on MMR provision		0.0	6.6	0.0	5.4	12.2	20.5
Less: Interest on BG		4.3	4.6	4.9	5.7	1.6	0.0
Earnings Before Interest and Tax		**124.0**	**218.9**	**274.5**	**282.6**	**363.2**	**396.0**
Income Tax (c)		26.5	46.7	58.6	60.3	77.5	84.5
Gross Free Cash Flows to Firm		**97.6**	**172.2**	**215.9**	**222.3**	**285.7**	**311.5**
Add: Depreciation & Amortization		410.6	549.8	600.2	635.0	750.9	816.0
Add: Major Maintenance Expenses provision		54.8	67.9	45.3	56.2	69.1	84.2
Less: Major Maintainence Expenses Payment		153.4	153.4	0.0	0.0	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**409.5**	**636.5**	**861.5**	**913.5**	**1,105.7**	**1,211.6**
Present Value Factors (d)	12.6%	0.9422	0.8364	0.7425	0.6592	0.5852	0.5195
Present Value of Free Cash Flows to Firm		**385.9**	**532.4**	**639.7**	**602.2**	**647.0**	**629.5**

Gross Enterprise Value	**5,173.2**
Add: Cash balance (e)	12.5
Add/Less: Net current assets (including investments) (e)	(460.3)
Add/Less: Net cash impact of long term assets and liabilities (e)	(0.6)
Less: External bank debt (e)	(4,432.3)
Equity Value (INR Mn.) inclusive of sub debt	**292.5**
Less: Interest Free Subordinate debt from related parties (e)	(2,042.9)
Equity Value (INR Mn.) excluding sub debt	**(1,750.4)**

DISCOUNTED CASH FLOW ANALYSIS		Financial Year Ending 31 March			
(Free Cash Flows to Firm or FCFF Model)		FY24	FY25	FY26	FY27
No of days operational		366	365	365	61
Net Revenue (a) (b)		1,588.3	1,887.3	2,042.6	344.1
Growth Rate		*5.1%*	*18.8%*	*8.2%*	*n/a*
Earnings Before Interest, Depreciation & Amortization and Tax (a) (b)		**1,293.5**	**1,654.9**	**1,800.9**	**305.2**
Margin		*81.4%*	*87.7%*	*88.2%*	*88.7%*
Less: Depreciation & Amortization		858.0	1,020.5	1,104.9	181.6
Less: Interest on MMR provision		30.6	42.8	0.0	0.0
Less: Interest on BG		0.0	0.0	0.0	0.0
Earnings Before Interest and Tax		**405.0**	**591.6**	**696.0**	**123.6**
Income Tax (c)		86.4	126.3	148.5	26.4
Gross Free Cash Flows to Firm		**318.5**	**465.3**	**547.4**	**97.2**
Add: Depreciation & Amortization		858.0	1,020.5	1,104.9	181.6
Add: Major Maintenance Expenses provision		101.9	42.8	0.0	0.0
Less: Major Maintainence Expenses Payments		199.8	199.8	0.0	0.0
Less: Capex		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in DSRA		0.0	0.0	0.0	0.0
Less/(Add): Increase/(Decrease) in Working Capital		0.0	0.0	0.0	0.0
Net Free Cash Flows to Firm		**1,078.6**	**1,328.8**	**1,652.4**	**278.8**
Present Value Factors (d)	**12.6%**	0.4612	0.4094	0.3635	0.3390
Present Value of Free Cash Flows to Firm		**497.5**	**544.0**	**600.6**	**94.5**

Weighted Average Cost of Capital

Cost of Equity Calculation	@21.34% tax
Risk Free Rate (a)	7.1%
Relevered Beta (b)	0.65
Equity Risk Premium (c)	7.4%
Base Cost of Equity	**11.9%**
Project Specific Risk Premium (d)	2.0%
Adjusted Cost of Equity	**13.9%**

Cost of Debt Calculation	@21.34% tax
Cost of Debt (e)	**11.2%**
Less: Tax (f)	21.3%
Post-tax Cost Of Debt	8.8%

WACC Calculation	Weight (g)	@21.34% tax
Debt	25.3%	8.8%
Equity	74.7%	13.9%
Adjusted Cost Of Capital		**12.6%**

Footnotes:

ERP: Equity Risk Premium; CSRP: Company Specific Risk Premium; D/E: Debt to Equity

(a) Risk Free Rate is based on 10 Year Wholesale Debt Market Zero Coupon Bond Yield as of 31 March 2017. Source: CCIL

(b) Companies in the construction and engineering segment, and having more than 50% revenues from the road infrastructure have been selected.
Beta has been considered based on 5 yr trailing average Beta of comparable companies, relevered for company specific D/E and effective taxes.

(c) Based on analysis of long term equity risk premium in the Indian stock market. Source: GT Research

(d) We have considered 2% project specific risk for GFTR to factor in risk related to increase in traffic in the forecast period after steps are taken to overcome the current loss in traffic volumes due to non compliance, as represented by Management

(e) Cost of debt has been considered to be 11.2% based on the interest rate on the borrowings of the Company as on the Valuation Date provided to us by the Management.

(f) Effective tax rate has been considered as applicable throughout the projected period.

(g) Based on the average debt to equity ratio of RInfra Project over the projected period from FY18 to FY27.

REVENUE, PROFIT AND CASH FLOW PROJECTIONS

Auditors' Report on the projections

To

IDBI Trusteeship Services Limited
(As the Trustee of the Reliance Infrastructure InvIT Fund)
Asian Building, Ground Floor
17, R. Kamani Marg
Ballard Estate
Mumbai - 400 001
India.

Reliance Infrastructure InvIT Fund ("Fund")
502, Plot No. 91/94
Prabhat Colony
Santacruz (East)
Mumbai - 400 055
India.

Reliance Nippon Life Asset Management Limited
(As the Investment Manager the Reliance Infrastructure InvIT Fund)
'H' Block, 1st Floor
Dhirubhai Ambani Knowledge City
Koparkhairne, Navi Mumbai
Thane - 400 710
India.

Dear Sirs,

We have reviewed the attached projected summary profit and loss information, the projected summary cash flow information of the Project SPV Group for the years ended March 31, 2018, 2019 and 2020, the projected summary revenue from operations, projected summary operating cash flow information of the Project SPVs (defined below) for the financial years ended March 31, 2018, 2019 and 2020 and the Basis and Notes to these projections ("Projections") along with the Significant assumptions underlying the projections ("Projection Assumptions" together with the Projections as ("Revenue, Profit and Cash Flow Projections")) of 7 subsidiaries of **Reliance Infrastructure Limited** ("Sponsor"), namely GF Toll Road Private Limited, DS Toll Road Limited, NK Toll Road Limited, TK Toll Road Private Limited, TD Toll Road Private Limited, SU Toll Road Private Limited and JR Toll Road Private Limited respectively (together called "Project SPVs" or "Project SPV Group" and individually a "Project SPV") which are proposed to be transferred from the Sponsor to the Fund in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India.

The Revenue, Profit and Cash Flow Projections have been prepared in relation to the proposed Initial Public Offering of Units of the Fund (the 'Issue'), under the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended from time to time, including pursuant to any circulars and guidelines issued thereunder ("InvIT Regulations").

The preparation and presentation of the Revenue, Profit and Cash Flow Projections in accordance with the InvIT Regulations, is the responsibility of the Investment Manager of the Fund and has been approved by the Investment Manager of the Fund for inclusion in the Updated Draft Offer Document in connection with the proposed Initial Public Offerings of Units of the Fund ("IPO").

We have examined the evidence supporting the assumptions and other information in the Projections. Our responsibility does not include verification of the accuracy of the Projections. Therefore, we do not vouch for the accuracy of the same. The assumptions used for the preparation of these Projections have been provided to us by the Investment Manager of the Fund and relied upon by us as certain matters included are of technical nature.

We have examined and reviewed the Revenue, Profit and Cash Flow Projections, which comprises of the following:

a. The projected summary profit and loss information of the Fund Group for the years ended March 31, 2018, 2019 and 2020;

b. The projected summary cash flow information of the Fund Group for the years ended March 31, 2018, 2019 and 2020;

c. The projected summary revenue from operations of the respective Project SPVs for the years ended March 31, 2018, 2019 and 2020; and

d. The projected summary operating cash flow information of the respective Project SPVs for the years ended March 31, 2018, 2019 and 2020.

Based on our review of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that the Projection Assumptions do not provide a reasonable basis for the Projections and we confirm that the Projection Assumptions are appropriate for the purpose of these Projections.

We have verified the arithmetical accuracy of the Projections and found them to be accurate and appropriate.

Further, in our opinion, the Projections are properly prepared on the basis of the assumptions as set forth in the basis and notes to Projections and are consistent with the accounting policies of the Fund Group and with the financial statements of the Project SPVs and the significant accounting policies adopted by the Project SPV Group in line with the Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules and other accounting principles generally accepted in India and the InvIT Regulations.

Emphasis of Matter Paragraph

We draw attention to Note no. 1 (b) of the Projections, wherein the Investment Manager on December 13, 2016 for the purpose of inclusion in a draft offer document dated December 15, 2016 had prepared the Projections based on ten toll road projects for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020. Subsequent to the filing of the draft offer document, based on approval obtained from regulatory and other authorities, the Investment Manager decided to have only seven toll road projects in the fund's portfolio. Pursuant to which, the Investment Manager of the Fund has prepared the Projections based on seven toll road Project SPVs for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020. This Review Report on the Projections is issued in substitution of our earlier report dated December 15, 2016.

Our report is not modified in respect of the above matter.

Events and circumstances frequently do not occur as expected; even if the events anticipated under the hypothetical assumptions described herewith in the attached documents occur. Actual results are still likely to be different from the Projections since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected, for the reasons set out above.

Therefore, we do not express any opinion as to the possibility of achievement of the Projections.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. US securities regulations do not require profit forecasts to be reported on by a third party. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation.

This report is intended solely for inclusion in the Updated Draft Offer Document in connection with the proposed IPO of the Units of the Fund and is not to be used, referred to or distributed for any other purpose without our written consent.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Sd/-

Vijay Napawaliya
Partner
Membership No: 109859

Place: Mumbai
Date: April 24, 2017

Reliance Infrastructure InvIT Fund
Projected summary of Profit and Loss information of the Project SPV Group

` in Million

Particulars	Refer Assumption	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020
Income				
Revenue from Operations	1	4,238.38	4,921.30	5,522.39
Other Income	4	11.73	11.73	11.73
Total Income		**4,250.11**	**4,933.03**	**5,534.12**
Expenditure				
Operation & Maintenance Expenses	2	986.57	1,057.92	1,085.85
InvIT Expenses (inc IM, Trustee, valuer Fees)	3	53.09	60.09	66.22
		1,039.66	1,118.01	1,152.08
Earning before interest, tax and amortisation		**3,210.45**	**3,815.02**	**4,382.05**
Amortisation expenses	6	1,238.70	1,484.84	1,659.49
Finance costs	7	733.31	687.56	649.34
Other Finance Cost				
Unwinding of discount on provisions		27.83	68.91	75.60
Other finance charges		11.71	12.37	12.77
		2,011.55	**2,253.68**	**2,397.20**
Profit before tax		**1,198.90**	**1,561.34**	**1,984.85**

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd\-

Sundeep Sikka
Executive Director & CEO

Sd\-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Projected summary cash flow information of the Project SPV Group

` in Million

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020
Profit/ (Loss) before Tax	**1,198.90**	**1,561.34**	**1,984.85**
Adjustments to reconcile profit before tax to net cash flows			
Finance cost	733.31	687.56	649.34
Other Finance Cost			
Unwinding of discount on provisions	27.83	68.91	75.60
Other finance charges	11.71	12.37	12.77
Amortisation expenses	1,238.70	1,484.84	1,659.49
Provision for resurfacing expenses	314.53	352.27	344.92
Actual outflow for major maintenance	(355.67)	(737.69)	(382.02)
Cash generated from operations	**3,169.31**	**3,429.60**	**4,344.95**
Direct taxes paid	(33.11)	(81.63)	(143.50)
Net cash generated from operations	**3,136.20**	**3,347.97**	**4,201.45**
Finance cost	(745.03)	(699.93)	(662.12)
Repayment of bank debt (net of Proceeds)	(236.52)	(307.58)	(406.81)
	(981.55)	**(1,007.51)**	**(1,068.93)**
Cash generated during the year *	**2,154.65**	**2,340.46**	**3,132.52**

* Out of the above cash flows , distributions shall be made to unit holders in the form of interest, dividend and buyback of units. The distributions shall be subject to standalone cash flows of the InvIT, and the provisions of the InvIT regulations / other applicable laws in this regard.

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/- Sd/-

Sundeep Sikka
Executive Director & CEO

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund
Projected revenue from operations of the Project SPV Group

` in Million

Project SPV	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2020
NK	368.38	419.37	477.92
DS	703.77	797.67	903.74
TD	394.20	422.12	466.14
TK	572.31	642.72	731.26
SU	975.14	1,105.85	1,258.09
GF	755.33	1,011.47	1,104.18
JR	469.25	522.10	581.06
Total	**4,238.38**	**4,921.30**	**5,522.39**

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/- Sd/-

Sundeep Sikka
Executive Director & CEO

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund

Projected Summary operating cash flow information of the Project SPV Group for the year ended March 31, 2018

Particulars	NK	DS	TD	TK	SU	GF	JR	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities											
Profit/(Loss) before tax	13.26	114.18	(92.65)	36.27	(106.38)	(306.53)	(156.90)	1,697.63	1,198.88	-	1,198.88
Adjustments to reconcile profit before tax to net cash flows											
Finance Cost	112.07	311.47	283.71	323.75	650.95	430.57	371.51		2,484.03	(1,750.72)	733.32
Other Finance Cost											
Unwinding of discount on provisions	2.00	2.57	7.74	2.49	9.56	-	3.46	-	27.82	-	27.81
Other finance charges	0.41	1.07	0.85	1.27	2.72	4.31	1.08	-	11.71	-	11.71
Amortisations expenses	158.79	182.04	54.92	97.05	194.45	410.60	140.86	-	1,238.71	-	1,238.72
Provision for resurfacing expesnes	18.71	23.99	72.23	23.28	89.23	54.79	32.29	-	314.52	-	314.52
Actual outflow for major maintanance	-	-	(202.24)	-	-	(153.42)	-	-	(355.66)	-	(355.66)
Cash generated from opearations	**305.24**	**635.32**	**124.56**	**484.11**	**840.53**	**440.32**	**392.30**	**1,697.63**	**4,920.01**	**(1,750.72)**	**3,169.31**
Direct taxes paid	(2.59)	(23.61)	-	(6.91)	-	-	-		(33.11)		(33.11)
Net Cash flows form operating activities	**302.65**	**611.71**	**124.56**	**477.20**	**840.53**	**440.32**	**392.30**	**1,697.63**	**4,886.90**	**(1,750.72)**	**3,136.20**

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund

Projected Summary operating cash flow information of the Project SPVs for the year ended March 31, 2019

Particulars	NK	DS	TD	TK	SU	GF	JR	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities											
Profit/(Loss) before tax	41.68	195.10	(93.26)	84.37	16.83	(211.67)	(119.78)	1,648.04	1,561.31	-	1,561.32
Adjustments to reconcile profit before tax to net cash flows											
Finance Cost	104.76	290.56	283.71	323.75	602.98	430.57	359.36	-	2,395.69	(1,708.13)	687.55
Other Finance Cost											
Unwinding of discount on provisions	4.49	5.76	17.34	5.59	21.42	6.58	7.75	-	68.93	-	68.91
Other finance charges	0.43	1.18	0.98	1.35	2.74	4.61	1.08	-	12.37	-	12.37
Amortisations expenses	180.77	206.33	61.69	108.99	220.51	549.84	156.72	-	1,484.85	-	1,484.84
Provision for resurfacing expesnes	20.96	26.87	80.90	26.07	99.94	61.37	36.16	-	352.27	-	352.27
Actual outflow for major maintanance	-	-	(202.24)	(102.20)	(279.82)	(153.42)	-	-	(737.68)	-	(737.69)
Cash generated from / (used in) opearations	**353.09**	**725.80**	**149.12**	**447.92**	**684.60**	**687.88**	**441.29**	**1,648.04**	**5,137.74**	**(1,708.13)**	**3,429.57**
Direct taxes paid	(10.28)	(43.73)	-	(27.63)	-	-	-		(81.60)		(81.60)
Net Cash flows form (used in) operating activities	**342.81**	**682.07**	**149.12**	**420.29**	**684.60**	**687.88**	**441.29**	**1,648.04**	**5,056.14**	**(1,708.13)**	**3,347.97**

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Reliance Infrastructure InvIT Fund

Projected Summary operating cash flow information of the Project SPV Group for the year ended March 31, 2020

Particulars	NK	DS	TD	TK	SU	GF	JR	Fund	Total	Elimination	Consolidated Invit
Cash flow from operating activities											
Profit/(Loss) before tax	74.32	300.16	(27.48)	146.36	120.96	(156.03)	(81.49)	1,608.05	1,984.84	-	1,984.84
Adjustments to reconcile profit before tax to net cash flows											
Finance Cost	96.46	253.46	283.71	323.75	587.04	430.57	348.62	-	2,323.61	(1,674.27)	649.34
Other Finance Cost											
Unwinding of discount on provisions	7.54	9.67	-	9.39	35.98	-	13.02	-	75.60	-	75.60
Other finance charges	0.51	1.13	1.04	1.34	2.73	4.88	1.14	-	12.77	-	12.77
Amortisations expenses	206.01	233.77	70.19	124.00	250.87	600.24	174.42	-	1,659.49	-	1,659.49
Provision for resurfacing expesnes	23.47	30.10	64.37	29.20	111.93	45.35	40.50	-	344.92	-	344.92
Actual outflow for major maintanance	-	-	-	(102.20)	(279.82)	-	-	-	(382.02)	-	(382.02)
Cash generated from / (used in) opearations	**408.31**	**828.29**	**391.83**	**531.84**	**829.69**	**925.01**	**496.21**	**1,608.05**	**6,019.21**	**(1,674.27)**	**4,344.94**
Direct taxes paid	(19.09)	(65.73)	(4.59)	(51.13)	2.28	(5.24)	-		(143.49)		(143.49)
Net Cash flows form (used in) operating activities	**389.22**	**762.56**	**387.24**	**480.71**	**831.97**	**919.77**	**496.21**	**1,608.05**	**5,875.72**	**(1,674.27)**	**4,201.45**

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/-

Sundeep Sikka
Executive Director & CEO

Sd/-

Prateek Jain
Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

Basis and Notes to Revenue, Profit and Cash Flow Projections

1. General information

(a) The Reliance Infrastructure InvIT Fund (the "Fund") is a trust constituted by "The Indenture of Trust" dated September 12, 2016 registered under the Registration Act, 1908 and under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Fund is settled by the Sponsor, Reliance Infrastructure Limited ("Rinfra" or the "Sponsor"), an infrastructure development company in India. The Trustee to the Fund is IDBI Trusteeship Services Limited (the "Trustee"). The Investment manager for the Fund is Reliance Nippon Life Asset Management Limited (the "Investment Manager" or the "Management"). The Reliance Infrastructure InvIT Fund along with seven Project SPVs as stated below shall be together called as the “Project SPV Group”.

(b) The Investment Manager on December 13, 2016 for the purpose of inclusion in a draft offer document dated December 15, 2016 had prepared the Projections based on ten toll road projects for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020. Subsequent to the filing of the draft offer document, based on approval obtained from regulatory and other authorities, the Investment Manager decided to have only seven toll road projects in the Fund’s portfolio. Pursuant to which, the Investment Manager of the Fund has prepared the Projections based on seven toll road Project SPVs for the financial years ended March 31, 2018, March 31, 2019 and March 31, 2020.

2. Purpose and the basis of preparation of the profit and cash flow projection

The projected revenue and projected statements of summary cash flows of seven subsidiaries of the Sponsor, namely NK Toll road Limited ("NK"), DS Toll Road Limited ("DS"), TD Toll Road Private Limited ("TD"), TK Toll Road Private Limited ("TK"), SU Toll Road Private Limited ("SU"), GF Toll Road Private Limited ("GF") and JR Toll Road Private Limited ("JR"), (together called as "Project SPV Group" and individually a "Project SPV") for the years ending March 31, 2018, 2019 and 2020 and the projected combined statement of profit and loss and the projected combined cash flow statement of the Project SPV Group for the years ending March 31, 2018, 2019 and 2020 (the "Projections"). The Projections have been compiled solely for the purpose of being included in the Updated Draft Offer Document in connection with the offering of the units of the Fund. Therefore, the use of the Projections is not appropriate and should not be used or relied upon for any purpose other than described above.

The Projections have been prepared based on the assumption that once the IPO is complete, the Fund will acquire equity interests in the Project SPVs immediately prior to the public issue, the Net Proceeds being ` 25,000 million, and the Net Proceeds will be infused in the Project SPVs to replace part of the existing bank debt and Sponsor Sub-ordinated Debt.

The Projections are prepared based on the accounting policies that are expected to be used for the Fund's financial information for the corresponding periods in accordance with Indian Accounting

Standards ("Ind AS") and / or any addendum thereto as defined in Rule 2(1)(a) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Projections only include the following information:

1. The projected summary profit & loss information of the Project SPV Group for the years ended 2018, 2019 and 2020.
2. The projected summary cash flow information of the Project SPV Group for the years ended 2018, 2019 and 2020.
3. The projected revenue from operations of the Project SPVs for the years ended 2018, 2019 and 2020.
4. The projected summary operating cash flow information of the Project SPVs for the years ended 2018, 2019 and 2020.
5. Basis and Notes to projections.
6. Significant assumptions for the projections.

The Reliance Infrastructure InvIT Fund

Though the aforesaid Projections are prepared under the Ind-AS framework, they do not provide for all the detailed disclosures as required under Ind-AS.

The accounting year end of the Fund is March 31 of each year. Accordingly, the Projections are prepared for all the years in the Concession period. The Projections have been prepared and disclosed in INR millions, unless otherwise specifically mentioned.

The Projections contain forecasts and projections that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied.

Significant assumptions for the Projections

The Projections have been prepared based on the significant assumptions summarized below. The Investment Manager considers the assumptions to be appropriate and reasonable as at the date of the report. However, the investors should consider these assumptions as well as the Projections and make their own assessment of the future performance of the Fund.

1. Income from operations:

The Project SPVs' income mainly consists of revenue from operations and other income. Revenue from operations primarily consists of income from toll collection.

In addition to the revenue from toll collections some of the projects have a minute portion of advertisement income.

Significant assumptions used in projection of income from toll collection are described below:-

The base data for the projections is based on the actual traffic data and tariff rates for the financial year 2017. Key variables for toll revenue growth are traffic growth (PCU growth) and the wholesale price index ('WPI') which are based on Management estimates and details of the assumptions are as set forth below:-

Assumptions for FY 2018:

Project	NK	DS	TD	TK	SU	GF	JR
Traffic growth	9%	8%	8%	8%	9%	9%	7%
WPI	4%	4%	4%	4%	4%	4%	4%

Assumptions for FY 2019:

Project	NK	DS	TD	TK	SU	GF	JR
Traffic growth	9%	9%	8%	8%	9%	9%	7%
WPI	5%	5%	5%	5%	5%	5%	5%

Assumptions for FY 2020:

Project	NK	DS	TD	TK	SU	GF	JR
Traffic growth	9%	9%	8%	8%	9%	9%	7%
WPI	5%	5%	5%	5%	5%	5%	5%

As per the relevant concession agreements, the tariff rates of NK, DS, TD, TK and SU are based on complete WPI pass through whereas the tariff rate of JR is based on a simple increase rate of 3% + 40% of WPI. The tariff rate in GF is fixed and is revised every three years as per the relevant clause in the Concession Agreement. Management has estimated WPI growth at 4% for FY 2018, 5% for FY 2019 and 5% for FY 2020.

2. **Operating and maintenance cost**

The operating and maintenance cost includes routine, periodic/major maintenance, manpower costs and operational expenses, including, but not limited to, road and site work expenses, employee benefit expenses, other operating and maintenance costs and other expenses. These costs are projected based on the current and past trends of operating and maintenance costs of the individual SPVs. These are in line with the industry standards for such expenses. Onetime expenses incurred in the Tamil Nadu projects reinstatement of property due to floods in the state, in FY 2016 have been normalized for the purpose of projections in future years.

The projected operating and maintenance cost corresponds with the projected traffic and the projected revenue and is primarily based on the currently available information on actual operating and maintenance cost associated with the operation of the Project SPVs. The periodic / Resurfacing expenses are provided for in the Statement of Profit and Loss as per the traffic consultant report. Based on the concession agreements, the potential periodic / Resurfacing expenses are provided for in the statement of profit and loss for each year, and in the year of actual expenditure the same is adjusted against the provision created for the same. Pursuant to the NHAI Circular dated November 15, 2016, wherein NHAI prescribed that micro surfacing may be used for the renewal course, maintenance and repair on national highways for at least 25% to 30% of the total length. Based on the said circular the Project SPVs have estimated the provision for Resurfacing expenses in the books of accounts. The projections do not envisage any unanticipated expenses which may be incurred due to any unforeseen circumstances.

3. InvIT expenses

The Fund expenses are mainly projected based on the quotations obtained from various intermediaries or expected terms and conditions of the relevant agreements and / or based on Management's experience and judgement. The nature for the Fund expenses is described below.

(i) **Investment Manager Fee**

Pursuant to the Investment Manager Agreement (IMA), the Investment Manager is entitled to a Investment Manager fee to be calculated @ 1% per annum, exclusive of Service Tax (GST), of the consolidated toll revenue of the Fund at the end of the reporting period subject to a floor of ` 30 million and a cap of ` 250 million.

(ii) **Trustee fees**

The Trustee shall be entitled to receive trusteeship fees for the services rendered in relation to the administration and management of the Trust, subject to the condition that the aggregate of service charges payable to the Trustee shall not exceed ` 5.5 million plus applicable taxes in any financial year.

(iii) **Auditor's fees**

Audit fees ` 5 million plus applicable taxes per year.

(iv) **Other fund expenses**

It is assumed that any other fund expenses will be a part of the O&M cost of the SPVs.

4. Other income

A minor amount including interest, income and dividend on short term investment and advertising income have been considered in the projected profit and loss statement.

5. Capital expenditure

All the projects are currently revenue operational hence no capital expenditure has been considered.

6. Toll Collection rights

Toll collection rights are amortized over the period of concession, using revenue based amortization. Under this method, the carrying value of the rights have been amortized in the proportion of actual toll revenue for the year by projected revenue for the balance toll period, to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the Management.

7. Finance costs

It is assumed that the proceeds from the Issue shall be utilized by the Project SPV Group to provide loans for the purposes of part or full refinancing of the Project SPV loans, including sub-ordinated debt. While the bank debt will carry the same rate of interest as per the terms of the financing agreements, the interest rate on the Trust loans would vary based on the available cash flow of the Project SPV's and the same forms a significant component of the finance costs of the Projects SPVs and of the Project SPV Group. No provision has been considered for interest on InvIT Loans given to Project SPVs as it would get eliminated while preparing combined financials of InvIT.

8. Taxes

Current income tax are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in India where the Project SPV Group operates and generates taxable income.

All the Project SPVs are eligible for deduction under section 80IA of the Income Tax Act, 1961 for ten consecutive years. Accordingly, the tax is calculated under MAT provisions of Section 115JB of the Income Tax Act, 1961 based on the book profits of the Project SPVs.

The Fund will receive interest income from Project SPVs which is considered exempt under the Income Tax Act, 1961. No income other than the above has been assumed in the Fund. Hence no income tax expense/cash flow is assumed for the Fund over the projection period. The transaction of receipt of interest income will be eliminated and not have any effect on the combined cash flow from operating activities of the Project SPV Group.

9. Changes in working capital

The entire collection of tolls is in cash and routine expenses are in cash or a credit period is available. In these cases the effective working capital deployed is relatively small or negative in certain instances. Further we believe the working capital is fairly stable and not expected to vary drastically over a period of time. Hence, changes in working capital are immaterial and no impact of that has been considered in the projected cash flows.

10. Other Assumptions

i. The initial portfolio of Project SPVs remains unchanged throughout the projection period.

ii. No further assets are assumed to be acquired during the projection period.

iii. No further capital will be raised during the projection period.

iv. There will be no material change in taxation legislation or other applicable legislation.

v. The relevant tax exemptions, tax remissions, and preferential tax treatments granted remain valid and applicable and that the terms and conditions thereto are complied with.

vi. No loss/gain has been considered for forex and related derivative instruments.

vii. The Projections are based on assumptions and are subject to a number of factors. Investors should be aware that future events, including actual traffic growth rates, cannot be predicted with certainty and there may be deviations from the figures projected in the Projections. The Projections have been prepared based on the Traffic Report's Most Likely / Realistic scenario for traffic volume growth rates, and no analysis has been performed to demonstrate the sensitivity of the Projections to changes in traffic volume growth rates or other assumptions.

For and on behalf of Reliance Nippon Life Asset Management Limited
(Investment Manager to Reliance Infrastructure InvIT Fund)

Sd/	Sd/
Sundeep Sikka	Prateek Jain
Executive Director & CEO	Chief Financial Officer

Place : Mumbai
Date : April 24, 2017

TRAFFIC REPORTS / TECHNICAL REPORTS

RELIANCE

DINDIGUL TO SAMYANALLORE (KM 373.726 TO KM 426.779)

SECTION OF NH-7 IN THE STATE OF

TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

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DINDIGUL TO SAMYANALLORE (KM 373.726 TO KM 426.779) SECTION OF NH-7 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AADT	-	Annual Average Daily Traffic
BOT	-	Build Operate Transfer
CAGR	-	Compound Annual Growth Rate
CTV	-	Classified traffic volume
DBFOT	-	Design, Build, Finance, Operate & Transfer
EME	-	Earth Moving Equipment
GDP	-	Gross Domestic Product
GSDP	-	Gross State Domestic Product
HCM	-	Heavy Construction Machinery
HCV	-	Heavy Commercial Vehicle
HTMS	-	Highway Traffic Management System
IRC	-	Indian Road Congress
IRR	-	Internal Rate of Return
LCV	-	Light Commercial Vehicle
LHS	-	Left Hand Side
LGV	-	Light Goods Vehicle
MAV	-	Multi Axle Vehicle
MORTH	-	Ministry of Road Transport and Highways
NH	-	National Highway
PCC	-	Plain Cement Concrete
CR	-	Coarse Rubble
NHAI	-	National Highway Authority of India
NHDP	-	National Highways Development Project
NSDP	-	Net State Domestic Product
O&M	-	Operation & Maintenance
PCDP	-	Per Capita Domestic Product
PCI	-	Per Capita Income
PCU	-	Passenger Car Unit
PSC	-	Pre-stressed Concrete
RCC	-	Reinforced cement concrete
RHS	-	Right Hand Side
SH	-	State Highway
TP	-	Toll Plaza
WPI	-	Wholesale Price Index
SIR	-	Special Investment Region
c.	-	Circa
ROB	-	Railway Over Bridge
MDR	-	Major District Road
ODR	-	Other District Road
CA	-	Concession Agreement
RMT	-	Running Meter

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Dindigul - Samayanallur section of NH-7 from Km 373.726 to Km 426.775 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. Project has concession period of 20 years. Project achieved COD on 28th September 2009. The Project has been commissioned and is currently in the operation / maintenance phase.

1.2 Objective of the Study

M/s Reliance Infrastructure InvIT Fund has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost ProjectionReport***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

The Concessionaire has provided basic traffic data and other project details on the basis of which the above analysis has been carried out. Origin Destination survey data (including trip frequency, trip length distribution, major traffic generators and their contribution, commodity analysis, etc.) has been sourced from a third party study, we relied upon the survey outcome after necessary cross verification with the three year historical data available with the toll collection plazas.

CHAPTER 2
PROJECT DETAILS

2.1 Project Corridor

The project corridor is one of the busiest route (NH-7) connecting north of India to Deccan and to south. It forms the part of main connectivity network joining commercial hubs like Hyderabad, Bengaluru and down south up to Kanyakumari.

Project corridor section starts from Km 373.275(Dindigul Bypass)up to Km 426.60 (Samayanallur) in the state of Tamil Nadu. Samyanallore is located 12 km west of Madurai and is also the location of the Samyanallore thermal power station, one of the biggest power plants in Tamil Nadu.

The project stretch is connected to Karnataka easing traffic flow to Bengaluru and goods from Sivakashi are transported to Salem and Bangalore using this road.

The project corridor passes through predominantly agricultural land with patches of built-up areas, industrial areas, etc. Terrain of this project road section is generally characterized as plain.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

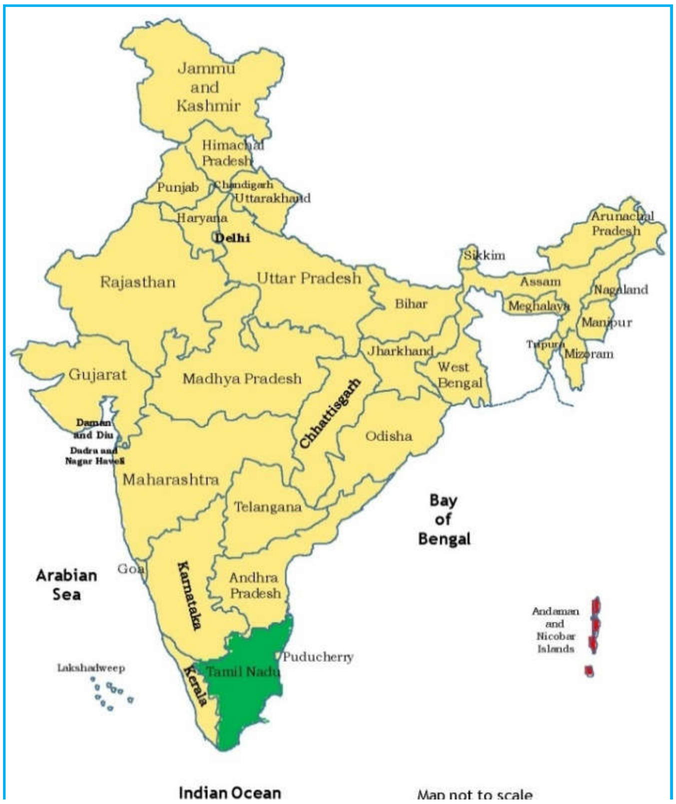


Figure 2-1: Index Map of Project Highway - Country Level

Figure 2-2: Index Map of Project Highway - State Level

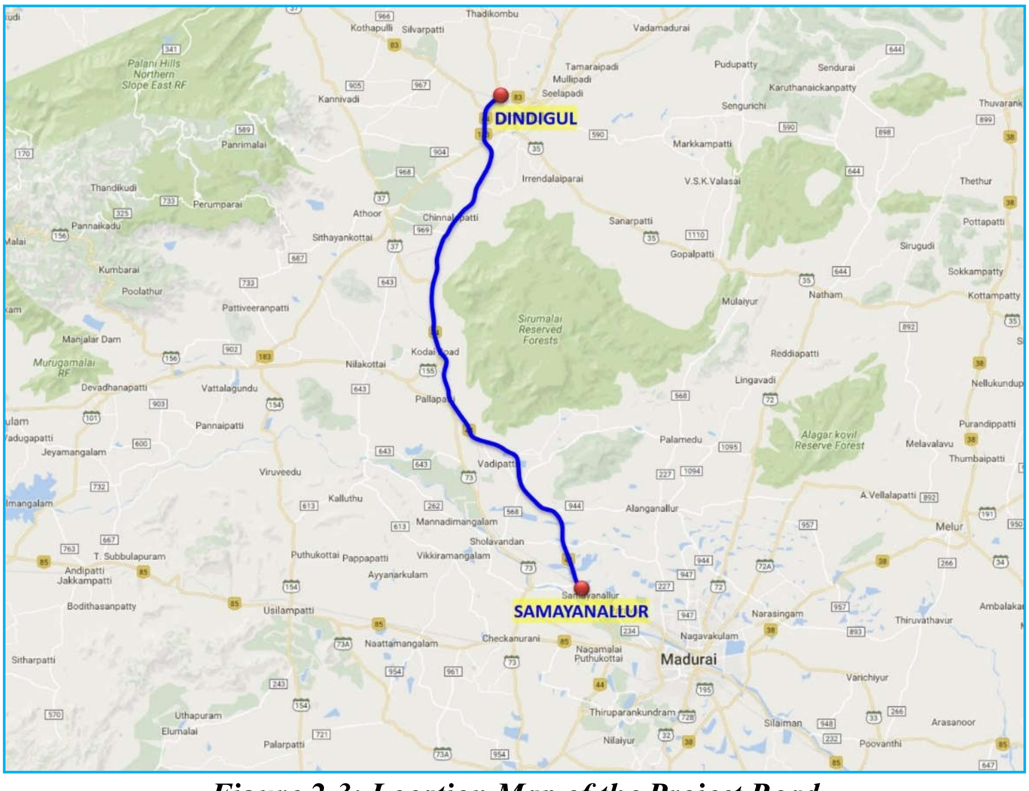


Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

NH-7 is a major North-South National Highway in India that runs through the states of Uttar Pradesh, Madhya Pradesh, Maharashtra, Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu. The highway connects several important Indian cities such as Varanasi, Rewa, Jabalpur, Nagpur, Adilabad, Nirmal, and Armoor in (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bangalore, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari. A major part of NH 7 falls on the North-South Corridor of NHDP.

Adjoining land is predominantly used for agriculture. Several educational institutions, medium and heavy industries, hatcheries, poultry farms have been observed along the Project corridor.

Four lane project stretch from Dindigul to Samayanallur is homogeneous section having no major traffic diversion in between. It thus can be considered as one section from traffic point of view.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Total Length of Project = 53.049 Kms
- Minor Bridges = 27 Nos.
- Flyovers = 03 Nos.
- ROB = 02 Nos.
- Culverts = 120 Nos.
- Vehicular Underpass = 08 Nos.
- Pedestrian Under passes = 02 Nos.
- Major Intersections = 07 Nos.
- Service Road = 17.180 Kms.
- Bus Bays = 28 Nos.
- Truck Lay Byes = 02 Nos.
- Toll Plaza Complex = 01 Nos.

The details of the structures are given below.

2.3.1 Minor Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-1 : List of Minor Bridges

Sr. No.	Chainage (Km)	Span Arrangement (m)	Total width of Structure(m)	Type of Super Structure
1	359.360	1 x 12.5	21.00	RCC I Girder
2	358.450	1 x 21	21.00	PSC I Girder
3	386.300	2 x 13.2	21.00	RCC I Girder
4	387.500	1 x 11.4	21.00	Slab with bearings
5	388.100	1 x 15.5	21.00	RCC I Girder
6	389.400	1 x 13	21.00	RCC I Girder
7	394.200	1 x 14.5	21.00	RCC I Girder
8	401.850	1 x 10	21.00	Slab with bearings
9	403.100	1 x 10.6	21.00	Slab with bearings
10	404.450	1 x 11.6	21.00	Slab with bearings
11	405.700	2 x 17.4	21.00	PSC I Girder
12	406.350	1 x 10	21.00	Slab with bearings
13	407.200	1 x 17.5	21.00	PSC I Girder
14	407.500	1 x 17.5	21.00	PSC I Girder
15	409.400	1 x 12.5	21.00	RCC I Girder
16	409.900	1 x 12.5	21.00	RCC I Girder
17	416.300	1 x 35	21.00	PSC Voided Slab
18	420.950	1 x 10.5	21.00	Slab with bearings
19	426.100	1 x 17.5	21.00	PSC I Girder
20	410.100	1 x 21	21.00	PSC I Girder
21	410.895	1 x 21	21.00	PSC I Girder
22	410.900	1 x 12.5	21.00	RCC I Girder
23	412.485	1 x 12.5	21.00	RCC I Girder
24	412.675	1 x 10.5	21.00	Slab with bearings
25	414.880	3 x 5	21.00	BOX
	0.050	1 x 7	21.00	Minor Bridge
	1.400	1 x 10.5	21.00	Minor Bridge

2.3.2 Flyovers& ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-2 : List of Flyovers& ROB's along Project Corridor

Sr. No.	Chainage (Km)	Span Arrangement (m)	Total Width of Super Structure	Type of Super Structure
1	374.550	2 x 34	21	PSC Box Girder
2	375.000	1 x 30 Skew= 32 degrees	21	PSC I Girder
3	376.585	1 x 30	21	PSC Voided Slab
4	379.950	1 x 30	21	PSC Voided Slab
5	394.850	2 x 43 +1 x 24 Skew = 71 degrees	21	BOX / PSC I Girder

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

During the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic datahas been collected for project.

- Classified traffic volume counts at toll plaza location on Dindigul - Samayanallur section of NH-7for base year 2016-17
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

From traffic point of view project can be considered as one homogenous sections from Dindigul to Samayanallur. *Table* 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic DataDetails

Sr. No.	Location	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 398.500 Kodai Road Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017

The locations of each of the traffic survey are illustrated in Figure 3-1.

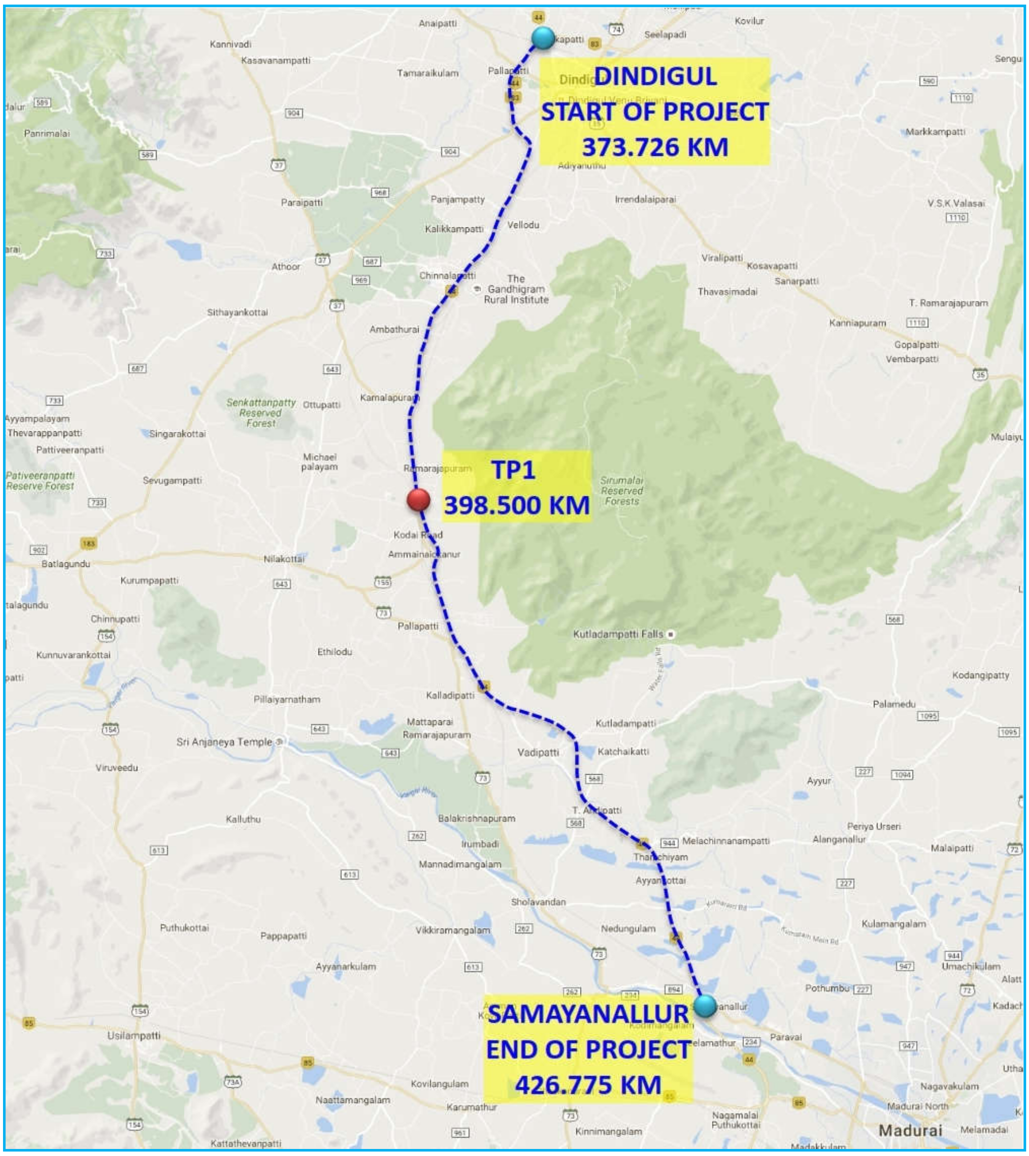


Figure 3-1: Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / New Technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle (MAV)
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2016-17 as under at the toll plaza-

Table 3-3 : Traffic Data at Toll Plaza at Km 398.500

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	8,492
2	LCV	1,800
3	Truck/Bus	3,045
4	Multi Axle	2,671
	Total	**16,008**

*** Excluding exempted**

Volume of oversize vehicle was negligible

This data was then bifurcated to various components like through local, monthly, return journey etc. category. Same is discussed in detail in following section.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-4 : Historical Tollable Traffic at Toll Plaza at Km 398.500

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	2,560,124	2,783,244	2,904,192	7%
LCV (2)	598,765	627,604	615,668	1%
Bus/Truck (3)	1,103,814	1,089,608	1,041,457	-3%
Multi-axle (4)	879,929	878,110	913,568	2%
Total	5,142,632	5,378,566	5,474,885	3%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 32,348 PCUs in 2017 from 29,396 PCUs in 2015, representing a CAGR of 5%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-5 : Historical AADT at Toll Plaza at Km 398.500

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	7,014	7,952	8492	10%
LCV (2)	1,640	1,793	1800	5%
Bus/Truck (3)	3,024	3,113	3045	0%
Multi-axle(4)	2,411	2,509	2671	5%
Total	14,089	15,367	16008	7%
Total PCUs	29,396	31,271	32,348	5%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

On average for the three financial years ended 2014, 2015 and 2016, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the DS Project's total traffic mix, 52%, 11%, 20% and 17% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 53%, 11%, 19% and 17% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of DS' operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the DS Project by category of vehicles for the financial year 2015, 2016 and 2017:

Table 3-6 : Historical Toll Revenue at Toll Plaza at Km 398.500

Category	(in Rs. Millions) For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	117.4	128.4	133.4	7%
LCV (2)	47.5	50.4	49.3	2%
Bus/Truck (3)	154.0	156.4	148.8	-2%
Multi-axle (4)	248.9	251.6	255.8	1%
Total	567.8	586.8	587.3	2%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in “IRC-64-1990: Guidelines for Capacity of Roads in Rural areas”. The adopted passenger car unit values (PCU) are presented in Table 3-4

Table 3-7 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-8 : Traffic in PCU at Project Stretch

Toll Plaza Location	Traffic No	PCU	PCU Index
398.500	16008	32348	**2.02**

It can be observed from above that project traffic has PCU index above 2 which is a fair indicator of good mix being split between commercial and urban traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

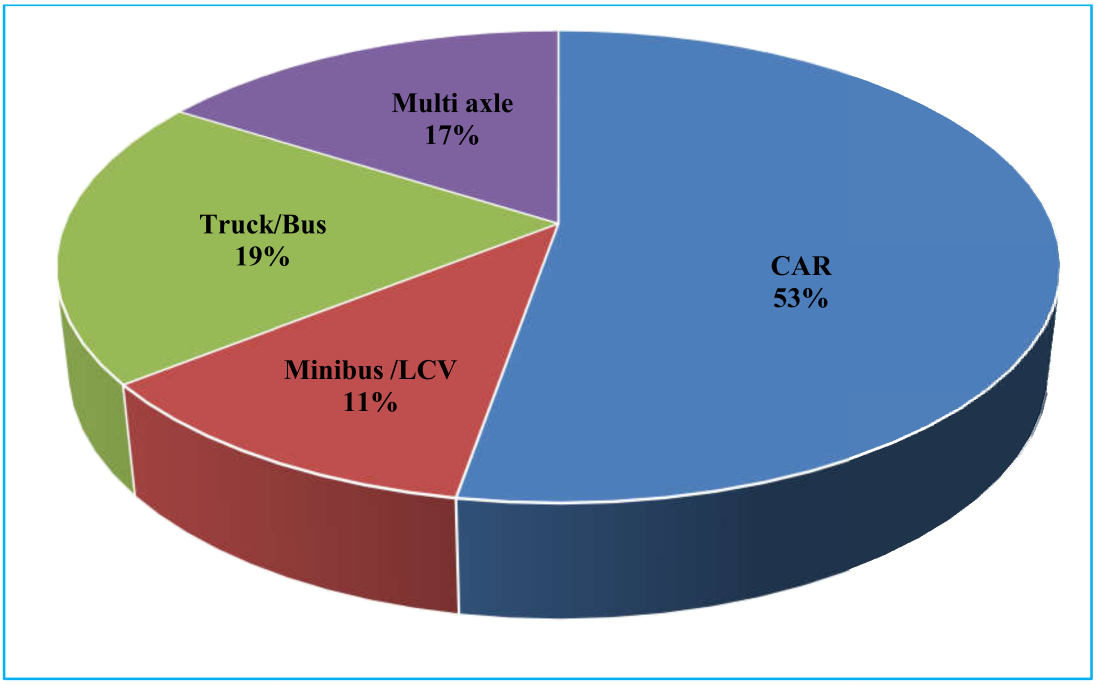


Figure 3-2: Modal Split of Traffic at Toll Plaza 398.500

It is observed that car traffic forms 53% of total traffic at toll plaza location Km 398.500. Share of LCV and bus / truck was 11% and 19% respectively. Multi axle consists of 17% of total traffic. Over all about 47% of traffic is commercial in nature. Higher percentage of urban traffic is due to the fact that on both end of stretch there are developing urban centers of Dindigul and Madurai.

Another important bifurcation of traffic is components of traffic with respect to various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category in 2015-16

Table 3-9 : Journey Type Bifurcation of Traffic at KM 398.500

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass
Car	44.8%	54.1%	0.1%	1.0%
Minibus /LCV	44.1%	54.1%	0.0%	1.8%
Truck/Bus	40.9%	27.6%	0.0%	31.5%
Multi axle	77.2%	22.4%	0.0%	0.4%

Following figure illustrate component of each type of journey in graphics for better understanding.

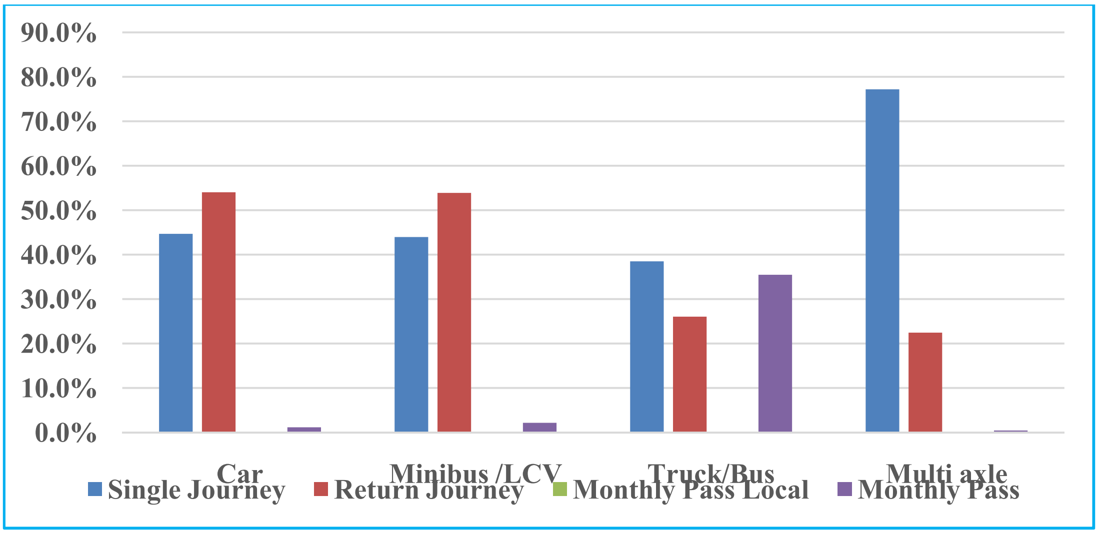


Figure 3-3: Journey Type Bifurcation at Toll Plaza 398.500

It can be observed that car and mini bus / LC have higher share of return journey as compared to single journey. Multi axle and 2 axle have higher share of single journey. Over all return journeys represent 40% of the total traffic. High proportion of return journeys reflects presence of strong localized urban transport magnets. Characteristic of Multi axle and trucks are typical of rural highways. The variation in modal split from financial year 2015-16 and 2016-17 is negligible and hence the split has not been changed.

3.4.3 Seasonal Variation in Traffic

Traffic on highway does not remain uniform throughout the year. Festivals, rains etc. are factors for such variation. Seasonal variation of traffic was worked out from the data available. Following figure depict monthly variation of AADT.

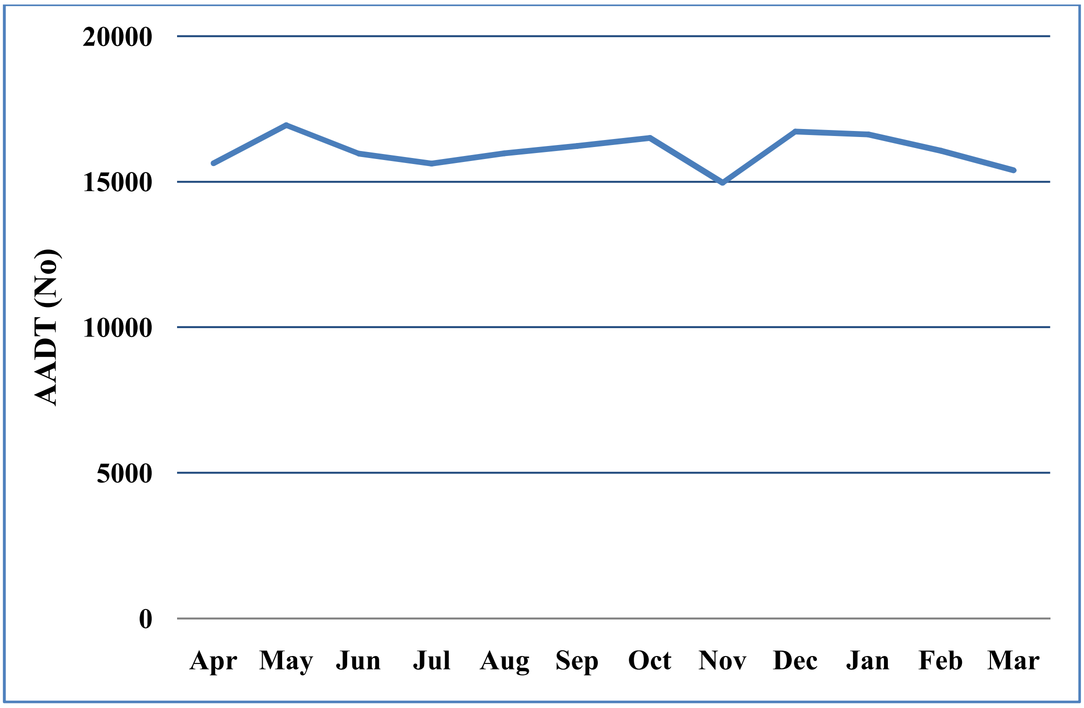


Figure 3-4: Seasonal Variation of Traffic at Project Highway

It is observed that traffic volume reduces in the rainy season from August to October. In the month of November, traffic reduced owing to demonetization and then picks up after November during the harvest season. Maximum Season correction factor varies between 0.92 to 1.07.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

The regression analysis has been done for a longer time span of five to eight years, using authentic data pairs for a common period sourced from the governmental publications, and exclusion of data pertaining to later years will have no significant impact on the outcome of this study.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flows on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time,
- Geometric deficiencies,
- Configuration of road,
- Riding comfort,
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Dindigul to Vadipatty
- Vadipatty to Samayanallur

Following figures depict competing road network of above pair of origin & destinations

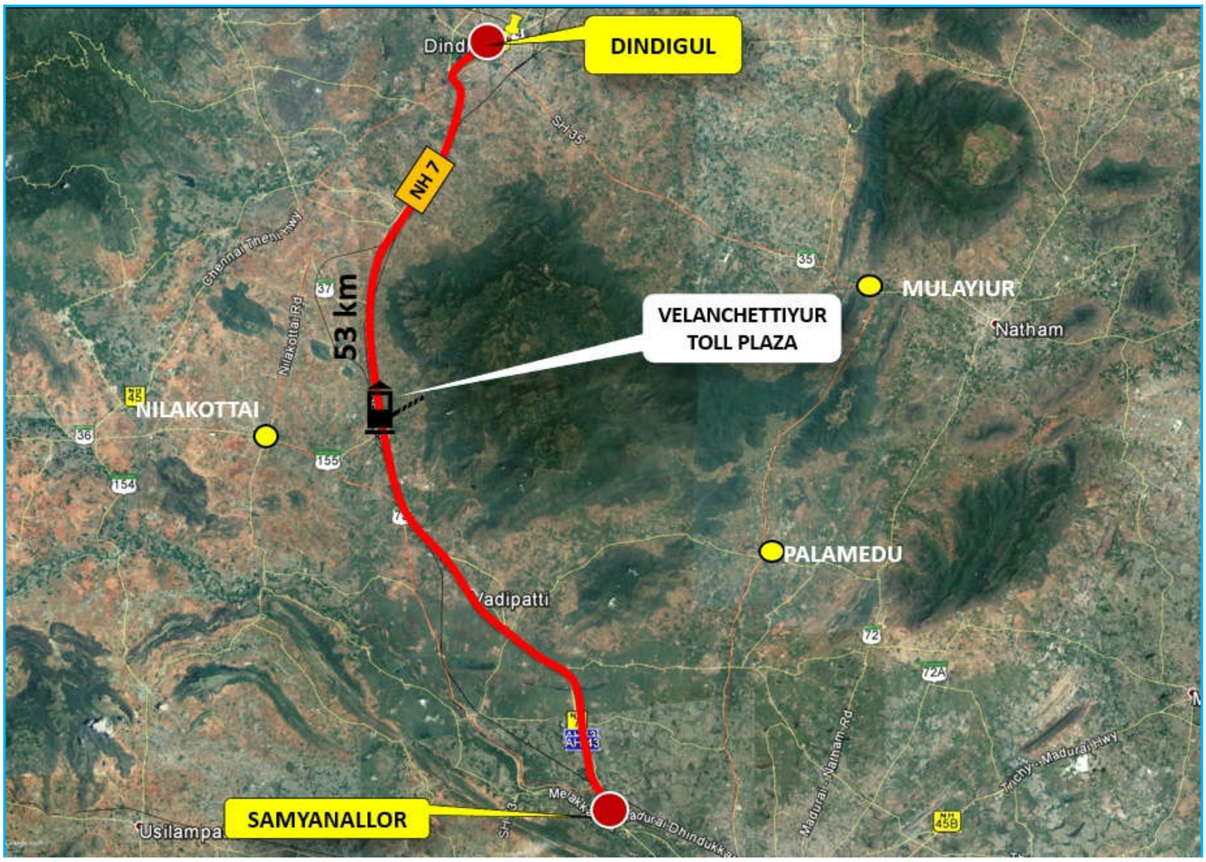


Figure 4-1: Project Alignment Dindigul to Samayanallur

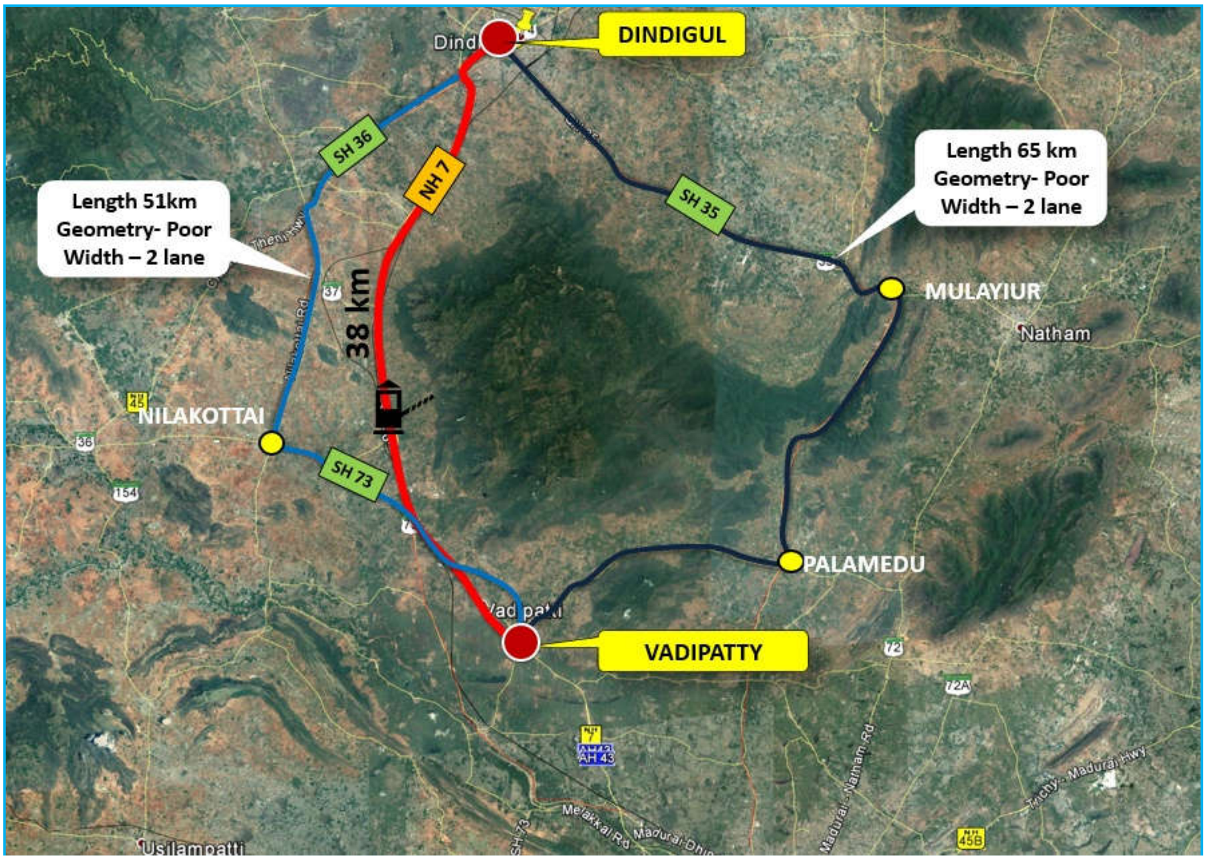


Figure 4-2: Competing Roads Dindigul to Vadipatty

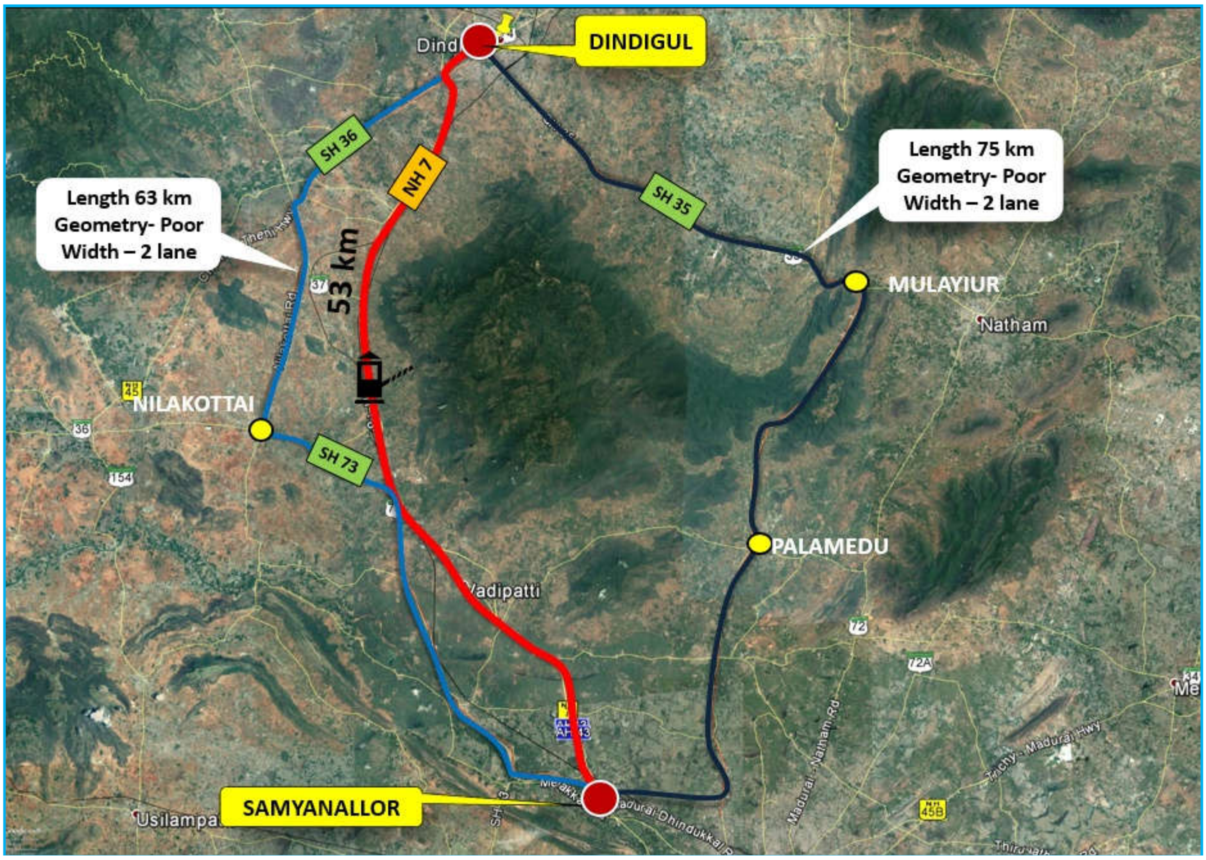


Figure 4-3: Competing Roads Dindigul to Samayanallur

It can be observed that the project highway is the spine of the corridor between Dindigul to Samayanallur. There are several local roads and state highways which if integrated can form a competing road network. However most of these roads run across project corridor covering much longer distances for the same pairs of origin and destination as compared to project highway. Moreover, the geometry and quality of road is inferior as compared to project section of NH-7, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches of damaged pavement.

The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Dindigul to Vadipatty competing road (SH-35- Mulayiur-Palamedu road) on East side	Competing Road	65	40	98	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-7 not expected
	Dindigul to Vadipatty via Project Road NH-7	**Project Road**	**38**	**70**	**33**	
	Dindigul to Vadipatty competing road (SH-36- Nilakottai-SH-73) on West side	Competing Road	51	40	77	
2	Dindigul to Samayanallur competing road (SH-35- Mulayiur-Palamedu road) on East side	Competing Road	75	40	113	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-7 not expected
	Dindigul to Samayanallur via Project Road NH-7	**Project Road**	**53**	**70**	**45**	
	Dindigul to Vadipatty competing road (SH-36-Nilakottai-SH-73) on West side	Competing Road	63	40	95	

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. Under these circumstances, it is not envisaged that commercial or passenger traffic would switch to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have several uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Dindigul - Samayanallur section of NH-7 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method, past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on several economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep - Par Capita Income
- Bus / Minibus - Population
- Trucks / Heavy / Goods Vehicle - NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

Log (P) = k x Log (EI) + A

Where,

P =Number of Vehicles (Mode wise)

EI =Economic Indicator

A =Regression constant

k = Elasticity coefficient (Regression coefficient)

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

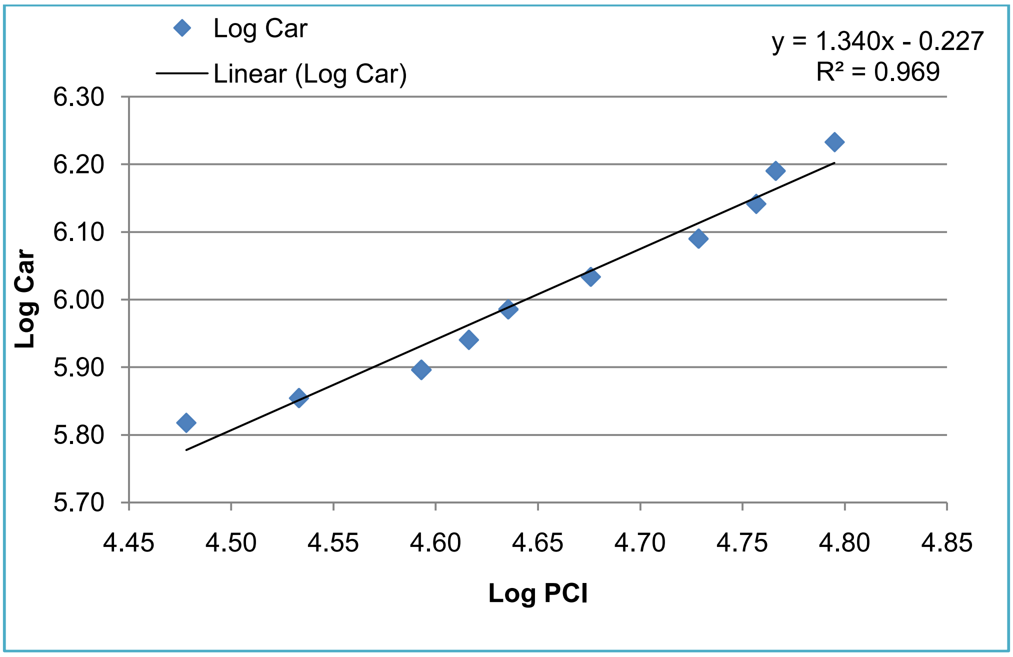


Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	0.8%	
2006	65135000	42999	7.81	4.63	0.8%	
2007	65629000	47765	7.82	4.68	0.8%	
2008	66106000	52617	7.82	4.72	0.7%	
2009	66566000	56338	7.82	4.75	0.7%	
2010	67012000	59240	7.83	4.77	0.7%	
2011	67444000	62725	7.83	4.80	0.6%	
2012	67862000	68096	7.83	4.83	0.6%	
2013	68265000	84488	7.83	4.93	0.6%	0.70%

Regression analysis of same is given in figure below

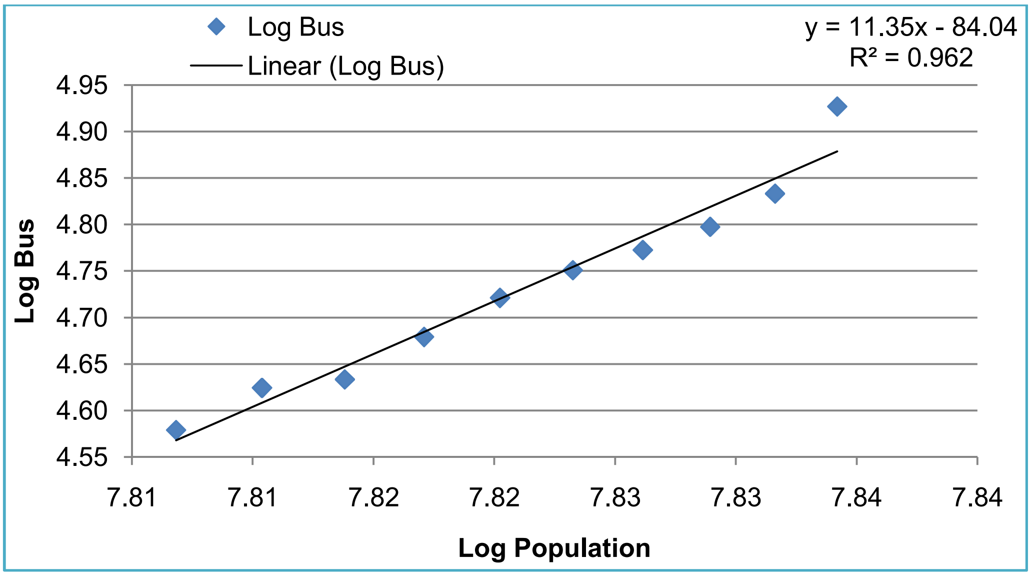


Figure 5-2: Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

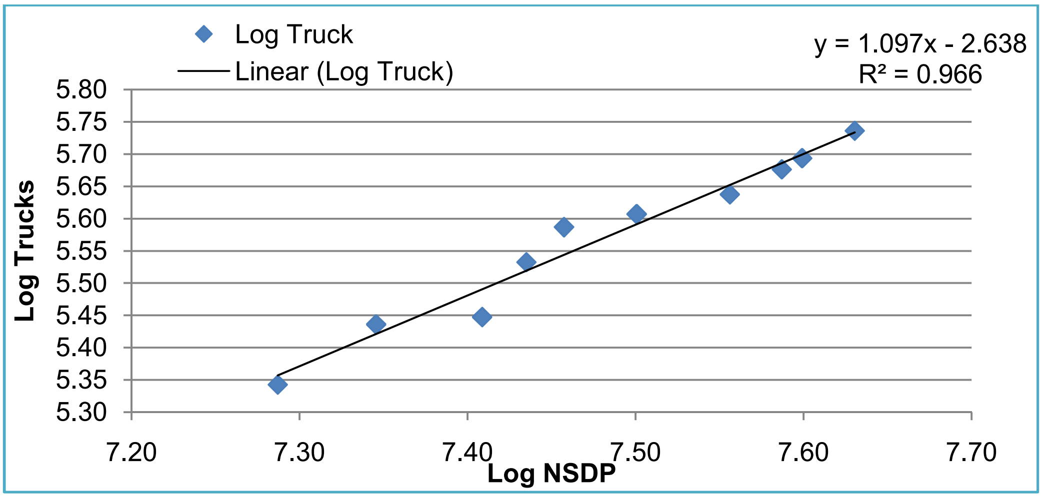


Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamil Nadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R^2 = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - -84.0434	R^2 = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R^2 = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

Concessionaire has carried out a sample survey of to analyze share of traffic of various states on project road. The study was done in 2012 at toll plaza. Survey was done for both side traffic and approximate sample size was 25% which can be considered as good sample. Following table provides summary of the same

Table 5-5 : Component Share of Various States in Project Traffic

State / Vehicle Type	Thailand	Karnataka	Kerala	ROI	Total
Car	84.21%	10.21%	3.00%	2.58%	**100.00%**
LCV	88.20%	7.22%	2.50%	2.08%	**100.00%**
2AT	91.88%	5.30%	1.10%	1.72%	**100.00%**
3AT	85.97%	5.20%	1.50%	7.33%	**100.00%**
MAV	84.13%	7.10%	2.20%	6.57%	**100.00%**

It can be observed that Tamil Nadu component is about 85%-90% in all categories of vehicles. Karnataka has part of next largest share of traffic volume.

In such case it would be apt to consider the growth perspective of Karnataka also at least for 3 Axle and MAV category of vehicle. A regression model for Karnataka traffic growth was prepared for period from 2005-06 to 2014-15. Summary of same is given in following table

Table 5-6 : Summary Regression Analysis- Karnataka

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient	Average IV Growth (5yrs)	Growth Elastic Model	Remarks
Karnataka	Car/Jeep	PCI	y = 1.1164x - 2.7365	R^2 = 0.9969	0.8535	14.30%	12.20%	Excellent Regression
	Bus	Population	y = 1.8755x - 10.293	R^2 = 0.956	7.197	1.05%	7.54%	Excellent Regression
	Truck	NSDP	y = 1.1164x - 2.7365	R^2 = 0.8539	1.42	6.53%	9.27%	Good Regression

This would be suitably considered while working traffic growth projections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Dindigul to Samayanallur has been commissioned and it under tolled operation June 2011.

The historical data available for corridor from 2010-11 to 2016-17 was analyzed. It exhibits steady growth in terms of passenger traffic. While as growth of commercial traffic is lesser as compared to passenger traffic. It may be due to ban on mining in state which has recently been lifted in 2015. Following table presents overall growth of traffic on project corridor from year 2011 to year 2017.

Table 5-7 : Past Traffic Trends

Type of Vehicle	Year 2010-11	Year 2016-17	Overall Growth % (CAGR)
Car	4,121	8,492	12.81%
LCV	2,116	1,800	-2.66%
Bus/ Truck	2,999	3,045	0.25%
MAV	1,811	2,671	6.69%

It is observed that growth of LCV has declined while as Bus / Truck recorded a negligible growth. MAV traffic grew at good rate. It is an established fact that due to technology upgradation in logistic industry more and more LCV and 2 axle truck are being replaced with multi axle vehicle for transport of goods.

As recommended by **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways** "*This (historic growth) for short term projects but for longterm projections it would be erroneous for assume that the past rate of growth would prevail for long time in future. Economic conditions are bound to change over long period and it would be necessary to modify the rate of growth accordingly*".

It is thus clear that while developing a futuristic growth projections for highway projects, long terms factors like growth of economy and upcoming developments in area have greater impact than past trends. Considering above, both historic trend and economic factors (elasticity) have been considered suitably to work out recommended growth rate of traffic on project corridor.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

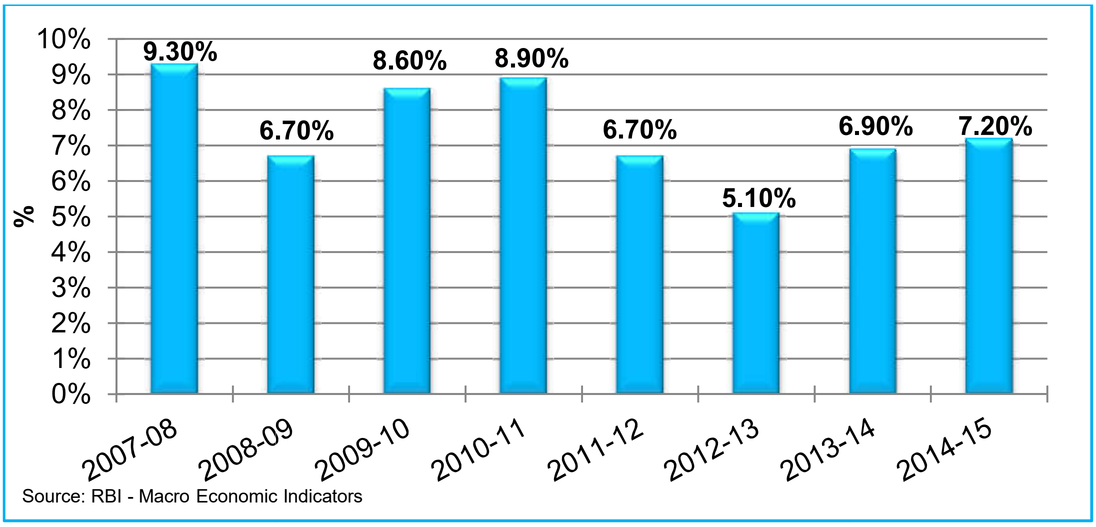


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Dindigul Area

- **Dindigul** is a city in the South Indian state of Tamil Nadu. It is the administrative headquarters of the Dindigul district. Dindigul has several historical monuments, the Rock Fort being the most prominent.Industries in Dindigul include Lock making, leather, textile spinning, administrative services, agricultural trading, banking, agricultural machinery and educational services.
- Locks and steel safes are manufactured in Dindigul and operated as a co-operative sector. Locks manufactured in Dindigul are sold in national and international markets. The Tamil Nadu State Council for Science and Technology, through its research officers wing, has filed geographical indication for Dindigul locks
- Silk, muslin and blanket manufacturing is common in Dindigul. The city has the second largest textile spindling capacity in the State. Chinnalapatti silk, a brand of silk saree is produced out of Chinnalapatti located 11 km (6.8 mi) from the city.
- Dindigul was an important centre of trade in tobacco and manufacture of cigars. A favorite cigar of Winston Churchill called Churut, the 'Light of Asia', was produced in Dindigul. The tobacco industry is one of the main sources of employment for the inhabitants of Dindigul. The central government has a research center for tobacco in Vedasandur. This is one of the two centers in India. In modern times, it has the largest trading centre in the state for chewing tobacco and scented betel nuts. Well-known brands of scented chewing tobacco like Angu Vilas, Roja Supari etc. operate out of the city and sent to various places in the state and outside.
- Dindigul is also one of the leading leather producers and suppliers in the state.

5.6.2 Developments around MaduraiArea

- **Samayanallur** is a small town located on NH-7, 12 kilometers from Madurai, Tamil Nadu. The main town just lies between the strip formed by the NH7 and Rail Track. On the south side is the river Vaigai and on the north side is Todaneri Lake.
- **Madurai** is a major city and cultural headquarters in the state of Tamil Nadu in India. It is the 31st largest urban agglomeration in India. Madurai is the third largest city by population in Tamil Nadu. Located on the banks of River Vaigai, Madurai has been a major settlement for two millennia and is one of the oldest continuously inhabited cities in the world.

  Madurai is an important industrial and educational hub in South Tamil Nadu. The city is home to various automobile, rubber, chemical and granite manufacturing industries. It has developed as a second-tier city for information technology (IT), and some software companies have opened offices in Madurai. The Tamil Nadu government has planned a satellite town for Madurai near Thoppur.

- **Education -** Madurai has been an academic centre of learning for Tamil culture, literature, art, music and dance for centuries. Madurai has important government educational institutes like the Madurai Medical College, Homeopathic Medical College, Madurai Law College, Agricultural College and Research Institute.
- Madurai is famed for its jasmine plantations, called "Madurai Malli", primarily carried out at the foothills of Kodaikanal hills and traded at the Madurai morning flower market. An average of 2,000 farmers sell flowers daily at the flower market.
- Madurai is one of the few rubber growing areas in South India, and there are rubber-based industries in Madurai. Gloves, sporting goods, mats, other utility products and automobile rubber components are the most produced items by these industries. There are numerous textile, granite and chemical industries operating in Madurai.
- Madurai is promoted as a second-tier city for IT. The state government proposed two IT-based Special Economic Zones (SEZ) in Madurai, and these have been fully occupied by various IT companies. Software Technology Parks of India, an agency of the Government of India, has

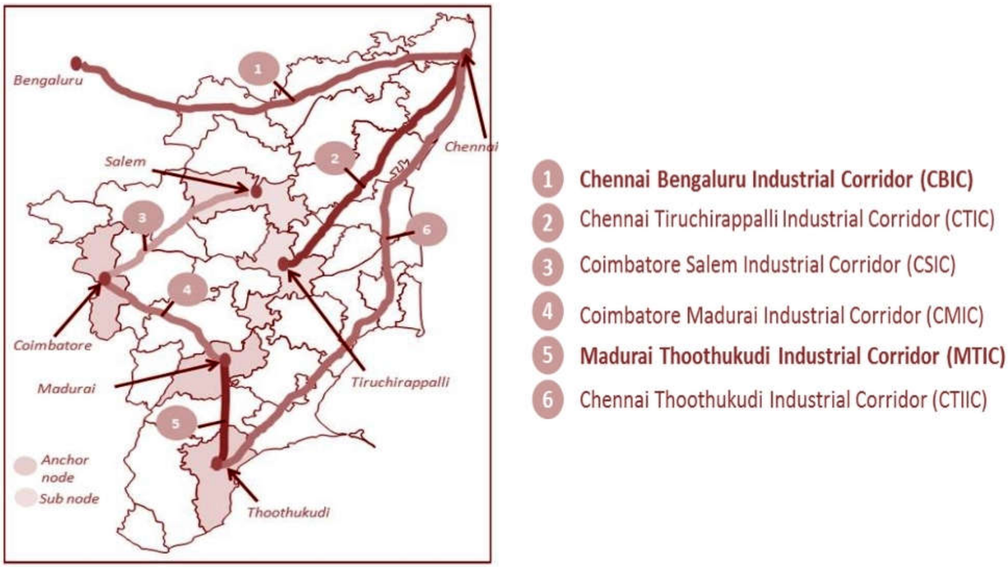
authorised several such companies to receive benefits under its national information technology development program.

- Madurai is popularly called *Thoonga Nagaram* meaning the city that never sleeps, on account of the active night life. The city attracts many tourists from within the country and abroad. About 9,100,000 tourists visited Madurai in 2010, including 524,000 foreigners. The major attractions in the area are
  - Meenakshi Amman Temple, Koodal Azhagar Temple
  - Pazhamudircholai Murugan Temple
  - Kazimar Big Mosque, Goripalayam Mosque, Tirupparankunram Dargah
  - Thirumalai Nayak Palace
  - Gandhi Memorial Museum, Madurai
  - The Eco park, Rajaji children's park,

Some of the big projects around the project corridor are detailed below

5.6.3 Madurai - Thoothukudi Industrial Corridor

Manufacturing, knowledge hubs, agri business and tourism zones are expected to come along the national highway NH 45B that connects Madurai to Tuticorin. The total infrastructure investment is estimated to be Rs 40,000 crore with an employment generation capacity of 18 lakhs. Madurai is expected to have a manufacturing hub spread over 5,000 hectares. A thermal energy hub, port based industries, an integrated ship building and ship repair yard complex spread over a similar area is proposed for Tuticorin, while a renewable energy hub is proposed for Tirunelveli. Two knowledge hubs are being proposed, one each in Madurai and Tirunelveli. Spread over 202.43 acres, Mahindra has proposed an international class education hub for the temple city while Tirunelveli would be home to IT, ITeS, BPO and KPO firms



5.6.4 Coimbatore - Madurai Industrial Corridor

Coimbatore - Madurai Industrial Corridor would cover areas such as Walayar, Pollachi and Mettuppalaiyam. The Coimbatore - Tirupur path would be a manufacturing and business investment region spread across 5,000 hectares, home to heavy engineering industries and precision tools. A logistics hub is proposed at Walayar. The Erode -Namakkal region has been designated as an agri business investment region that would be spread over a similar area and would house agro food processing industries, mega food parks an agro SEZs. The infrastructure estimate for the Coimbatore-Salem corridor is pegged at Rs 14,711 crore while the industrial investment for the region is estimated to be Rs 43,189 crore.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, overall growth rates are recommended for each category of vehicle. Rate of growth is moderated considering overall regional trend. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years.

Impact of other important factors affecting growth is taken as under.

- A weightage of 30% and 70% is assigned to past trends and growth by elastic model respectively. The weightage of past trend growth has been kept at 20% in case of LCV and Bus / Truck as their growth is abnormally low.
- As per state share distribution of traffic, Karnataka growth rates of elastic model are assigned weightage 10% to car and MAV category while 90% weightage is given to Tamil Nadu elastic model growth rate. For LCV category only Tamil Nadu growth rates are considered. 5% weightage is given to Karnataka growth for bus / truck category and rest 95% to Tamil Nadu in line with traffic distribution.
- Due to technological advances in logistic industry greater preference is now given to Multi Axle (MAV) over conventional 2/3 Axle truck. To accommodate this in growth projection growth rate of MAV is stepped down in future year by lesser offset as compared to that of Car, LCV and Bus truck. Additionally, final growth rate of MAV is brought up by 0.5% to accommodate conversion of 2 axle truck to multi axle MAV.
- Final growth rate of car is moderated by 1% to make it more representative.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-8 : Recommended Growth RatesOptimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.80%	10.80%	9.55%	8.05%	6.55%
Mini Bus /LCV	6.60%	5.60%	4.10%	2.60%	1.10%
Truck / Bus	7.10%	6.10%	4.60%	3.10%	1.60%
Multi Axle	9.00%	8.50%	7.50%	6.50%	5.50%

Table 5-9 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.80%	9.80%	8.55%	7.05%	5.55%
Mini Bus /LCV	5.60%	4.60%	3.10%	1.60%	0.10%

Truck / Bus	6.10%	5.10%	3.60%	2.10%	0.60%
Multi Axle	8.00%	7.50%	6.50%	5.50%	4.50%

Table 5-10 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.30%	10.30%	9.05%	7.55%	6.05%
Mini Bus /LCV	6.10%	5.10%	3.60%	2.10%	0.60%
Truck / Bus	6.60%	5.60%	4.10%	2.60%	1.10%
Multi Axle	8.50%	8.00%	7.00%	6.00%	5.00%

CHAPTER 6

TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- 398.500 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	9,494	1,919	3,261	2,912	**17,586**	**35,259**
2018-19	10,614	2,046	3,493	3,174	**19,326**	**38,443**

2019-20	11,867	2,181	3,741	3,459	**21,248**	**41,928**
2020-21	13,148	2,303	3,969	3,753	**23,173**	**45,400**
2021-22	14,568	2,432	4,211	4,072	**25,284**	**49,176**
2022-23	16,142	2,568	4,468	4,419	**27,596**	**53,282**
2023-24	17,885	2,712	4,741	4,794	**30,131**	**57,748**
2024-25	19,816	2,864	5,030	5,202	**32,912**	**62,609**
2025-26	21,709	2,981	5,261	5,592	**35,543**	**67,127**
2026-27	23,782	3,103	5,503	6,011	**38,400**	**71,997**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- 398.500 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	9,409	1,901	3,231	2,885	**17,426**	**34,936**
2018-19	10,425	2,007	3,428	3,116	**18,976**	**37,741**
2019-20	11,551	2,120	3,637	3,365	**20,673**	**40,785**
2020-21	12,683	2,217	3,823	3,617	**22,340**	**43,755**
2021-22	13,926	2,319	4,018	3,889	**24,152**	**46,957**
2022-23	15,291	2,426	4,222	4,180	**26,120**	**50,409**
2023-24	16,789	2,538	4,438	4,494	**28,259**	**54,132**
2024-25	18,434	2,654	4,664	4,831	**30,584**	**58,148**
2025-26	20,011	2,737	4,832	5,145	**32,724**	**61,764**
2026-27	21,722	2,822	5,006	5,479	**35,028**	**65,629**

Traffic projections for Most Likely scenario are given as under

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- 398.500 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	9,451	1,910	3,246	2,898	**17,506**	**35,097**
2018-19	10,519	2,027	3,460	3,145	**19,151**	**38,091**
2019-20	11,708	2,150	3,689	3,412	**20,959**	**41,354**
2020-21	12,914	2,260	3,895	3,685	**22,754**	**44,572**
2021-22	14,244	2,375	4,114	3,980	**24,712**	**48,056**
2022-23	15,711	2,496	4,344	4,298	**26,849**	**51,829**
2023-24	17,330	2,623	4,587	4,642	**29,182**	**55,915**
2024-25	19,114	2,757	4,844	5,013	**31,729**	**60,342**
2025-26	20,844	2,857	5,043	5,364	**34,108**	**64,396**
2026-27	22,731	2,959	5,249	5,740	**36,679**	**68,747**

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Dindigul - Samayanallur section of NH-7 is based on old toll policy. As per the Toll Notification (Schedule G) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.

3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
   a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate based on WPI are done as per toll notification (Schedule G) as given under also.

$$\text{Base Fee X } \frac{\text{WPI-B}}{\text{WPI-A}} \text{ X length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule G of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates 19997-98

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule G. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

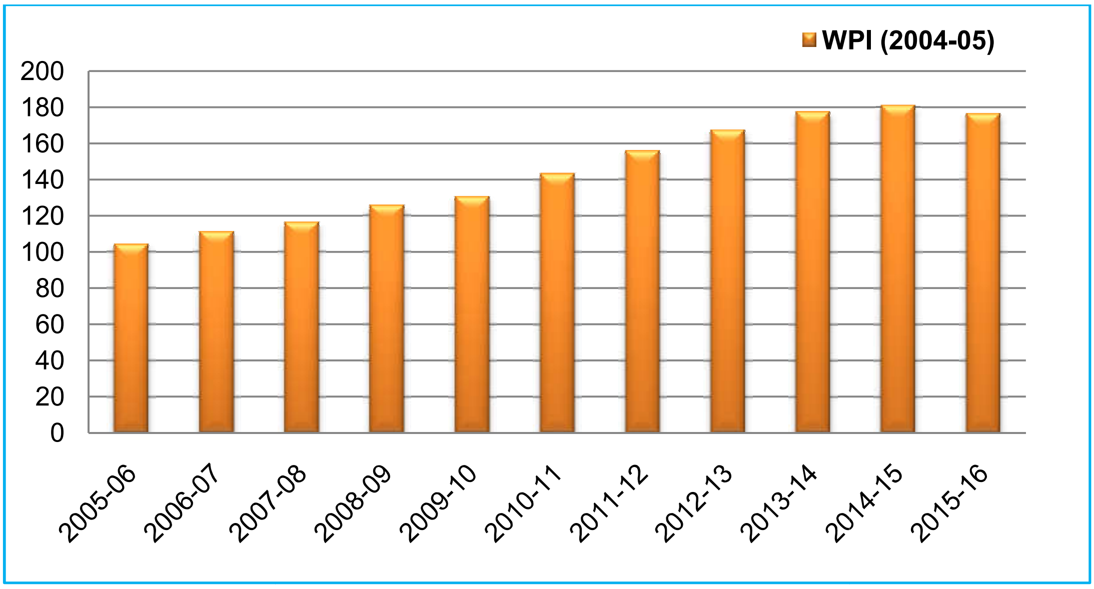


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. The inflation rate for March 2017 is 5.7%. Taking future trends of economy in to consideration, following average WPI inflation is used for projections of toll rates

- Up to Year 2018 - 4.0%
- 2019-21 - 5.0%
- 2022-26 - 4.0%
- 2027-31 - 3.0%
- 2032-40 - 2.0%

Toll rates are calculated as per guidelines provided in schedule G for the concession period and are given below.

Thus, worked out rates for various categories of vehicle and discounts are given as under. These rates are applicable from September 1st of the respective financial year.

Table 7-2 : Toll Rates for Single Journey @Toll Plaza 1- 398.500 KM

Year	Car/Jeep /Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/ Bus - LTO
2017-18	55	100	195	315	15	15	25
2018-19	60	100	205	325	15	15	25
2019-20	60	105	215	345	15	15	25

2020-21	65	110	225	360	15	15	25
2021-22	65	120	235	380	15	15	25
2022-23	70	125	245	395	15	15	25
2023-24	75	130	255	410	15	15	25
2024-25	75	135	265	425	15	15	25
2025-26	80	140	275	445	15	15	25
2026-27	80	145	285	460	15	15	25

Table 7-3 : Toll Rates for Multiple Journeys @ Toll Plaza 1- 398.500 KM

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	85	145	295	470
2018-19	85	155	305	490
2019-20	90	160	320	515
2020-21	95	170	335	540
2021-22	100	175	355	570
2022-23	105	185	370	590
2023-24	110	190	385	615
2024-25	115	200	400	640
2025-26	120	205	415	665
2026-27	125	215	430	690

Table 7-4 : Toll Rates for Monthly Pass @Toll Plaza 1- 398.500 KM

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car – LT1	Car – LT2	School Bus

2017-18	1680	2940	5875	9445	150	300	1000
2018-19	1745	3055	6110	9820	150	300	1000
2019-20	1835	3210	6415	10310	150	300	1000
2020-21	1925	3370	6735	10825	150	300	1000
2021-22	2020	3535	7075	11370	150	300	1000
2022-23	2100	3680	7355	11825	150	300	1000
2023-24	2185	3825	7650	12295	150	300	1000
2024-25	2275	3980	7955	12790	150	300	1000
2025-26	2365	4140	8275	13300	150	300	1000
2026-27	2460	4305	8605	13830	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely***growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2026-27 (Expected End of Concession Period) starting from the year 2016-17 are shown in tables below.

Overloading of commercial vehicles is a known phenomenon on Indian roads. Currents project witnessed instances of overloading. These vehicles can be charge at extra higher rate as per contract to discourage overloading. A sample study done at Hosur Krishnagiri section of NH-7 by concessionaire shows that at present overloading charges can be translated to about 7% extra revenue. For next 2-3 years, this trend may continue at same % then it would gradually diminish over a period of say 8-10 years.

Following table provides expected component of revenue from overloading

Table 7-5 : Expected Overloading Revenue

Year	Expected Revenue from Overloading

2017-18	7%
2018-19	7%
2019-20	5%
2020-21	5%
2021-22	4%
2022-23	4%
2023-24	3%
2024-25	3%
2025-26	2%
2026-27	2%

Toll revenue projections, excluding revenue from overloading, are given in following tables

Table 7-6 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Toll at Plaza 398.500
2017-18	70.70
2018-19	80.50
2019-20	91.63
2020-21	103.71
2021-22	117.93
2022-23	133.68
2023-24	151.57
2024-25	170.17
2025-26	190.08
2026-27	66.64

Table 7-7 : Toll Revenue Pessimistic Scenario (Rs. Crores)

Year	Toll at Plaza 398.500
2017-18	70.05

2018-19	79.03
2019-20	89.13
2020-21	99.95
2021-22	112.61
2022-23	126.46
2023-24	142.07
2024-25	158.04
2025-26	174.88
2026-27	60.74

Table 7-8 : Toll Revenue Most Likely Scenario (Rs. Crores)

Year	Toll at Plaza 398.500
2017-18	70.38
2018-19	79.77
2019-20	90.37
2020-21	101.81
2021-22	115.24
2022-23	130.03
2023-24	146.76
2024-25	164.01
2025-26	182.34
2026-27	63.63

CHAPTER 8

OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose, major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed. As per condition of contract, major maintenance including overlay of wearing course would be done at interval of 5 years. Concessionaire has carried out major repair and renewal in 2016 hence as per condition of contract next periodic repair would be taken up after 5 years. Same is considered while developing cost of maintenance and repair.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure

- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	53.04	KM
Main Carriageway	Paved Area	946496	SQM
Service Road	Paved Area	94010	SQM
Bus bays	Paved Area	20580	SQM
Truck Lay bye	Paved Area	2925	SQM
Structure		**15853**	SQM
Major Bridge	Area	0	SQM
Minor Bridge	Area	2833	SQM
Flyover	Area	13020	SQM
RCC Crash Barrier	Length	4015	RMT
Metal Beam Crash Barrier	Length	10605	RMT
Guard Post	Nos	21210	No.
Kerb Detail	Length	106050	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Dindigul to Samayanallur section on NH-7 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections.Ministry in its Specifications for Road & Bridge Works (5th Revision) has included Micro Surfacing as surface sealing and renewal treatment. NHAI has also issued instruction to use Micro Surfacing for periodic renewal course vide letter dated 15th November 2016. In light of above, Micro Surfacing is considered as overlay course in 45% of the project stretch. For balance 55% normal asphalt course is considered. Also, from practicality of construction and traffic operation on project road, Major Maintenance and Repair (MMR) work is spread over a period of 2 years. Toll operation on project road commenced in year 2009-10. Considering 5 years MMR cycle, next cycle of MMR is expected in year 2021-22.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Regular Operation & Maintenance Cost

Year	Total Regular O & M Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Regular O & MExpenditure (Rs. Crores) with Escalation
2017-18	6.84	1.00	6.84
2018-19	6.84	1.05	7.19
2019-20	6.84	1.10	7.54
2020-21	6.84	1.16	7.92

2021-22	6.84	1.20	8.24
2022-23	6.84	1.25	8.57
2023-24	6.84	1.30	8.91
2024-25	6.84	1.35	9.27
2025-26	6.84	1.41	9.64
2026-27	6.84	1.43	9.77

Table 8-3 : Year wise Details of Major Maintenance & Repair (MMR) Cost

Year	Total Length of Project Road (Km)	No. of Lanes	Total Lane Km	Normal Overlay Lane Km Length (55% of the total)	Micro Surfacing Lane Km Length (45% of the total)	Rate of Normal Overlay Per Km Per Lane (Rs. Cr.)	Rate of Micro Surfacing Overlay Per Km Per Lane (Rs. Cr.)	Total Cost of Major Maintenance & Repair Current Price Rs Cr	Escalation Factor	Total Cost of Major Maintenance & Repair at Escalated Price Rs. Cr
2017-18	53.05	4	212.20							
2018-19	53.05	4	212.20							
2019-20	53.05	4	212.20							
2020-21	53.05	4	212.20							
2021-22	53.05	4	212.20	58.35	47.74	0.16	0.05	11.72	1.26	14.80
2022-23	53.05	4	212.20	58.35	47.74	0.16	0.05	11.72	1.26	14.80
2023-24	53.05	4	212.20							
2024-25	53.05	4	212.20							
2025-26	53.05	4	212.20							
2026-27	53.05	4	212.20							

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

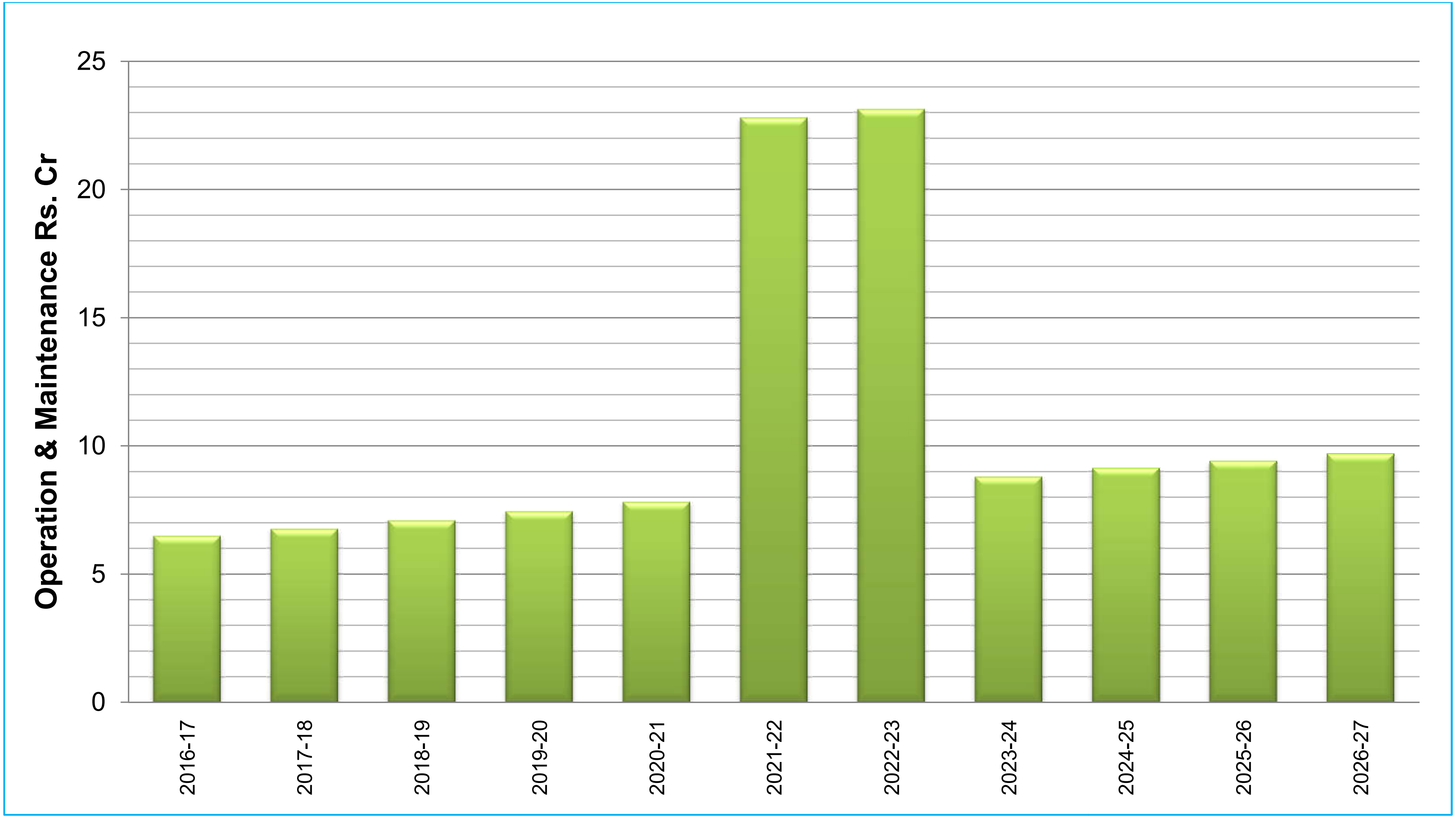


Figure 8-1 : Yearwise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Dindigul to Samayanallur section of NH-7 in state of Tamil Nadu from km 373.275 to km 426.60is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. The project corridor is a part of critical North – South connectivity via national highway NH-7. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

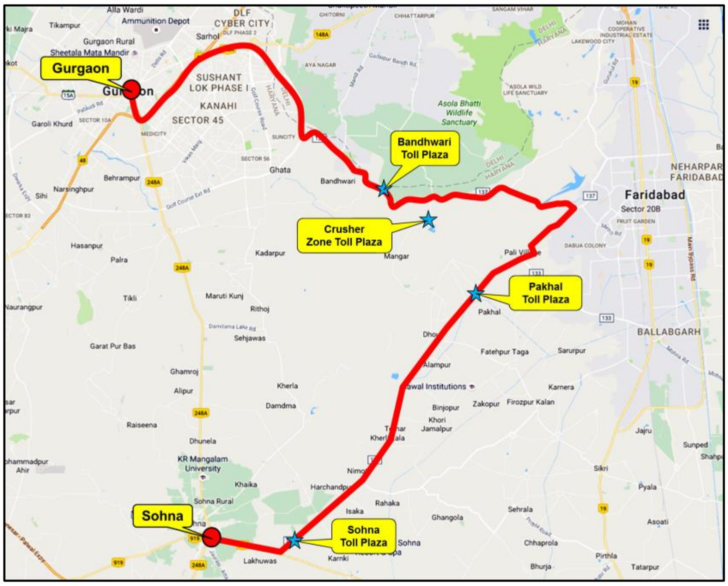
a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ about 8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage on account of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.



RELIANCE

Reliance Infrastructure InvIT Fund

Traffic Study for Gurgaon-Faridabad and Ballabgarh-Sohna Road

Final Report

April 2017

SYSTRA INDIA

Contents

Chapter 1 Introduction

1.1 Preamble

The expansion and development of efficient road network is one of the prerequisites for country's economic progress. Over the years, roads have emerged as preferred mode of transport in India and figures suggest that highways carry 60% of freight and 80% of passenger traffic.

Haryana Government has authorised Haryana Public Works Department (Building & Roads Branch) for construction of 33.10 kms long 4-lane corridor between Gurgaon and Faridabad and improvement / reconstruction of 33.98 kms long Ballabhgarh-Sohna Road. Both these roads are in Gurgaon and Faridabad Districts of Haryana. This Project was executed by *Reliance Infrastructure Limited* (GF Toll Road Private Limited) on BOT basis. The project construction works have been completed and the commercial operation commenced in June 2012.

On January 31, 2009, the Haryana Public Works Department and GF Toll Road Private Limited entered into a concession agreement in respect of the Gurgaon Faridabad Project. GF Toll Road Private Limited was engaged to upgrade the existing road from Km 0.00 to Km 24.31 on the section of the Gurgaon – Faridabad road, Km 0.00 to Km 6.10 of the section of the MCF road, Km 0.00 to Km 3.10 of the section of the Crusher Zone road, Km 0.00 to Km 28.58 of the section of the Ballabhgarh – Lukhawas junction road and Km 0.00 to Km 4.10 of the section of the Pali – Bhakri road. The total length of road to be widened from two to four lanes was 66.19 Kms, on a BOT basis. Haryana PWD (B&R) Bench granted GF Toll Road Private Limited a concession for a period of 17 years for this project. A one-time premium of Rs. 150.3 crores was payable to the NHAI within 30 days of financial close. The concession period commenced on May 31, 2009 and is expected to expire on May 30, 2036. A provisional certificate of completion was issued on June 29, 2012. GF Toll Road Private Limited began collecting tolls with respect to this project on June 29, 2012. The Haryana Public Works Department owns the land that underlies the GF Project.

Reliance Infrastructure InvIT Fund has engaged *M/s Systra MVA Consulting (India) Private Limited* as Consultants for carrying out necessary traffic studies and assess the future traffic and toll potential of project along with related Operation and Maintenance expenditure involved

1.2 Project Corridor

The project road includes four stretches of roads in state of Haryana as shown in the **Table 1:1** below. Project Corridors include, 33.10 kms long 4-lane corridor between Gurgaon and Faridabad and 33.98 kms long Ballabhgarh-Sohna Road.

Table 1:1 – Project Corridor

Road Name	Length
Gurgaon Faridabad Road	24.31 km
Crusher Road	3.10 km
Ballabgarh Sohna Road	32.7 km
MCF Road	6.1 km
Total	66.19 km

Figure 1:1 Toll Plaza on Crusher Zone Road

Figure 1:2 shows the project corridor and location of toll plazas. There are four toll plazas that are in operation on the project corridor:

- Gurgaon – Faridabad Road – Bandhwari Toll Plaza at km12+450 (**Figure 1:4**)
- Ballabhgarh Sohna Road : i) Pakhal Toll Plaza at 12+050 km and ii) Sohna Toll Plaza at km 28+601 (**Figure 1:5** and **Figure 1.5**)
- Crusher Zone Road : Crusher Zone Toll Plaza at km 0+955 (**Figure 1:6**)

Figure 1:2 Project Corridor

Figure 1:3 Existing Toll Plaza Location at Bandhwari on Gurgaon Faridabad Road

Figure 1:4 Existing Toll Plaza at Pakhal (BS1) on Ballabhgarh Sohna Road

Figure 1:5 Existing Toll Plaza Location at Sohna (BS2) on Ballabhgarh Sohna Road

Figure 1:6 Existing Toll Plaza Location near Crusher Zone on Crusher Zone Road

1.3 Objectives & Scope of Work

The main objective of the study is to assess the future traffic and toll potential of project along with related Operation & Maintenance expenditure involved. The scope of consultancy services broadly covers the following:

- ✓ 7 days Video graphic traffic count at the existing toll plazas to derive the Average Daily Traffic (ADT).
- ✓ 24 hours Origin-Destination Survey at all the toll plaza locations to assess the existing travel pattern of vehicles plying on the project road including origin and destination.
- ✓ Analysis of past traffic data provided by the Concessionaire.
- ✓ Establish seasonality factors using toll traffic data.
- ✓ Estimation of Annual Average Daily Traffic (AADT).
- ✓ Estimation of traffic diversion/leakage, if any.
- ✓ Traffic projections for the remaining concession period.
- ✓ Estimation of toll revenue as per categories of traffic streams stipulated in the Concession Agreement for the remaining concession period.
- ✓ Prepare a Report on Revenue and Traffic Forecast.
- ✓ O&M cost analysis (O&M Cost per km) including projections based on the historical cost incurred/ booked by the toll operator.

1.4 Report Structure

For the above Scope of Work, Systra MVA has carried out a series of investigations. This report presents details on various surveys carried out for estimation of toll traffic and revenue on the Project Road, as well as findings from the analysis of survey data.

This Final Report is organized under five Chapters. **Chapter 1** deals with the Introduction and objectives of the study and the project corridor details. **Chapter 2** covers Study Approach & Methodology and a review of the secondary data collected is presented in **Chapter 3** . **Chapter 4** deals with the traffic surveys and their analysis. Estimation of traffic growth rates, traffic forecast, toll revenue estimation and O&M Cost is presented in **Chapter 5.**

Chapter 2 Study Approach & Methodology

2.1 General

The estimation of tollable traffic requires development of well-defined objectives and traffic database containing relevant information concerning traffic flow characteristics. The broad methodology followed for the present study is presented in **Figure 2:1**.

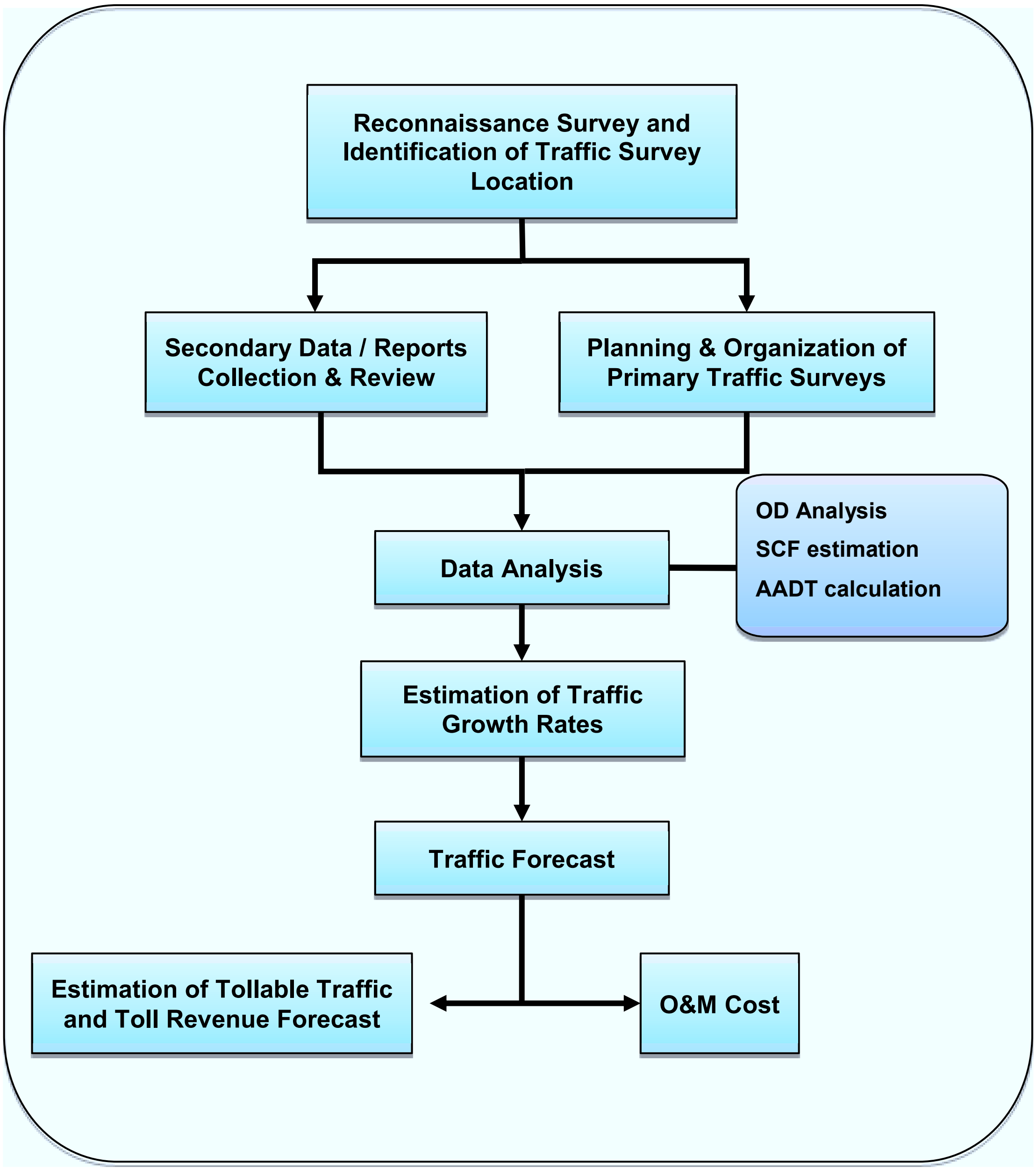


Figure 2:1: Broad Study Methodology

2.2 Primary Traffic Surveys

For traffic projections and toll revenue estimation, base year traffic volume on the project corridor and traffic characteristics like *local, through* traffic, proportion of frequent vehicles opting for return pass, monthly pass, etc. are required. To obtain these details, various surveys and studies were organized. The various traffic surveys carried out as part of the present study, the survey methodology and the survey schedule are presented in detail in the following sections. The review of secondary data collected is presented in **Chapter 3.**

The following primary surveys, in addition to the secondary data from various sources, are identified to establish the traffic & travel characteristics on the project corridor:

1. Detailed Inventory within project corridor and adjoining roads in Project Influencing Area
2. Video graphic Traffic Volume Count
3. Origin and Destination Survey

The project corridor and the survey location are schematically shown in **Figure 2:2** . It can be observed that the entire project stretch is covered extensively and appropriately in terms of capturing the traffic flows and characteristic of the project road. The survey methodology and the schedule is discussed in the following sections.

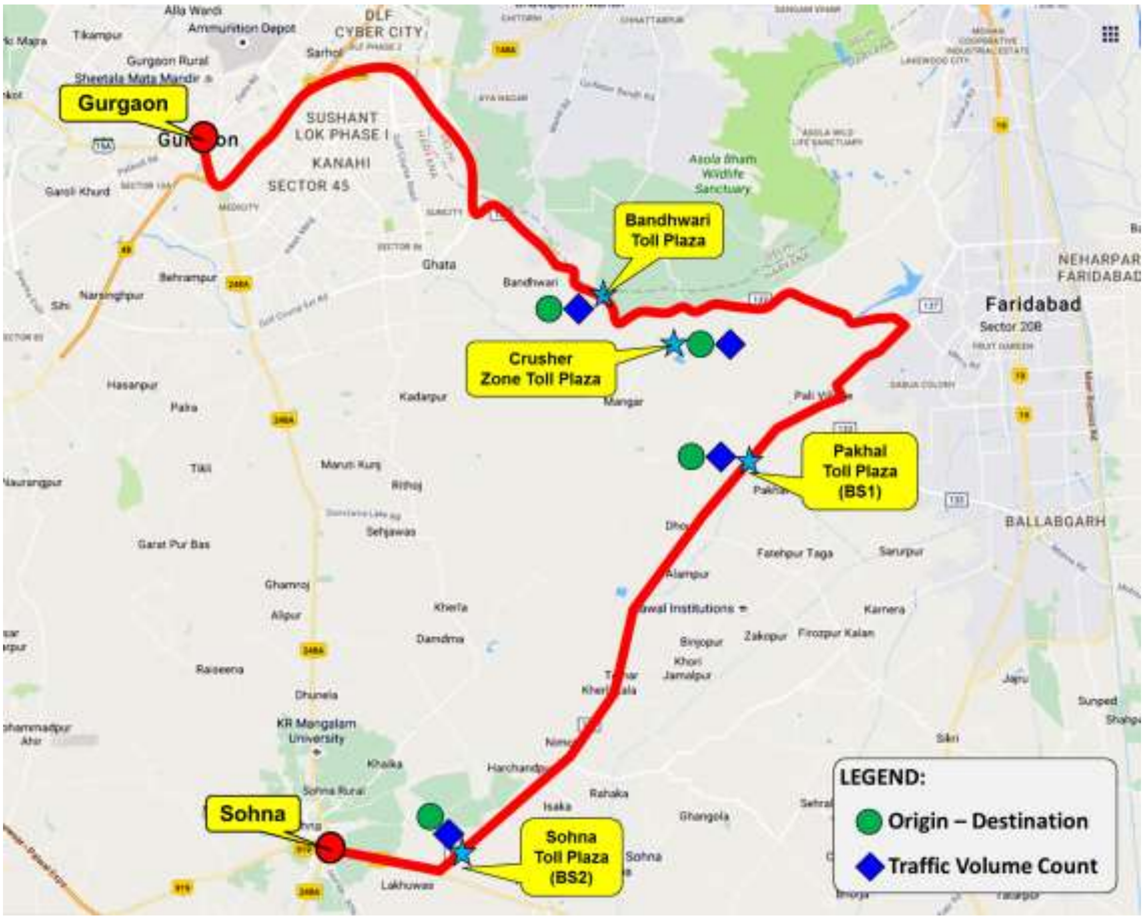


Figure 2:2 : Traffic Survey Locations

2.3 Classified Traffic Volume Count Survey

The 7-day (24 hours, both directions) Video graphic traffic volume count survey was carried out at the four toll plaza locations (Pakhal Toll Plaza (BS1) at km12+050, Sohna Toll Plaza (BS2) at km 28+601, Crusher Zone Toll Plaza at km 0+955 and Bandhwari Toll Plaza at km 12+450). Traffic was recorded using video cameras (Refer **Figure 2:3**) and data was extracted. Sufficient lighting arrangement were ensured for the video recording during night time. The traffic volume count data was processed using the commonly used spread sheet package. The processed hourly traffic volume data was compiled direction-wise.

Figure 2:3: Camera Location for Extraction

Data collected from site was analyzed to study daily variation and hourly variation of traffic, traffic composition and Average Daily Traffic (ADT) at the survey location. The various vehicle types having different sizes and characteristics were converted into equivalent passenger car units. The Passenger Car Unit (PCU) factors recommended by Indian Roads Congress as per IRC: 64-1990 *Guidelines for Capacity of Roads in Rural Areas* were adopted.

Average Daily Traffic (ADT)

Daily traffic volume by vehicle type and direction were added separately and averaged to determine the Average Daily Traffic.

Annual Average Daily Traffic (AADT)

To account for the seasonal variation in the traffic, seasonal correction factors were worked out using past toll traffic data from the toll operator. Seasonal variation factors were estimated for each category of vehicle.

2.4 Origin and Destination Survey

The origin and destination (OD) survey was carried out with the primary objective of studying the travel pattern of passenger and goods traffic along the study corridor. The OD survey was carried out for one day (24 hours) on a typical weekday at the toll plaza locations (Pakhal Toll Plaza (BS1) at km 12+050, Sohna Toll Plaza (BS2) at km 28+601, Crusher Zone Toll Plaza at km 0+955 and Bandhwari Toll Plaza at km 12+450) (Refer **Figure 2:4**).

Figure 2:4: Origin Destination Survey

Roadside Interview method was adopted for conducting the survey. The vehicles were stopped on random sample basis and the drivers/ users were interviewed by trained enumerators to collect the needed information/data. The survey format is finalized keeping in view the existing concessions as per Concession Agreement. The pertinent information in respect of travel characteristics including the following were collected during the OD Surveys;

- Origin zone & Destination zone of the trip
- Trip Purpose
- Frequency of travel
- Trip Length
- Type of Commodity (Commercial Vehicles)

2.5 Secondary Data collection

In addition to the data collected through primary surveys, the following data/ information was collected from toll operator and various sources. Review of the secondary data collected is presented in **Chapter 3.**

- Registered motor vehicles data from the Road Transport Authority (RTA) for the Project Influencing states.
- Past toll traffic data
- Net State Domestic Product for the major influencings states of project corridor traffic.
- Competing facilities that could affect the traffic on project corridor in future.

2.6 Survey Schedule

The traffic surveys were carried out in consultation with the Client and survey schedule is presented in the **Table 2:1**.

Table 2:1: Survey Schedule

S. No	Type of Surveys	Chainage Location	Duration
1	7 Day Video graphic Volume Count	Km 12+050 (Pakhal Toll Plaza (BS1))	28th September to 5th October 2016 (7 Days)
2	Origin Destination Survey	Km 12+050 (Pakhal Toll Plaza (BS1))	24 Hours (30th September 2016)
3	7 Day Video graphic Volume Count	Km 28+601 (Sohna Toll Plaza (BS2))	28th September to 5th October 2016 (7 Days)
4	Origin Destination Survey	Km 28+601 (Sohna Toll Plaza (BS2))	24 Hours (1st October 2016)
5	7 Day Video graphic Volume Count	Km 0+955 (Crusher Zone Toll Plaza)	28th September to 5th October 2016 (7 Days)
6	Origin Destination Survey	Km 0+955 (Crusher Zone Toll Plaza)	24 Hours (30th September 2016)
7	7 Day Video graphic Volume Count	Km 12+450 (Bandhwari Toll Plaza)	28th September to 5th October 2016 (7 Days)
8	Origin Destination Survey	Km 12+450 (Bandhwari Toll Plaza)	24 Hours (29th September 2016)

2.7 Traffic Data Analysis

Detailed analysis of the primary survey data and secondary data was undertaken to assess the traffic and travel characteristics of the project corridor. Daily traffic volume by vehicle type and direction at the survey location was used in determining Average Daily Traffic (ADT). The Annual Average Daily Traffic (AADT) was determined after applying seasonal correction factors to ADT. The tollable traffic was assessed after taking into account the toll exempted vehicles.

2.8 Traffic Forecasting

The accuracy of traffic forecast depends upon the accuracy of the growth factors. To establish the future traffic growth rates, following approaches were explored.

- Growth in registered motor vehicles
- Transport Demand Elasticity Approach

The growth rates are assessed for three scenarios viz. optimistic, realistic and pessimistic. Based on these growth rates, traffic was projected for the reaming concession period. The diversion of traffic due to competing facilities, if any, as well as the generated traffic due to proposed new developments is also taken into consideration while estimating the future traffic.

2.9 Toll Revenue Estimation

The project is a toll road project. Tollable traffic on section of the project corridor was derived from the analysis of primary surveys. The base year tollable traffic was projected to future years using the adopted growth rates and toll revenue is estimated for each year using the specified toll rates as per the Concession Agreement. While estimating the toll revenue, toll exempted vehicles and various applicable concessions, if any, was taken into consideration.

2.9.1 Toll Exempted Vehicles

The toll exempted vehicles as per the Notification dated 10th January 2012, by Haryana Government are as follows;

- ✓ Two wheelers
- ✓ Tractor trolley carrying agriculture produce
- ✓ Defence Vehicles
- ✓ Ambulances/ Funeral Vans
- ✓ Police Vehicles/ Fire Fighting Vehicles
- ✓ Local Traffic (non-commercial) in the vicinity of toll road, and
- ✓ Non-commercial vehicles owned by all State Government, Government of India and Haryana State Government Undertaking

Chapter 3 Review of Secondary Data

3.1 General

The project corridor connects important places of Haryana (Gurgaon, Faridabad, Sohna, Ballabhgarh and Crusher Zone). The traffic intensity on any highway is a function of population, Net State Domestic Product (NSDP) and number of registered motor vehicles in the influencing area. The growth in each parameter will have significant impact on the traffic intensity on the project corridor. For the estimation of future traffic on the corridor and toll revenues, Consultants have collected extensive secondary information/ data including the following:

- Population of Haryana State
- Net State Domestic Product (NSDP) of Haryana State and major influencings states of project corridor traffic
- Registered Motor Vehicles in Haryana
- Past traffic data at the four toll plazas located on project road

3.2 Population of Haryana

Growth in population in project road influence area will have significant impact on the passenger traffic on the project corridor. **Table 3**:1 shows the population of Haryana State.

Table 3:1 Population Details

State/ District	Persons (Census 2011)	Growth Rate - 2001-2011 (%)
Haryana	25353081	19.9
Panchkula	558890	19.3
Ambala	1136784	12.1
Yamunanagar	1214162	16.6
Kurukshetra	964231	16.8
Kaithal	1072861	13.4
Karnal	1506323	18.2
Panipat	1202811	24.3
Sonipat	1480080	15.7
Jind	1332042	12.0
Fatehabad	941522	16.8
Sirsa	1295114	16.0
Hisar	1742815	13.4
Bhiwani	1629109	14.3
Rohtak	1058683	12.6
Jhajjar	956907	8.7
Mahendragarh	921680	13.4
Rewari	896129	17.1
Gurgaon	1514085	73.9
Mewat	1089406	37.9

State/ District	Persons (Census 2011)	Growth Rate - 2001-2011 (%)
Faridabad	1798954	31.7
Palwal	1040493	25.5

**Source : Census of India*

The population growth in Haryana during 2001-2011 is about 20%. The growth observed is maximum in Gurgaon District (74%) followed by Mewat District (38%). Minimum growth is in Jhajjar District (9%).

3.3 Net State Domestic Product (NSDP) of Influencing States

In estimating travel demand elasticity, it is logical to relate growth in passenger and freight traffic with Net State Domestic Product (NSDP) and population. The compiled data of NSDP at constant prices (2004-2005) for Influencing States of project road traffic are presented in **Table 3**:2.

Table 3:2 NSDP of Influencing States at Constant Prices (2004-2005)

Year	Rajasthan		Uttar Pradesh		Delhi		Haryana	
	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change
2004-05	112636	--	231029	--	94716		86222	-
2005-06	120202	7%	244514	6%	104473	10%	94011	9%
2006-07	134350	12%	263935	8%	117444	12%	104700	11%
2007-08	140471	5%	280851	6%	130683	11%	112896	8%
2008-09	152284	8%	302192	8%	146961	12%	121588	8%
2009-10	161160	6%	320989	6%	159044	8%	136780	12%
2010-11	190130	18%	346621	8%	172235	8%	146053	7%
2011-12	202683	7%	364684	5%	187672	9%	158524	9%
2012-13	203298	0%	383644	5%	205396	9%	167389	6%
2013-14	212524	5%	403523	5%	224655	9%	178458	7%
2014-15	2,37,529	12%	427759	6%	189837	6%	189837	6%

Source: Economic Survey of respective States

3.4 Registered Motor Vehicles

Registered motor vehicles growth in the project corridor influence area is considered as an alternative approach in estimating the traffic growth in the absence of any additional information or usable past traffic data on the project road. Also, this can be used in determining the travel demand elasticity. Consultants have collected the data related to registered motor vehicles Haryana and the same are presented in **Table 3:3**.

Table 3:3 Registered Motor Vehicles in Haryana

Year	Car	Bus	LCV	Trucks & MAV
2005-06	469109	19986	43775	134714
2006-07	551020	22101	49850	154013
2007-08	650265	26906	54596	167983
2008-09	730544	29516	58770	175091
2009-10	836293	33520	62771	189021
2010-11	968980	35646	71759	203421
2011-12	1110721	39153	78977	292735
2012-13*	1221793	43068	86875	322009
2013-14*	1343972	47375	95562	354209
2014-15*	1478370	52113	105118	389630
Avg Annual GR (2005-06 to 2014-15)	13.60%	11.24%	10.22%	12.52%

 # Source: Motor Transport Statistics of Haryana ** Estimated*

3.5 Toll Traffic Data from Existing Toll Plazas

The toll traffic data for the last 4 years (April 2013 to March 2017) has been collected for the four toll plazas, viz. CH: km 12+050, CH: km 28+601 on Ballabgarh – Sohna Road, Crusher Zone and Bandhwari. The summary of the average daily toll traffic data collected is presented in **Table 3:4** and **Table 3:5** for CH: km 12+050, CH: km 28+601, Crusher Zone and Bandhwari Toll Plazas. This data is used for assessing the seasonality factors and trend of traffic growth on the project corridor.

Table 3:4 Average Daily Toll Traffic Data– CH: km 12+050 & CH: km 28+601

Month/ Year	BS 1					BS 2				
	Car	LCV	Bus	Truck	MAV	Car	LCV	Bus	Truck	MAV
Apr-13	403	199	45	719	46	247	219	16	1430	83
May-13	320	187	43	643	47	239	207	19	1161	78
Jun-13	416	196	28	726	46	200	199	11	1102	74
Jul-13	342	202	27	668	47	193	198	19	1141	75
Aug-13	364	198	31	590	48	156	181	17	1217	73
Sep-13	327	199	43	727	51	124	192	14	1423	77
Oct-13	307	191	32	709	52	150	200	16	1427	77
Nov-13	326	173	36	523	43	187	174	14	1445	65
Dec-13	367	194	83	556	50	195	196	15	1600	74
Jan-14	415	198	85	689	57	184	193	9	1437	80
Feb-14	532	248	61	700	62	281	201	20	1153	80
Mar-14	472	237	131	752	57	244	166	14	1459	72
Apr-14	548	219	87	798	49	256	196	19	1946	70
May-14	593	213	38	733	49	205	192	16	2532	78
Jun-14	584	186	26	555	52	313	241	16	2178	106
Jul-14	604	280	56	693	48	207	195	13	1501	72
Aug-14	766	262	82	602	51	210	200	20	1615	78
Sep-14	801	282	104	571	53	185	220	20	1595	88
Oct-14	758	241	55	472	51	218	196	25	1416	79

Month/ Year	BS 1					BS 2				
	Car	LCV	Bus	Truck	MAV	Car	LCV	Bus	Truck	MAV
Nov-14	841	274	93	564	57	478	223	27	1609	86
Dec-14	847	296	118	579	56	510	219	12	1834	75
Jan-15	906	276	75	573	60	605	194	27	1602	79
Feb-15	1160	316	92	665	66	698	223	35	1676	83
Mar-15	979	286	91	653	57	668	205	24	1620	79
Apr-15	1220	319	94	620	65	777	242	31	1560	82
May-15	1332	304	93	594	66	925	230	34	1378	84
Jun-15	1429	293	45	560	63	961	224	26	1454	73
Jul-15	1463	289	54	497	59	1182	224	33	1280	77
Aug-15	1885	268	109	467	57	1197	252	30	1277	84
Sep-15	1700	299	99	522	71	1119	273	33	1454	93
Oct-15	1738	292	85	506	75	1251	281	28	1456	100
Nov-15	1732	278	108	400	56	1406	260	33	903	82
Dec-15	1643	292	97	408	56	1259	269	34	903	79
Jan-16	1822	306	89	341	64	1300	273	32	869	106
Feb-16	2252	363	106	370	75	1469	293	41	689	116
Mar-16	2373	354	109	316	63	1523	288	36	781	110
Apr-16	2368	382	103	292	63	1502	301	36	692	110
May-16	2507	363	75	305	68	1423	293	32	678	113
Jun-16	2326	338	69	314	63	1307	298	30	901	118
Jul-16	2307	350	59	263	63	1378	290	38	705	109
Aug-16	2413	362	144	265	64	1327	304	33	703	118
Sep-16	2298	415	107	292	72	1345	335	34	759	145
Oct-16	2376	408	64	272	68	1391	332	34	756	150
Nov-16	2384	386	103	300	70	1342	281	36	652	157
Dec-16	2698	368	101	249	73	1464	290	33	566	164
Jan-17	3022	410	113	234	73	1508	306	30	658	187
Feb-17	3302	442	103	269	78	1812	345	40	716	218
Mar-17	3320	428	105	282	85	1804	386	42	726	228

Table 3:5 Average Daily Toll Traffic Data– Crusher Zone & Bandhwari

Month/ Year	Crusher Zone					Bandhwari				
	Car	LCV	Bus	Truck	MAV	Car	LCV	Bus	Truck	MAV
Apr-13	24	78	0	1892	1	24673	2756	208	909	187
May-13	35	55	0	1153	0	25032	2727	208	885	181
Jun-13	32	94	0	1563	1	26586	2796	187	904	242
Jul-13	28	115	0	1952	9	26219	2702	199	877	185
Aug-13	29	96	0	1944	6	23846	2453	188	835	182
Sep-13	26	137	0	2115	3	25027	2774	221	938	217
Oct-13	30	115	0	2074	5	25435	2814	219	953	218

Month/ Year	Crusher Zone					Bandhwari				
	Car	LCV	Bus	Truck	MAV	Car	LCV	Bus	Truck	MAV
Nov-13	37	123	0	2106	6	25655	2548	211	898	202
Dec-13	47	143	0	2229	6	25922	2600	221	1006	219
Jan-14	70	164	0	2186	4	26725	2822	243	938	221
Feb-14	77	157	0	2080	3	30081	2706	229	935	231
Mar-14	139	216	0	2560	3	28231	2812	230	917	239
Apr-14	133	221	0	2541	4	28189	2808	225	827	222
May-14	643	212	0	2400	4	25704	2640	218	800	206
Jun-14	483	186	0	1894	5	20660	2303	174	705	174
Jul-14	510	184	0	1748	1	28607	2738	201	1098	201
Aug-14	582	208	0	1883	2	27768	2553	208	1094	199
Sep-14	694	243	0	2043	2	29153	2889	212	1173	227
Oct-14	613	196	0	1759	1	27800	2531	244	1053	190
Nov-14	585	214	0	1704	3	29065	2780	259	1200	235
Dec-14	603	202	0	1798	3	31115	2544	231	1141	205
Jan-15	659	165	0	1681	2	32368	2595	236	1107	203
Feb-15	673	185	0	1824	2	33744	2761	254	1207	230
Mar-15	678	219	0	1843	2	32273	2677	232	1219	205
Apr-15	777	207	0	1799	2	31028	2721	239	1305	219
May-15	753	194	0	1772	2	30299	2681	251	1373	211
Jun-15	729	197	0	1695	3	31012	2551	182	1448	216
Jul-15	823	202	0	1825	2	33592	2721	233	1504	222
Aug-15	784	187	4	1508	4	29844	2687	247	1689	206
Sep-15	835	220	0	1735	2	31447	2854	231	1637	236
Oct-15	728	228	0	1701	5	30386	2851	258	1603	218
Nov-15	612	178	0	1467	2	29223	2701	273	1313	231
Dec-15	684	149	0	1533	5	32949	2923	249	1629	259
Jan-16	706	173	0	1599	22	33792	3015	280	1780	293
Feb-16	558	166	0	1848	3	35953	3029	328	1592	316
Mar-16	552	187	0	1890	5	35478	3160	286	1716	337
Apr-16	553	167	0	1778	4	36661	3069	318	1692	324
May-16	597	183	0	1843	11	36208	3094	313	1663	320
Jun-16	614	196	0	1896	12	36459	3038	301	1772	345
Jul-16	548	160	0	1626	11	35801	2905	280	1490	342
Aug-16	502	156	0	1618	8	36379	2984	315	1555	351
Sep-16	573	145	0	1651	11	37122	3180	290	1619	436
Oct-16	530	146	0	1569	14	37048	3010	319	1582	441
Nov-16	409	99	0	1228	16	35984	2708	276	1286	432
Dec-16	528	152	0	1479	20	41654	3220	327	1393	444
Jan-17	511	163	0	1451	22	41026	2964	331	1382	465
Feb-17	527	167	0	1428	18	41892	3229	366	1547	538
Mar-17	563	169	0	1394	22	41423	3236	377	1502	576

The **Table 3:6** sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017.

Table 3:6 Tollable Traffic Count by Category of Vehicles

Modes	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016	2017 (5)	
Car (1)	11170184	13069267	15091730	16%
LCV (2)	1213170	1309865	1381195	7%
Bus/ Truck (3)	2074061	1924626	1608050	-12%
Multi-axle (4)	126250	148753	230698	35%
Total	**14583665**	**16452511**	**18311673**	12%

Source: TMS Data (Reliance Infrastructure)
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) 12 days lost due to demonetization toll closure which traffic is not included in FY 17

3.6 Historical Tollable Annual Average Daily Traffic

The tollable annual average daily traffic for the project increased to 65229 PCUs in 2017 from 54192 PCUs in 2015, representing a CAGR of 10%. The **Table 3:7** below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3:7 Historical Tollable Annual Average Daily Traffic

Modes	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016	2017 (5)	
Car (1)	30603	35708	42,753	18%
LCV (2)	3324	3579	3,913	8%
Bus/Truck (3)	5682	5259	4,555	-10%
Multi-axle (4)	346	406	654	37%
Total	39955	44952	51,874	14%
Total PCUs	54192	58681	65229	10%

Source: TMS Data (Reliance Infrastructure)
Notes:
(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) 12 days lost due to demonetization toll closure which traffic is not included in FY 17

On an average for the three financial years ended 2015, 2016 and 2017 cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the GF Project's total traffic mix, 79%, 8%, 12% and 1% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 82%, 8%, 9%, and 1% of tollable traffic, respectively.

3.7 Toll Structure at Existing Toll Plazas

Existing toll structure including toll concessions at the toll plazas on the project corridor is summarized in **Table 3:8.**

Table 3:8 Toll Structure at Existing Toll Plazas

Sr No	Particulars of the type of vehicles on which toll is to be levied	Initial Rate applicable upto the first 3 years (in Rupees)	Graded rate applicable in rupees			
			After 3 years and upto 6 years	After 6 years and upto 9 years	After 9 years and upto 12 years	Beyond 12 years
1	Motor trucks (laden with goods or unladen) upto 10 tyres	200	230	250	280	300
2	Motor Bus with or Without passengers including School Bus	100	110	130	150	170
3	Tractor Trolley carrying quarry g building material etc. (No toll to be levied on tractors carrying agricultural produce)	50	60	70	70	80
4	Light Commercial Vehicle (LCV) and Low Powered trucks (LPT)	100	110	120	130	140
5	Multi-axle vehicles having more than 10 tyres and other heavy vehicles such as cranes, dozers, earth movers, road rollers etc.	250	300	300	350	350
6	Car, Jeep, Pickup Van ,Three wheelers, Station wagon	15	20	25	30	40

Other conditions;

1) Once the toll has been paid, the vehicle need not to pay further toll within the toll road or crossing the toll road through same or other toll plaza. However, if the same wishes to re-enter the toll road it has to pay toll as per applicable rates

2) Daily pass- One and a half times the corresponding each trip rates as mentioned above. When the same vehicle has to cross the toll plaza more than once in a day, the users shall have the option to pay one and half times of the above rates while crossing the road in the first trip itself. However, in case of commercial vehicles, the users may avail of only return journey during the same day by paying one and half times the above rates.

3) Monthly pass – For commercial vehicles, thirty times the corresponding single trip rates and for others, twenty times the corresponding single trip rates as mentioned above.

4) Following types of vehicles are exempted from payment toll

i. Two-wheelers
ii. Tractor trolley carrying agriculture produce
iii. Defence vehicles,
iv. Ambulances/ funeral vans,
v. Police Vehicles, Fire fighting vehicles,
vi. Local traffic (non-commercial) in the vicinity of toll road, and
vii. Non-commercial vehicles owned by all State Government, Government of India and Haryana State Government Undertaking.

Chapter 4 Traffic Surveys and Analysis

4.1 General

This Chapter presents details about the various traffic surveys carried out as part of the present study and the survey data analysis. The results of analysis will form input for estimation of tollable traffic and toll revenue.

4.2 Classified Traffic Volume Count Survey

Video graphic traffic volume count survey was carried out at the four toll plaza locations on the project corridor; Pakhal Toll Plaza (BS1) at km12+050 and Sohna Toll Plaza (BS2) at km 28+601 on Ballabhgarh Sohna Road, Crusher Zone Toll Plaza at km 0+955 on Cursher Zone Road, and Bandhwari Toll Plaza at km 12+450 on Gurgaon-Faridabad Road. The traffic volume count surveys were carried out for 7 days, from 28th September to 5th October 2016. The video graphic data was extracted for all the 7 days. During the data extraction, toll exempted vehicles were counted separately. The extracted video graphic data was analyzed to study the hourly variation and daily variation of traffic, peak hour share, traffic composition and Average Daily Traffic (ADT) at all the survey locations. Seasonality factors were applied for obtaining the Annual Average Daily Traffic (AADT).

4.3 Passenger Car Units

The various vehicle types having different sizes and characteristics were converted into equivalent passenger car units. The Passenger Car Unit (PCU) factors recommended by Indian Roads Congress in *Guidelines for Capacity of Roads in Rural Areas* (IRC: 64-1990) were used (**Table 4**:1).

Table 4:1 PCU Factors

Vehicle Type	PCU Factor	Vehicle Type	PCU Factor
Car/Jeep	1.00	LCV	1.50
Van/Tempo (passenger)	1.00	2-Axle Truck	3.00
Mini Bus	1.50	3-Axle Rigid Truck	3.00
Standard Bus	3.00	MAV	4.50

Source: Guidelines for Capacity of Roads in Rural Areas (IRC 64-1990)

4.4 Average Daily Traffic

Daily traffic volume by vehicle type and direction is added separately and averaged to determine the Average Daily Traffic (ADT). ADT, observed at the survey locations, in vehicles and in PCUs, are presented in **Table 4**:2 and shown in **Figure 4:1**.

Table 4:2 Average Daily Traffic

Mode	BS Road - Km 12+050 (BS 1)		BS Road - Km 28+601 (BS 2)		Crusher Zone		GF Road - Bandhwari	
	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)
Car/Auto Rickshaw	4491	4491	2622	2622	770	770	36269	36269
LCV	687	1031	674	1011	128	192	3250	4875

Mode	BS Road - Km 12+050 (BS 1)		BS Road - Km 28+601 (BS 2)		Crusher Zone		GF Road - Bandhwari	
	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)	ADT (no)	ADT (PCU)
Bus	135	404	55	164	1	3	389	1167
Truck	1172	3515	1248	3744	4181	12544	1786	5359
MAV	244	1099	247	1110	141	635	446	2006
Tractor	41	62	--	--	--	--	--	--
OSV	--	--	--	--	51	244	73	441
Car/Auto Exempted	126	126	4	4	17	17	1538	1538
LCV Exempted	3	4	0	1	4	6	41	62
Bus Exempted	1	4	0	0	0	0	8	23
Truck Exempted	3	9	1	3	1	3	50	149
MAV Exempted	1	6	1	3	0	1	2	9
Tractor Exempted	92	138	--	--	--	--	--	--
OSV Exempted	--	--	--	--	1	3	25	148
Total	**6996**	**10889**	**4851**	**8661**	**5295**	**14419**	**43877**	**52045**

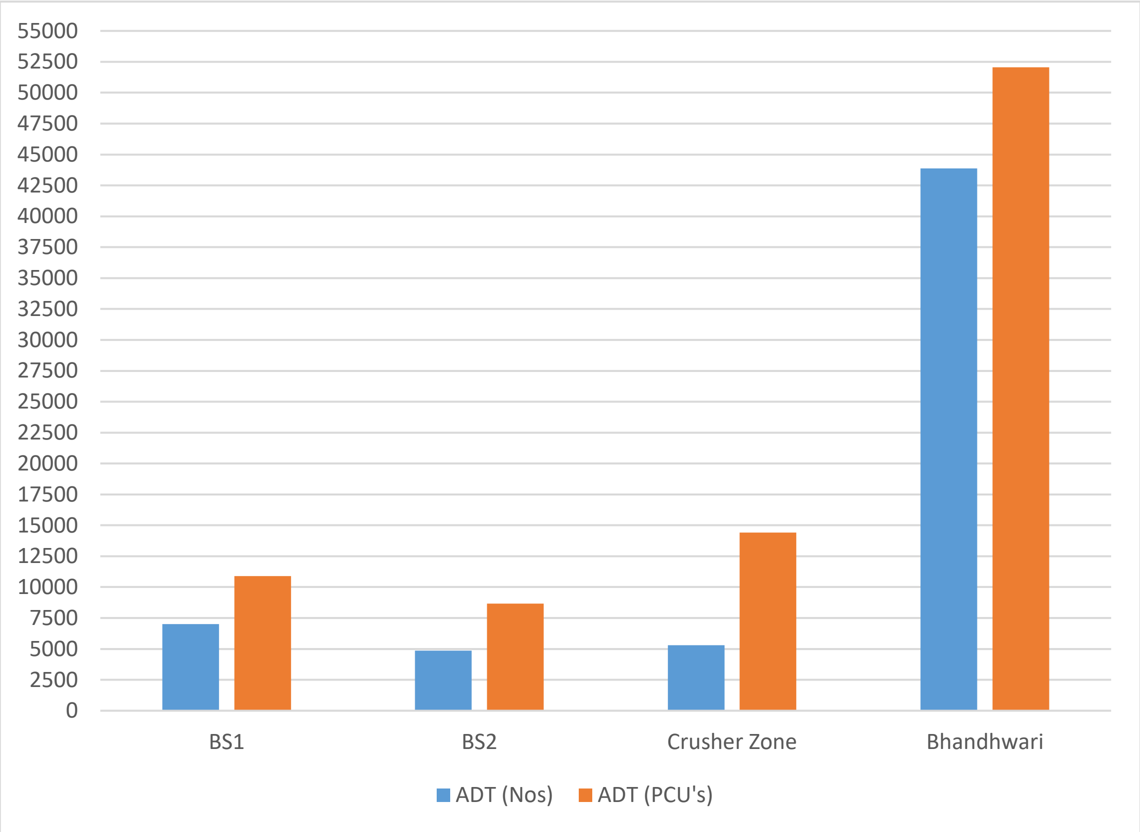


Figure 4:1 Average Daily Traffic

4.5 Daily Variation of Traffic

Daily traffic variation in terms of vehicles as well as in PCUs at each of the survey locations is presented in **Table 4:3** and graphically shown in **Figure 4:2** to **Figure 4:5**.

Table 4:3 Daily Variation of Traffic

Date	Day	BS1		BS2		Crusher Zone		Bandhwari	
		Total Vehicles	Total PCUs	Total Vehicles	Total PCUs	Total Vehicles	Total PCUs	Total Vehicles	Total PCUs
28-Sep-16	Wednesday	7368	11449	5119	9202	5216	14266	48894	58110
29-Sep-16	Thursday	7328	11729	5226	9536	5056	13837	48411	56556
30-Sep-16	Friday	6412	10199	4708	8419	5429	14747	52066	61829
01-Oct-16	Saturday	5778	8859	4100	7244	5165	14092	35936	43678
02-Oct-16	Sunday	7467	11589	4959	8851	6756	18775	25697	31859
03-Oct-16	Monday	7174	10946	4859	8551	4609	12280	48397	56549
04-Oct-16	Tuesday	7446	11451	4984	8824	4835	12940	47735	55738
Average Daily Traffic		**6996**	**10889**	**4851**	**8661**	**5295**	**14419**	**43877**	**52045**

The salient observations at each survey location are as follows.

- BS1 toll plaza has registered maximum vehicles on Sunday with 7467 vehicles, which is also highest in terms of PCUs (11589 PCUs). Monday can be considered as average traffic day.
- BS 2 toll plaza has registered maximum vehicles on Thursday with 5226 vehicles which is also highest in terms of PCUs (9536 PCUs). Monday can be considered as average traffic day.
- Crusher Zone toll plaza has registered maximum vehicles on Sunday with 6756 vehicles which is also highest in terms of PCUs (18775 PCUs). Wednesday and Saturday can be considered as average traffic days.
- Bandhwari toll plaza has registered maximum vehicles on Friday with 52066 vehicles which is also highest in terms of PCUs (61829 PCUs). Traffic is lowest on Sunday and Tuesday can be considered as average traffic day.

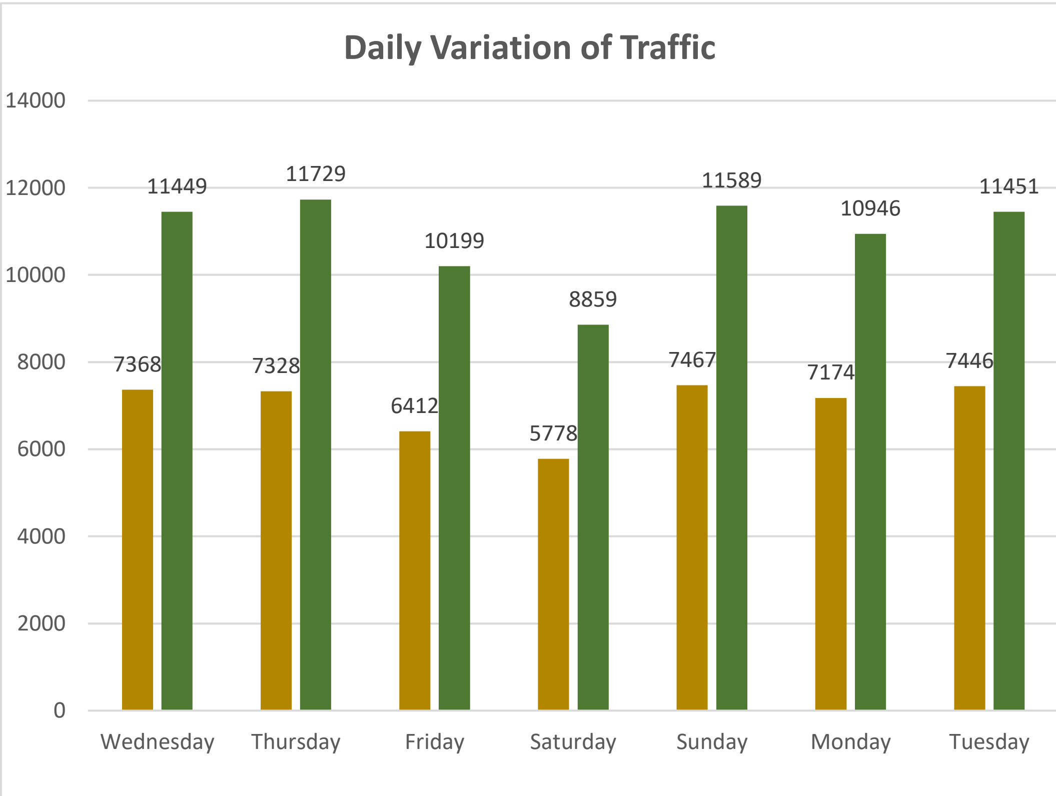


Figure 4:2 Daily Variation of Traffic – BS1 Toll Plaza

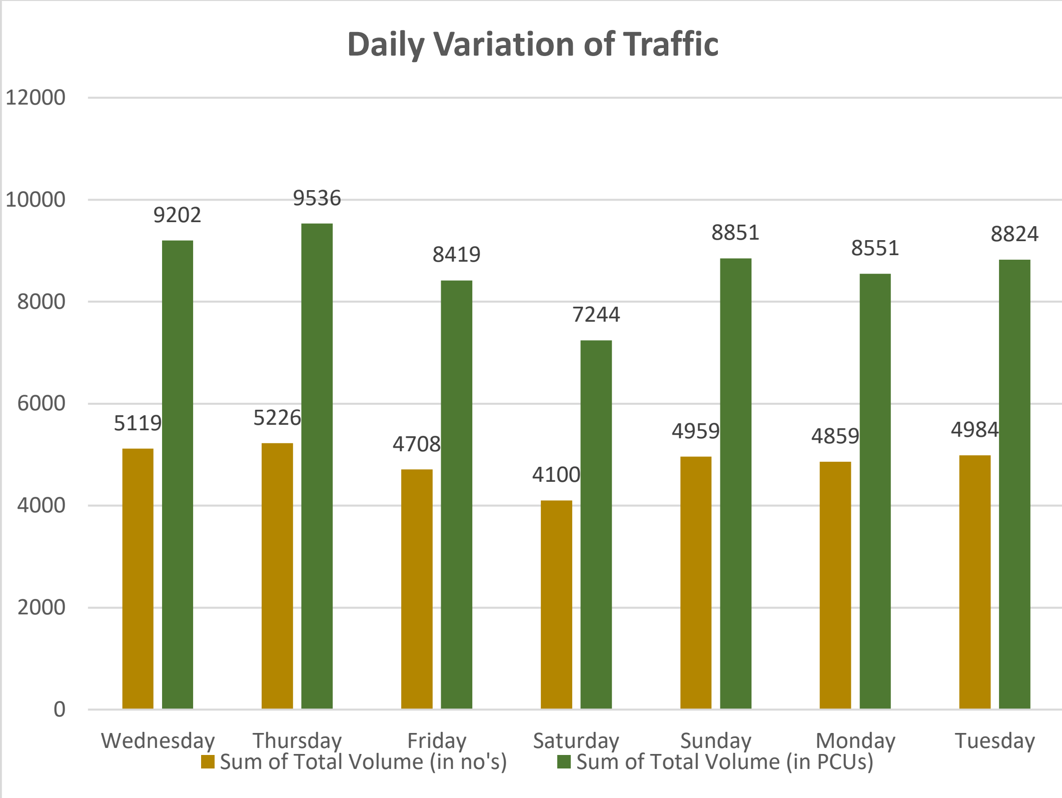


Figure 4:3 Daily Variation of Traffic – BS2 Toll Plaza

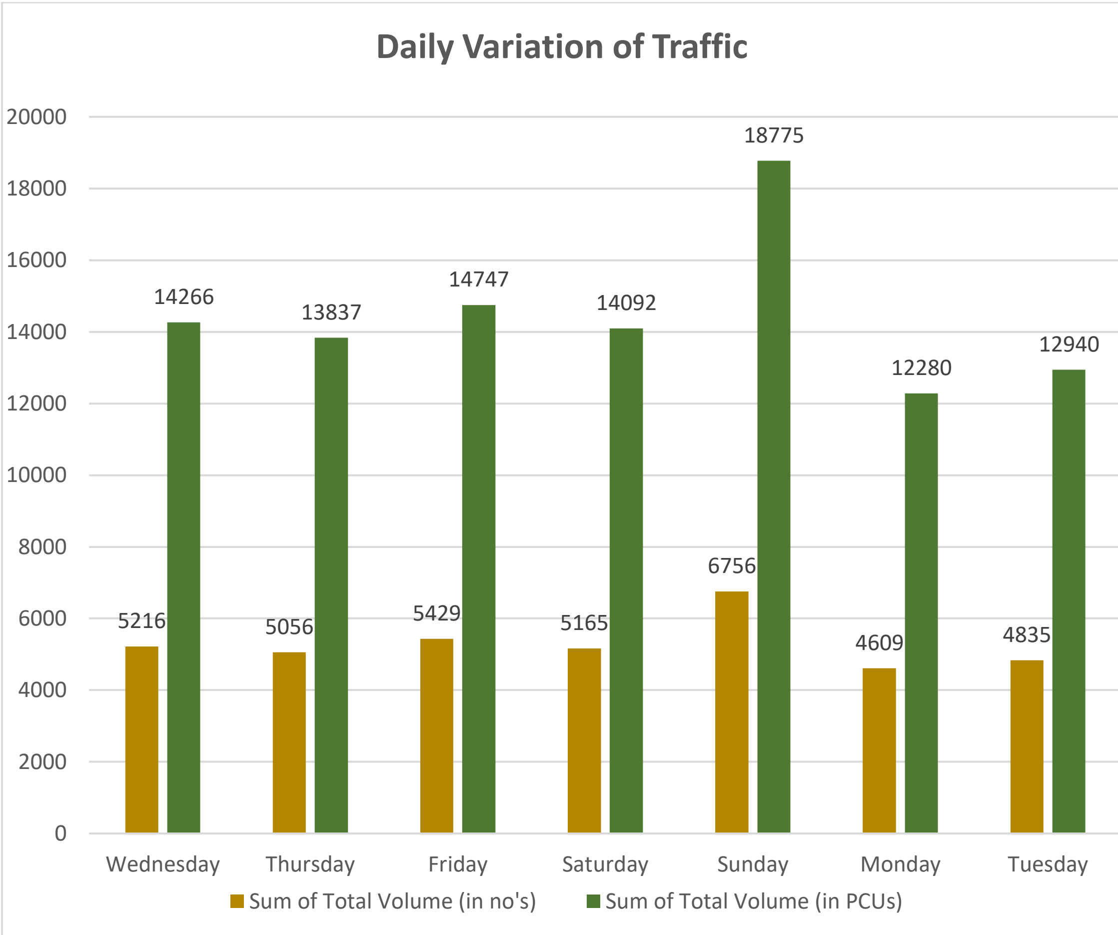


Figure 4:4 Daily Variation of Traffic – Crusher Zone Toll Plaza

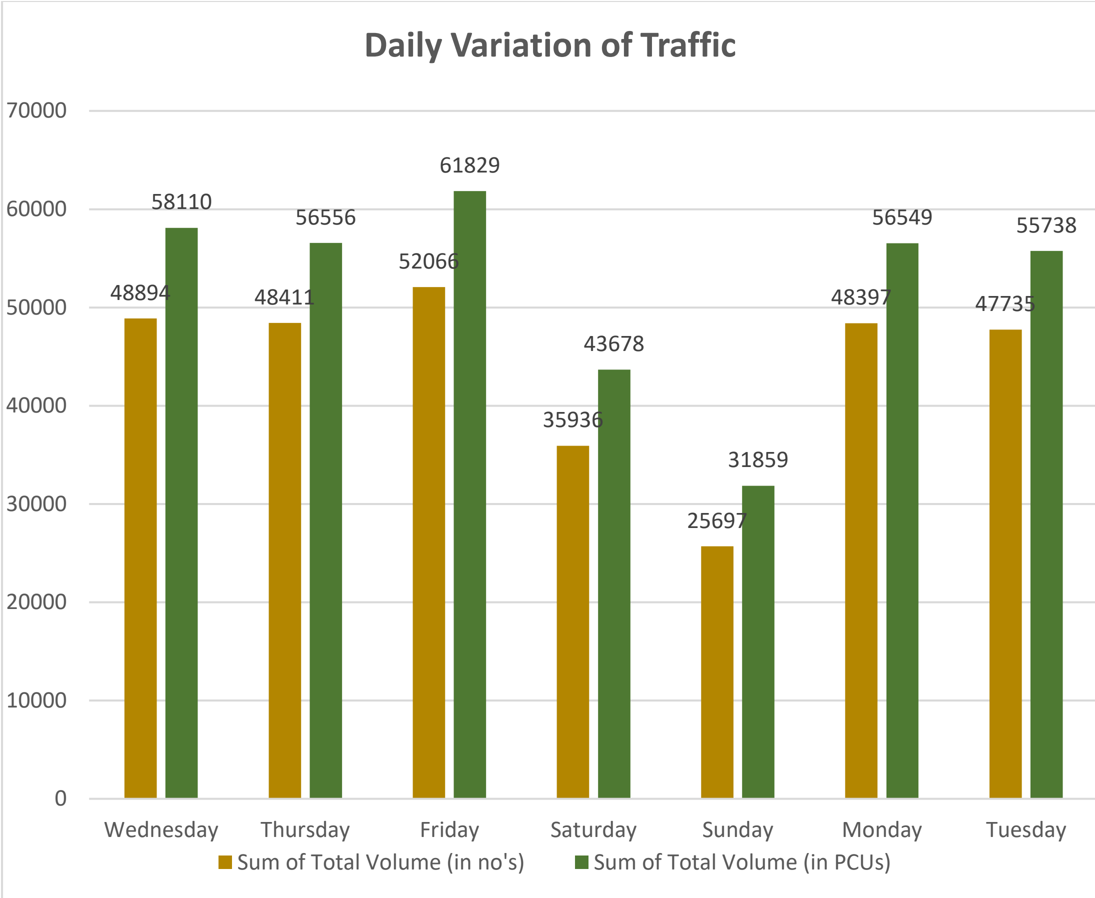


Figure 4:5 Daily Variation of Traffic – Bandhwari Toll Plaza on GF Road

The mode-wise traffic breakup for the 7 days of traffic count and the ADT at the survey locations are presented in **Table 4**:4 to **Table 4**:7**.**

Table 4:4 Mode-wise Traffic – BS1 Toll Plaza

Mode	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Car/3W	4807	4655	4052	4050	4987	4829	4936
LCV	793	779	724	319	691	719	803
Bus	152	174	83	64	165	160	153
Truck	1231	1317	1167	1020	1204	1103	1180
MAV	242	276	244	197	276	235	250
Tractor	143	127	142	128	144	128	124
Total	**7368**	**7328**	**6412**	**5778**	**7467**	**7174**	**7446**

Table 4:5 Mode-wise Traffic – BS2 Toll Plaza

Mode	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Car/3W	2687	2711	2498	2438	2717	2666	2662
LCV	765	760	718	314	674	706	782
Bus	87	46	49	43	48	63	47

Mode	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Truck	1336	1429	1198	1111	1241	1181	1247
MAV	244	280	245	194	279	243	246
Total	**5119**	**5226**	**4708**	**4100**	**4959**	**4859**	**4984**

Table 4:6 Mode-wise Traffic – Crusher Zone

	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Car/3W	742	757	837	769	827	770	805
LCV	148	93	114	118	176	144	132
Truck	4126	3994	4286	4081	5497	3559	3734
MAV	154	152	139	134	178	100	133
OSV	46	54	53	61	78	36	31
Total	**5216**	**5056**	**5429**	**5165**	**6756**	**4609**	**4835**

Table 4:7 Mode-wise Traffic – Bandhwari Toll Plaza on GF Road

Mode	Bandhwari						
	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Car/3W	41530	42154	44964	30085	22037	42339	41539
LCV	4435	3476	3732	3277	1326	3296	3496
Bus	432	426	480	301	270	431	436
Truck	1860	1853	2217	1722	1613	1798	1790
Mav	514	441	575	465	348	413	378
OSV	123	61	98	86	103	120	96
Total	**48894**	**48411**	**52066**	**35936**	**25697**	**48397**	**47735**

4.6 Average ADT

Location-wise variation of traffic (tollable) with respect to average in terms of vehicles and PCUs observed at the survey locations is presented in **Table 4**:8**.**

Table 4:8 Minimum, Maximum and Average Daily Traffic

Location	BS1 Toll Plaza		BS2 Toll Plaza		Crusher Zone Toll Plaza		Bandhwari Toll Plaza	
	Total Vehicles.	Total PCUs	Total Vehicles.	Total PCUs	Total Vehicles.	Total PCUs	Total Vehicles.	Total PCUs
ADT	6996	10889	4851	8661	5295	14419	43877	52045
Maximum Daily Traffic	7467	11729	5226	9536	6756	18775	52066	61829
Minimum Daily Traffic	5778	8859	4100	7244	4609	12280	25697	31859
% Variation of Max Traffic w.r.t. ADT	6%	7%	7%	9%	22%	23%	16%	16%
% Variation of Min Traffic w.r.t. ADT	-21%	-23%	-18%	-20%	-15%	-17%	-71%	-63%

The salient observations are as follows:

- BS1 toll plaza has minimum variation in terms of vehicles (6% with respect to ADT) and maximum variation in terms of PCU's (23% with respect to ADT).
- BS2 toll plaza has minimum variation in terms of vehicles (7% with respect to ADT) and maximum variation in terms of PCU's (20% with respect to ADT).
- Crusher Zone toll plaza has minimum variation in terms of vehicles (15% with respect to ADT) and maximum variation in terms of PCU's (23% with respect to ADT).
- Bandhwari toll plaza has minimum variation in terms of vehicles and PCU's (16% with respect to ADT) and maximum variation in terms of vehicles (71% with respect to ADT). This is due to very low work based trips on Sunday on Gurgaon – Faridabad stretch.

4.7 Hourly Variation of Traffic

Average hourly variation of traffic observed at the four survey locations is presented in **Figure 4:6** to **Figure 4:9**. Important inferences drawn from analysis are presented below:

- At *BS1 Toll Plaza location*, it is observed that peak period occurs between 08.00 hours and 09.00 hours with maximum peak hour traffic of 721 PCUs
- At *BS2 Toll Plaza location*, it is observed that peak period occurs between 14.00 hours and 15.00 hours with maximum peak hour traffic of 482 PCUs
- At *Crusher Zone Toll Plaza location*, it is observed that peak period occurs between 07.00 hours and 08.00 hours with maximum peak hour traffic of 1269 PCUs
- At *Bandhwari Toll Plaza location*, it is observed that peak period occurs between 08.00 hours and 09.00 hours with maximum peak hour traffic of 3517 PCUs

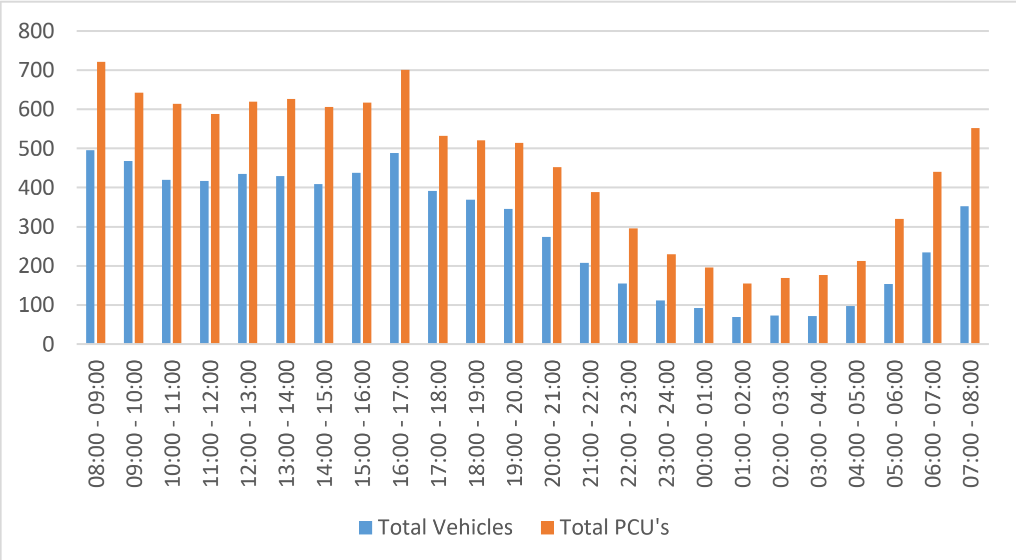


Figure 4:6 Hourly Variation of Traffic – BS1 Toll Plaza

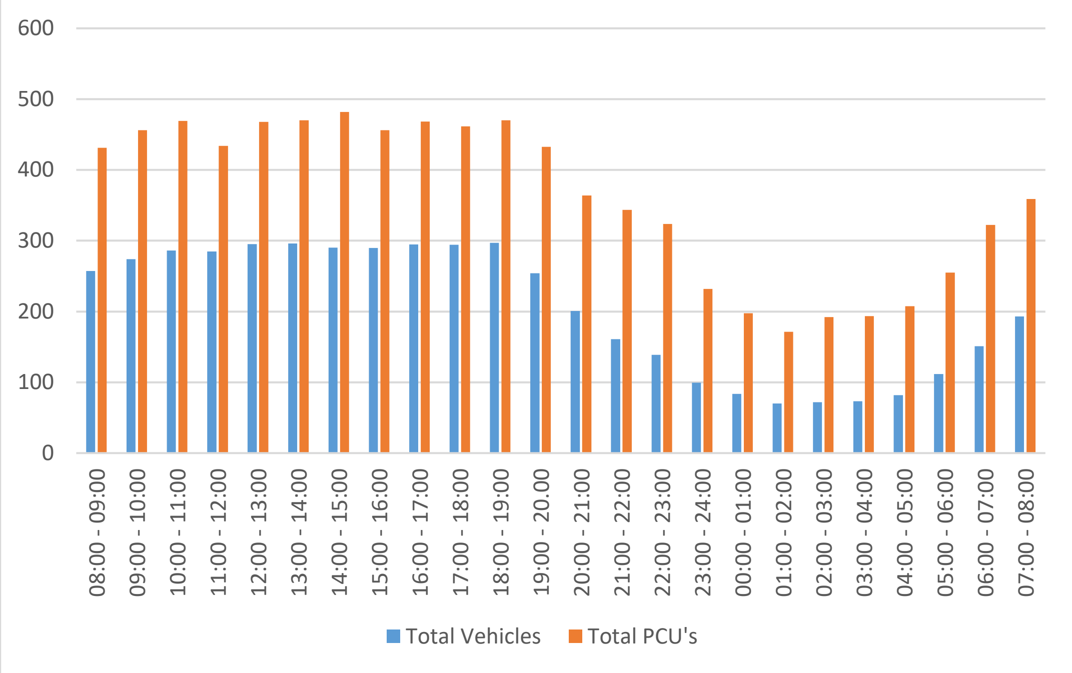


Figure 4:7 Hourly Variation of Traffic – BS2 Toll Plaza

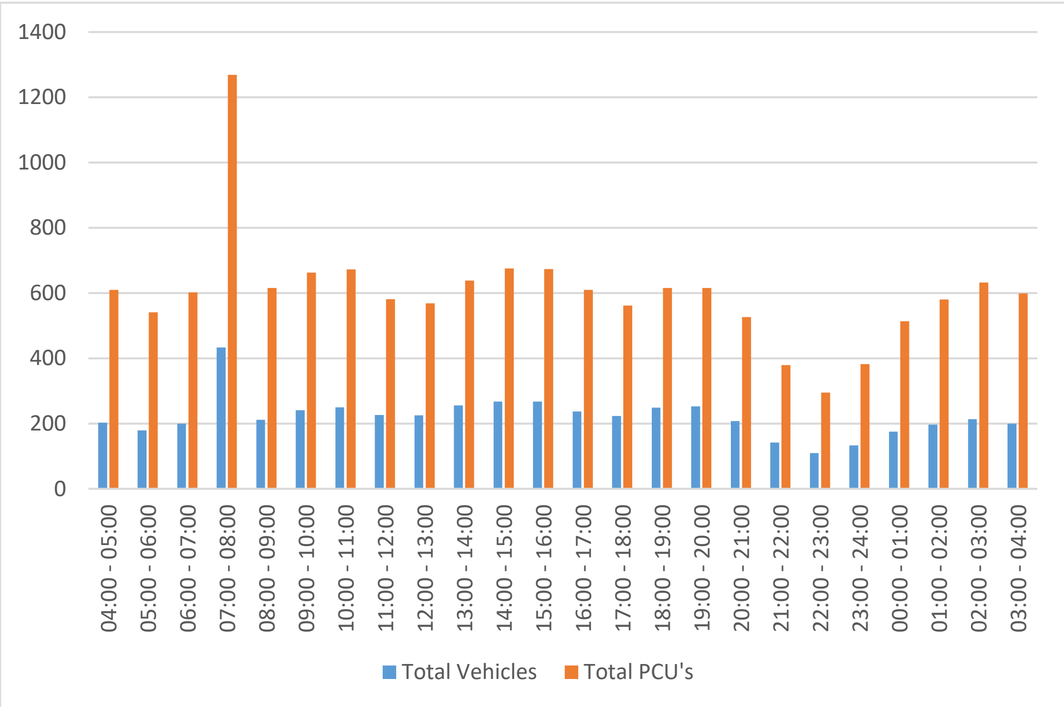


Figure 4:8 Hourly Variation of Traffic – Crusher Zone Toll Plaza

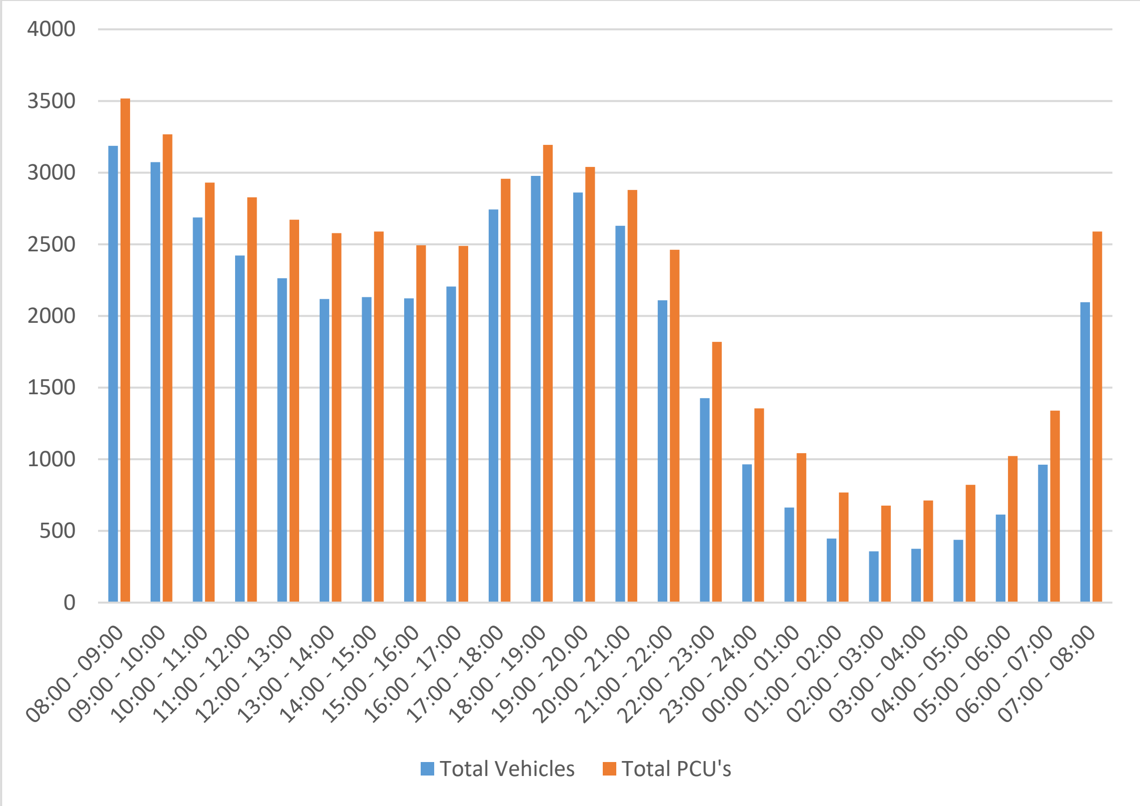


Figure 4:9 Hourly Variation of Traffic – Bandhwari Toll Plaza on GF Road

4.8 Traffic Composition

Average composition of traffic observed at the volume count survey locations are presented in **Table 4**:9 and graphically shown in **Figure 4:10** to **Figure 4:13.**

Table 4:9 Average Traffic Composition

Mode	Percentage Composition			
	BS1	BS2	Crusher Zone	Bandhwari
Car/ Auto Rickshaw	66%	54%	15%	86%
LCV	10%	14%	2%	8%
Bus	2%	1%	0%	1%
Truck	17%	26%	79%	4%
MAV	4%	5%	3%	1%

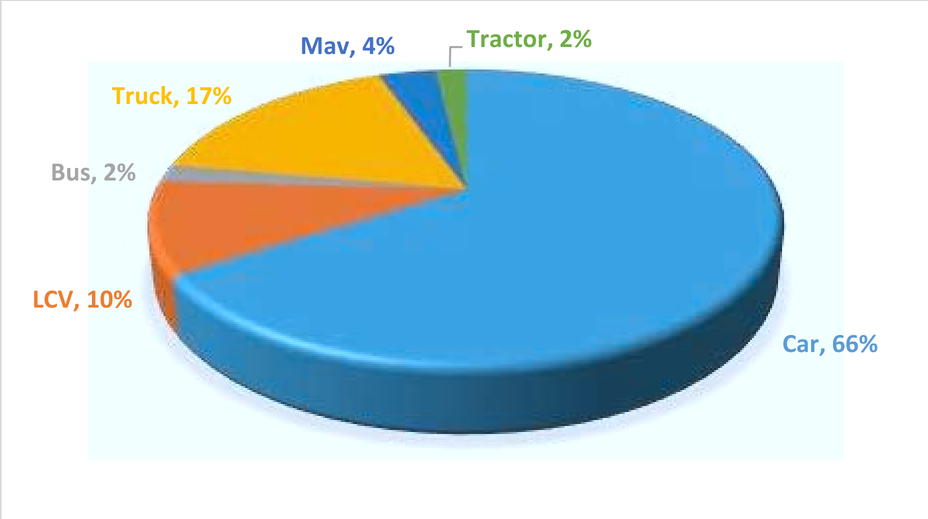


Figure 4:10 Traffic Composition – BS1 Toll Plaza

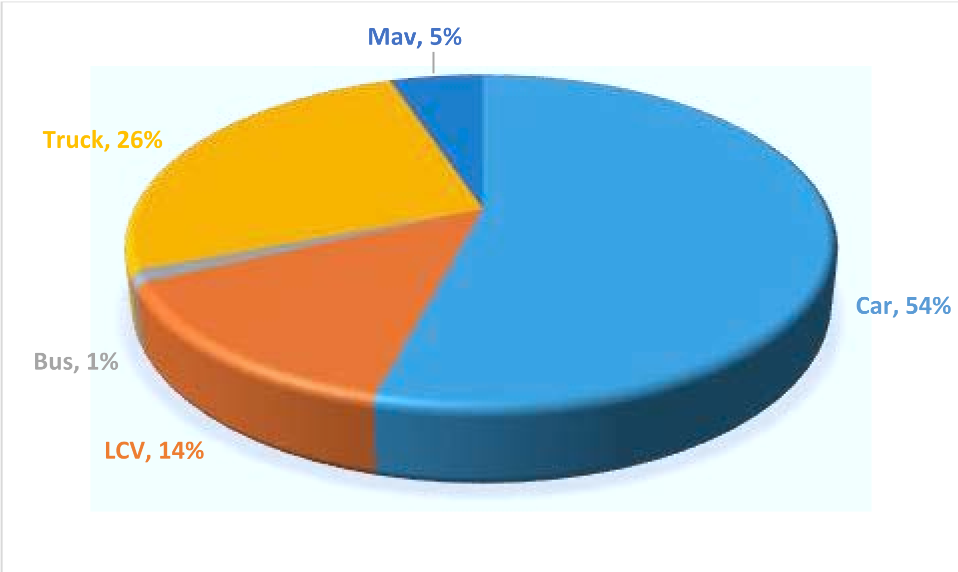


Figure 4:11 Traffic Composition – BS2 Toll Plaza

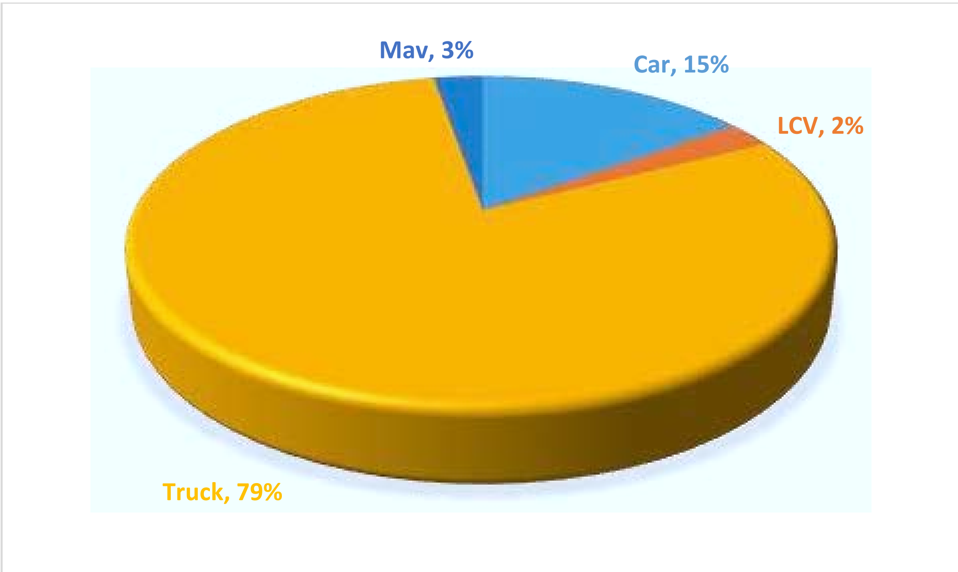


Figure 4:12 Traffic Composition – Crusher Zone Toll Plaza

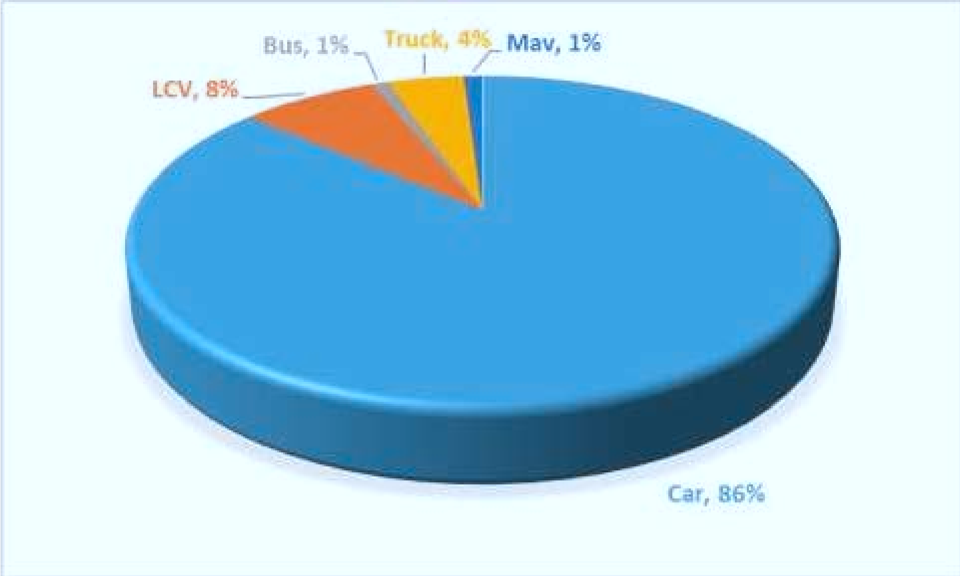


Figure 4:13 Traffic Composition – Bandhwari Toll Plaza on GF Road

The major inferences drawn are:

- Car/Jeep/ 3Wheeler is the major mode observed at BS1, BS2 and Bandhwari toll plaza with 66%, 54% and 86% respectively.
- On the other side share of freight vehicles is high at Crusher Zone toll plaza due to the presence of Crusher Zone.

4.9 Estimation of Seasonal Correction Factors

To account for the seasonal variation in the traffic, seasonal variation factors have been worked out using past toll traffic data collected from toll operator. The data used for estimating the seasonality factors is presented in **Chapter 3**. The factors have been estimated separately for passenger vehicles and freight vehicles by taking the ratio of monthly average to actual counting month. It may be noted that, surveys have been carried out for 3 days in the month of September and 4 days in October. Therefore, weighted average of September and October with respect to number of survey days in each month has been estimated. The Seasonal Correction Factors are presented in **Table 4:10.**

Table 4:10 Seasonal Correction Factors

Mode	BS1	BS2	Crusher Zone	Bandhwari
Car	1.08	1.06	1.02	1.04
LCV	1.04	0.93	0.94	0.98
Bus	1.00	1.08	1.00	0.99
Truck	0.91	0.92	1.05	0.96
MAV	0.88	0.93	1.10	1.02

4.9.1 Annual Average Daily Traffic

Considering the above seasonal correction factors, Annual Average Daily Traffic at the survey locations on the project corridor is estimated. The mode wise Annual Average Daily Traffic (AADT) at the toll plaza locations is presented in **Table 4**:11.

Table 4:11 Annual Average Daily Traffic

Mode		Bandhwari		BS1		BS2		CZ	
		ADT	AADT	ADT	AADT	ADT	AADT	ADT	AADT
Passenger Vehicles	Car	36269	37592	4491	4828	2622	2779	770	786
	BUS	389	373	135	140	55	59	1	1
Commercial Vehicles	LCV	3250	3190	687	685	674	627	128	121
	Truck	1786	1765	1172	1066	1248	1148	4181	4390
	3-6 Axles	446	457	244	214	247	229	141	155
	>6 Axles	73	75	0	0	0	0	51	56
Tractor		0	0	41	38	0	0	0	0
Tollable Traffic		**42213**	**43452**	**6770**	**6971**	**4846**	**4842**	**5272**	**5509**
Toll Exempted Car		1538	1594	126	135	4	4	17	17
Toll Exempted Bus		8	7	1	1	0	0	0	0
Toll Exempted LCV		41	41	3	3	0	0	4	4
Toll Exempted 2 Axle		50	49	3	3	1	2	1	1
Toll Exempted 3Axle/MAV		2	2	1	1	1	1	0	0
Tractor-Exempt				92	84				
OSV Exempted		25	25	0		0	0	1	1
Toll Exempted Vehicles		**1664**	**1718**	**226**	**227**	**6**	**7**	**23**	**23**
Total		**43877**	**45170**	**6996**	**7198**	**4852**	**4849**	**5295**	**5532**

4.10 Origin – Destination Survey

4.10.1 General

The origin-destination survey was carried out with the primary objective of studying the travel pattern of passenger and goods traffic on the project corridor. The results of these surveys are useful in estimating the traffic split / segmentation and in assessing the traffic characteristics of vehicles. The O-D survey was carried out for 24 hours, simultaneously along with traffic volume count survey, at all the 4 toll plaza locations i.e. at Bandhwari Toll Plaza on 29th September 2016, Pakhal Toll Plaza (BS1) on 30th September 2016, Crusher Zone Toll Plaza on 30th September 2016 and Sohna Toll Plaza (BS2) on 1st October 2016 and.

4.10.2 Sample Size

Sample size achieved during the OD survey as percentage to the total traffic is presented in **Table 4**:12**.**

Table 4:12 Sample Size of OD Survey

Mode	BS1	BS2	CZ	Bandhwari
Car/Auto Rickshaw	13%	20%	26%	10%
LCV	63%	58%	67%	24%
Bus	67%	84%	--	46%
Truck	58%	45%	60%	53%
MAV	52%	29%	33%	42%

4.10.3 Zoning System

For understanding the spatial dimensions of the trip characteristics of the vehicles interviewed during the O-D survey, it is required to code the origin and destination of trip. Broad zoning system was developed to analyse the O-D data collected from the field. The zoning system was evolved mainly considering the toll notification issued by *Public Works Department of Haryana Government.* Local non-commercial travellers within the vicinity of toll plaza are exempted from the toll. This has been considered while finalizing the zoning system. In all, total 271 Traffic Analysis Zones (TAZ) were considered. The details of traffic zones and codes adopted for the study are presented in **Annexure**. The pictorial representation of zoning is given in the **Figure 4:14**.

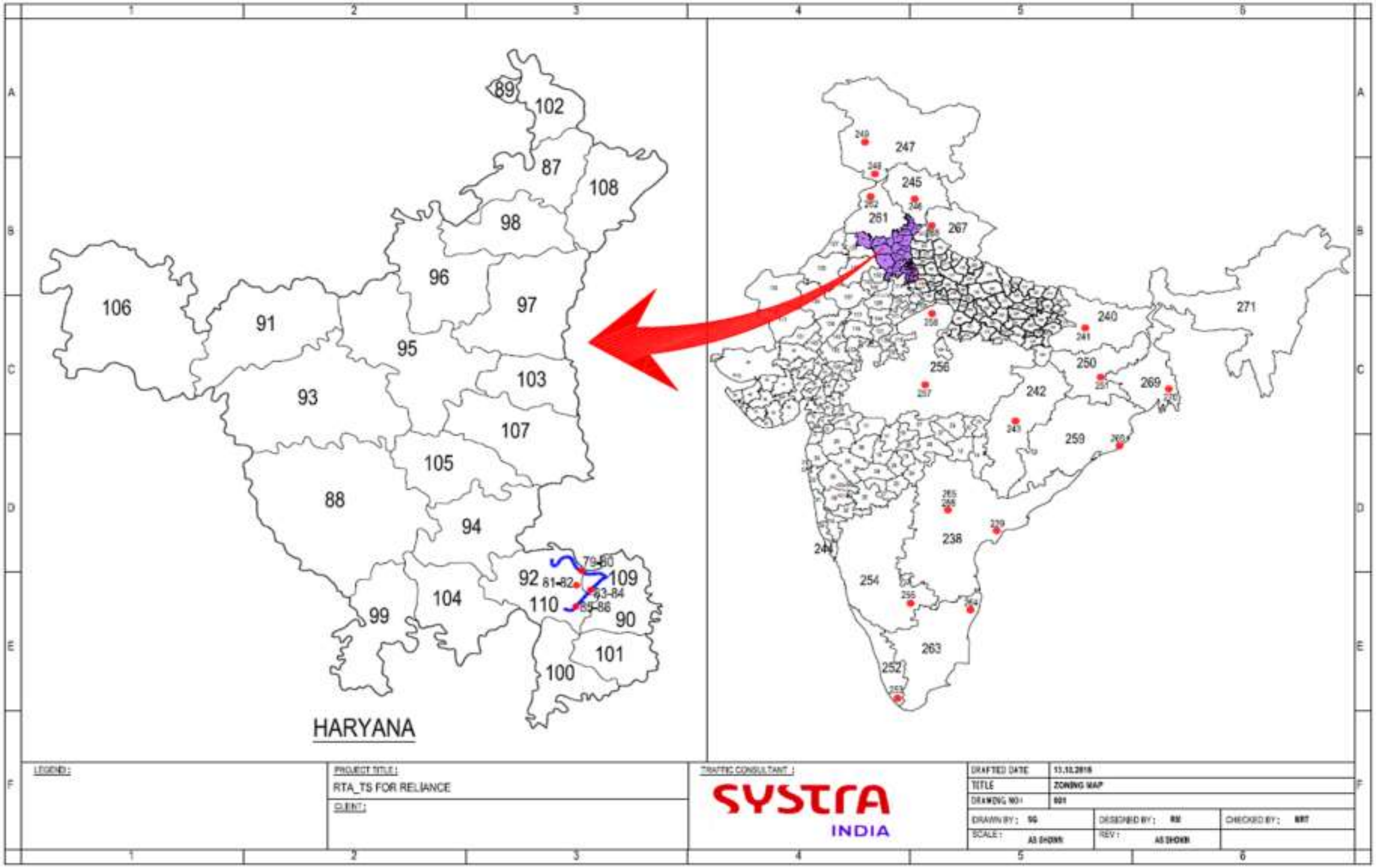


Figure 4:14 Zoning System

The proportion of vehicles with both origin and destination within Haryana State are presented in **Table 4:13**. It can be observed that maximum proportion of Cars are within Haryana. Regarding the commercial vehicles, maximum proportion is having either Origin or destination within Haryana. The other major origin/destination is Delhi.

Table 4:13 Trips within Haryana

Mode	BS1	BS2	CZ	Bandhwari
Car	87%	88%	85%	94%
Mini Bus	76%	89%	0%	92%
Pvt. Bus	78%	97%	0%	93%
LCV	78%	92%	76%	95%
2-3 Axle Truck	77%	88%	74%	94%
MAV	61%	86%	65%	88%

The following tables **Table 4:14** and **Table 4:15** show the major traffic generators along with their percentage contribution. From the following table, it can be inferred that majority of the traffic is from Haryana. A significant amount of car traffic on Gurgaon Faridabad road comprises of daily commuter traffic between Gurgaon to Faridabad/ Noida/ South East Delhi.

Table 4:14 Major Traffic Generators – Passenger Vehicles

Cities		BS1	BS2	CZ	Bandhwari
Haryana	Faridabad	51%	25%	44%	39%
	Gurgaon	1%	7%	15%	53%
	Ballabhgarh	16%	8%	5%	1%
	Sohna	15%	34%		
	Other Districts of Haryana	3%	9%	3%	
Other States		13%	16%	39%	6%

Table 4:15 Major Traffic Generators– Goods Vehicles

Cities		BS1	BS2	CZ	Bandhwari
Haryana	Faridabad	31%	38%	21%	40%
	Gurgaon	2%	5%	9%	49%
	Ballabhgarh	8%	5%	2%	1%
	Sohna	15%	16%	2%	--
	Bhiwani		8%		--
	Other Districts of Haryana	10%	8%	9%	1%
Other States		31%	18%	57%	8%

4.10.4 Commodity

During OD Survey the commodity which is carried by the goods vehicle was also noted. It is observed that at BS1, BS2 and Crusher Zone toll plaza, construction material is the major commodity being carried. Crusher Zone has very high density of Trucks and MAV. Currently there are about 162 crushers operating in the area. Most of the stone is being brought from the quarries in Alwar and from Kotputli in Rajasthan. Stone is crushed by a series of conveyer belts and is transported back for construction purpose.

At Bandhwari toll plaza location, "Other" commodity has higher percentage, followed by iron and machinery. **Table 4:16** and **Figure 4:15** show the commodity distribution observed at toll plaza locations.

Table 4:16 Commodity Distribution

Commodity	BS1	BS2	Crusher Zone	Bandhwari
Empty	45%	41%	49%	39%
Agricultural Products	3%	7%	-	3%
Forest Products	1%	5%	-	3%
Fuel, Oil & Gas	3%	6%	-	4%
Construction Materials	22%	28%	50%	5%
Fruits and Vegetables	1%	4%	-	4%
Powder	2%	3%	--	2%
Textiles	1%	2%	--	3%
Chemicals & Fertilizer.	--	--	--	1%
Iron & Steel	7%	2%	--	6%
Machinery	2%	1%	--	6%
Consumer Goods	--	--	--	3%
Timber & furniture	3%	--	--	2%
Poultry, cattle & feed	1%	--	--	1%
Iron ore	--	--	--	4%
Other	10%	1%	1%	12%

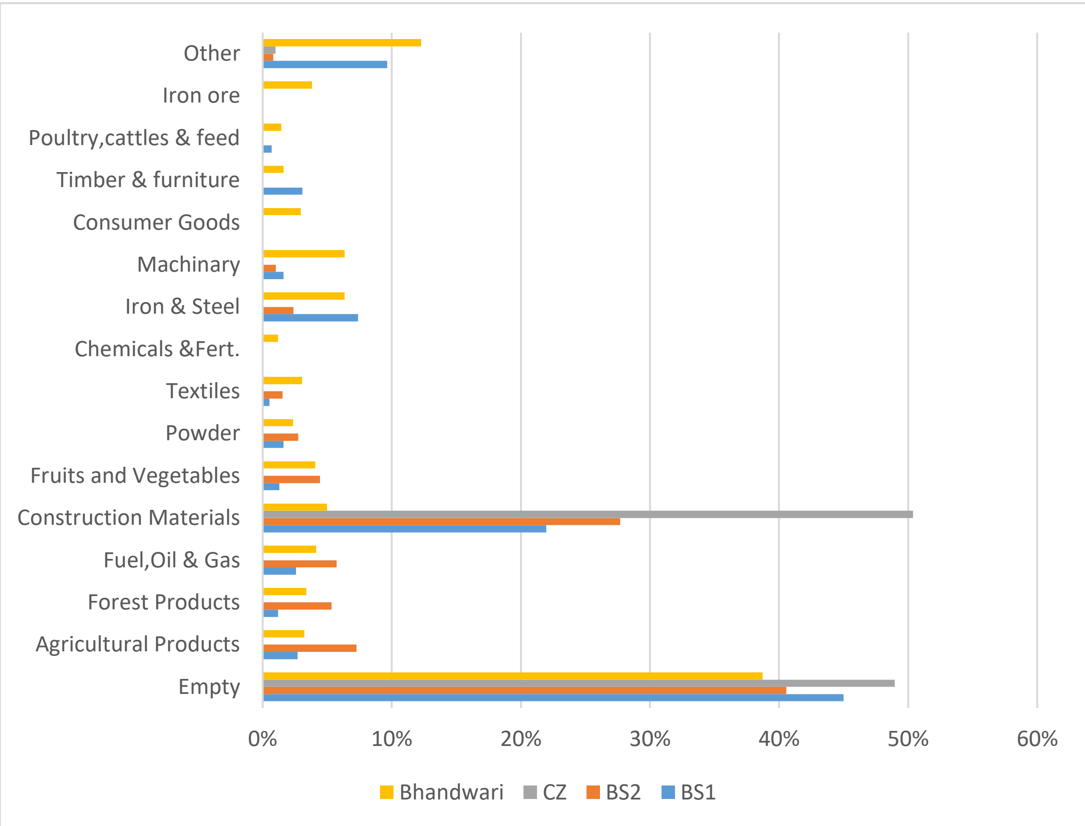


Figure 4:15 Commodity Distribution

4.10.5 Trip Length

a) BS1 Toll Plaza

The trip length of the journey was enquired during OD survey and the analysis of the same is carried out. **Table 4:17** & **Table 4:18** present mode-wise trip length frequency distribution at the BS 1 toll plaza survey location. It can be observed that maximum proportion of trips is observed within 75 km and 100 km range for passenger and goods vehicles respectively. Majority of goods vehicles are destined to Gurgaon and border district of Rajasthan which is about 100 km. Graphical representation of trip length frequency distribution is presented in **Figure 4:16** and **Figure 4:17**.

Table 4:17 Trip Length Frequency Distribution: BS1 Toll Plaza - Passenger Vehicles

Distance (km)	Car	Mini Bus	Private Bus	Govt. Bus
0-25	43%	19%	40%	29%
25-50	35%	68%	56%	35%
50-75	12%	6%	0%	6%
75-100	4%	3%	0%	18%
100-125	1%	3%	0%	0%
125-150	2%	0%	0%	0%
150-175	1%	0%	0%	6%
175-200	0%	0%	0%	0%
200-300	0%	0%	0%	0%
300-400	0%	0%	4%	0%
400-500	0%	0%	0%	0%
500-600	0%	0%	0%	0%
600-700	0%	0%	0%	0%
>700	1%	0%	0%	6%

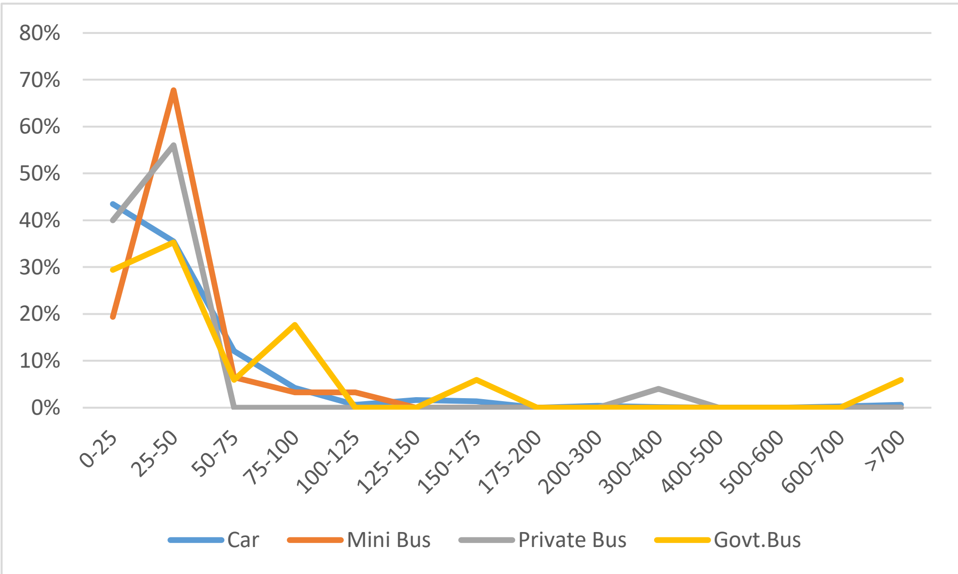


Figure 4:16 Trip Length Frequency Distribution: BS1 Toll Plaza - Passenger Vehicles

Table 4:18 Trip Length Frequency Distribution: BS1 Toll Plaza – Goods Vehicles

Distance (km)	Mini LCV	LCV	2 AXLE Truck	3-6 AXLE Truck	MAV
0-25	17%	25%	13%	13%	8%
25-50	37%	30%	34%	26%	16%
50-75	18%	23%	20%	16%	17%
75-100	12%	8%	21%	16%	19%
100-125	2%	1%	1%	2%	3%
125-150	4%	3%	2%	4%	4%
150-175	0%	1%	1%	1%	2%
175-200	4%	4%	2%	6%	4%
200-300	3%	3%	1%	8%	5%
300-400	0%	1%	2%	2%	2%
400-500	0%	0%	0%	1%	0%
500-600	0%	0%	0%	0%	0%
600-700	1%	0%	1%	0%	2%
700-800	0%	0%	0%	1%	1%
800-1000	0%	0%	1%	1%	4%
1000-1500	0%	0%	0%	1%	1%
>1500	1%	0%	0%	2%	13%

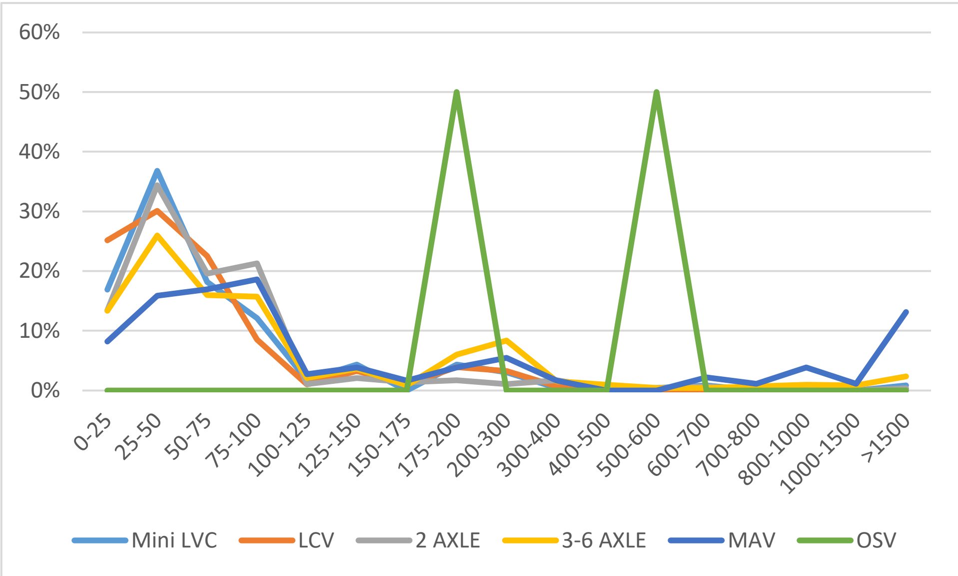


Figure 4:17 Trip Length Frequency Distribution: BS1 Toll Plaza – Goods Vehicles

Table 4:19 and **Table 4:20** present mode-wise trip length frequency distribution at the BS2. It can be observed that maximum proportion of trips is observed within 50 km range and 125 km range for passenger and goods vehicle respectively. Graphical representation of trip length frequency distribution is presented in **Figure 4:18** and **Figure 4:19**.

Table 4:19 Trip Length Frequency Distribution: BS2 Toll Plaza - Passenger Vehicles

Distance (km)	Car	Mini Bus	Bus	Govt. Bus
0-25	33%	57%	22%	25%
25-50	37%	29%	78%	70%
50-75	14%	0%	0%	0%
75-100	7%	0%	0%	5%

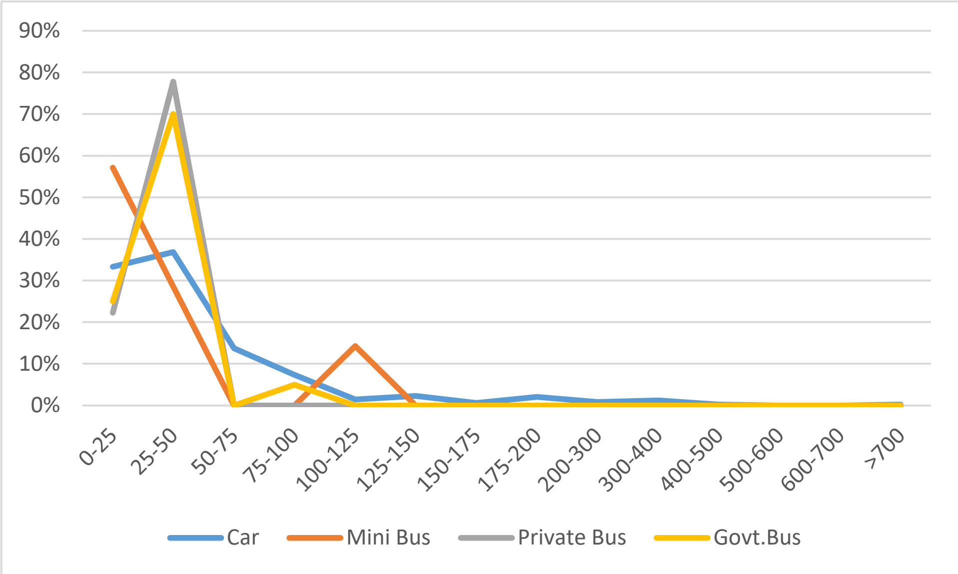


Figure 4:18 Trip Length Frequency Distribution: BS2 Toll Plaza - Passenger Vehicles

Table 4:20 Trip Length Frequency Distribution: BS2 Toll Plaza – Goods Vehicles

Distance (km)	Mini LCV	LCV	2 AXLE	3-6 AXLE	MAV	OSV
0-25	5%	7%	11%	7%	1%	0%
25-50	36%	34%	29%	17%	3%	11%
50-75	22%	43%	27%	14%	12%	22%
75-100	18%	8%	15%	25%	16%	33%
100-125	11%	2%	5%	14%	20%	0%
125-150	4%	6%	5%	10%	10%	0%
150-175	3%	0%	1%	3%	14%	0%
175-200	0%	0%	3%	4%	5%	0%
200-300	0%	0%	3%	4%	11%	11%
300-400	1%	0%	0%	2%	4%	0%

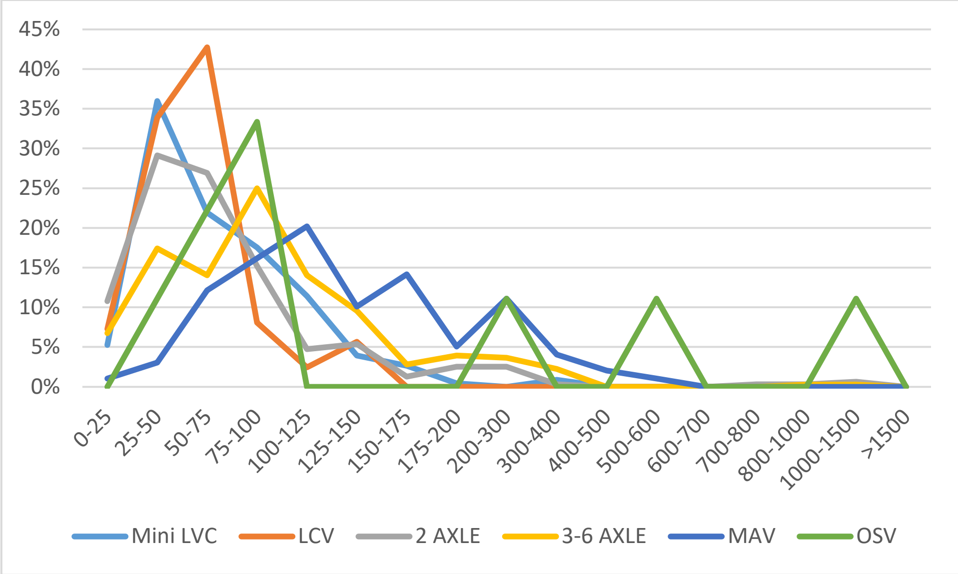


Figure 4:19 Trip Length Frequency Distribution: BS2 Toll Plaza – Goods Vehicles

b) Crusher Zone Toll Plaza

Table 4:21 and **Table 4:22** present mode-wise trip length frequency distribution at the Crusher Zone Toll Plaza location. It can be observed that maximum proportion of trips is observed within 50 km range and 150 km range for passenger and goods vehicle respectively. Graphical representation of trip length frequency distribution is presented in **Figure 4:20** and **Figure 4:21**.

Table 4:21 Trip Length Frequency Distribution: Crusher Zone Toll Plaza – Passenger Vehicles

Distance (km)	Car
0-25	69%
25-50	24%
50-75	4%
>100	1%

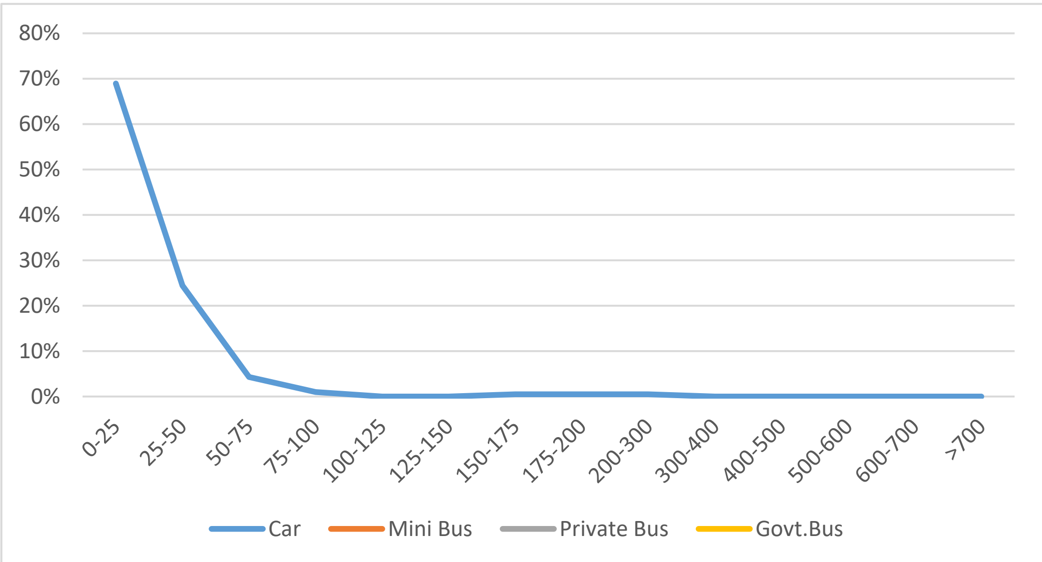


Figure 4:20 Trip Length Frequency Distribution: Crusher Zone Toll Plaza – Passenger Vehicles

Table 4:22 Trip Length Frequency Distribution: Crusher Zone Toll Plaza – Goods Vehicles

Distance (km)	Mini LCV	LCV	2 AXLE	3-6 AXLE	MAV
0-25	59%	48%	57%	40%	26%
25-50	23%	37%	32%	27%	22%
50-75	14%	5%	4%	6%	4%
75-100	0%	0%	1%	2%	2%
100-125	5%	2%	0%	0%	2%
125-150	0%	0%	1%	2%	11%
150-175	0%	0%	0%	1%	2%
175-200	0%	5%	2%	16%	17%
200-300	0%	3%	1%	5%	9%

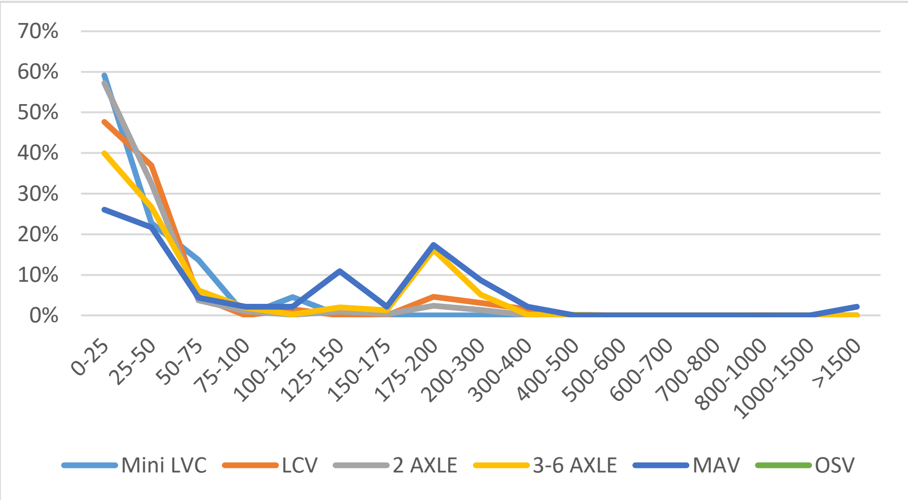


Figure 4:21 Trip Length Frequency Distribution: Crusher Zone Toll Plaza – Goods Vehicles

c) Bandhwari Toll Plaza

Table 4:23 and **Table 4:24** present mode-wise trip length frequency distribution at the survey location (Bandhwari). It can be observed that maximum proportion of trips is observed within 75 km and 100 km range for passenger and goods vehicles respectively. Graphical representation of trip length frequency distribution is presented in **Figure 4:22** and **Figure 4:23**

Table 4:23 Trip Length Frequency Distribution: Bandhwari Toll Plaza – Passenger Vehicles

Distance	Passenger Bandhwari			
	Car	Mini Bus	Private Bus	Govt.Bus
0-25	1%	0%	19%	0%
25-50	60%	33%	48%	50%
50-75	29%	58%	5%	50%
75-100	8%	8%	19%	0%

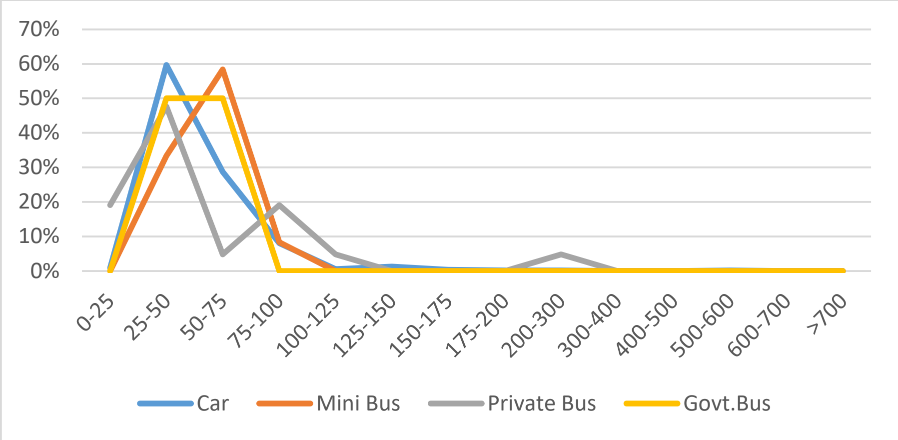


Figure 4:22 Trip Length Frequency Distribution: Bandhwari Toll Plaza – Passenger Vehicles

Table 4:24 Trip Length Frequency Distribution: Bandhwari Toll Plaza – Goods Vehicles

Distance (km)	Mini LCV	LCV	2 AXLE	3-6 AXLE	MAV	OSV
0-25	13%	8%	3%	2%	7%	12%
25-50	71%	73%	74%	74%	47%	40%
50-75	8%	11%	11%	8%	8%	12%
75-100	2%	2%	2%	4%	9%	12%
100-125	2%	0%	1%	1%	7%	2%
125-150	1%	0%	3%	3%	1%	5%
150-175	1%	0%	0%	1%	0%	0%
175-200	0%	1%	1%	2%	7%	0%
200-300	1%	1%	2%	3%	4%	7%
300-400	0%	2%	2%	3%	5%	7%

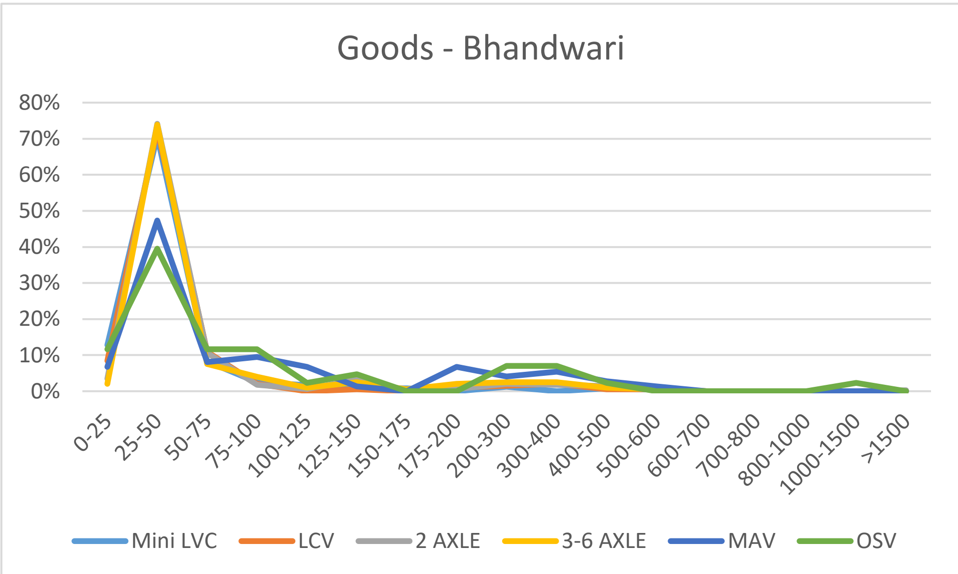


Figure 4:23 Trip Length Frequency Distribution: Bandhwari Toll Plaza – Goods Vehicles

4.10.6 Trip Frequency

OD survey data has been analysed for assessing the proportion of users using single journey, return journey and monthly pass. The observed traffic segmentation at Toll Plazas locations is given in **Table 4:25** to

Table 4:28 and the same is shown graphically in **Figure 4:24** to **Figure 4:27.**

Table 4:25 Traffic Segmentation - BS1 Toll Plaza

Mode	Single Journey	Return Journey	Monthly Pass
Car	25%	60%	15%
LCV	28%	56%	16%
Bus	5%	31%	64%
Truck	24%	59%	17%
MAV	69%	26%	5%

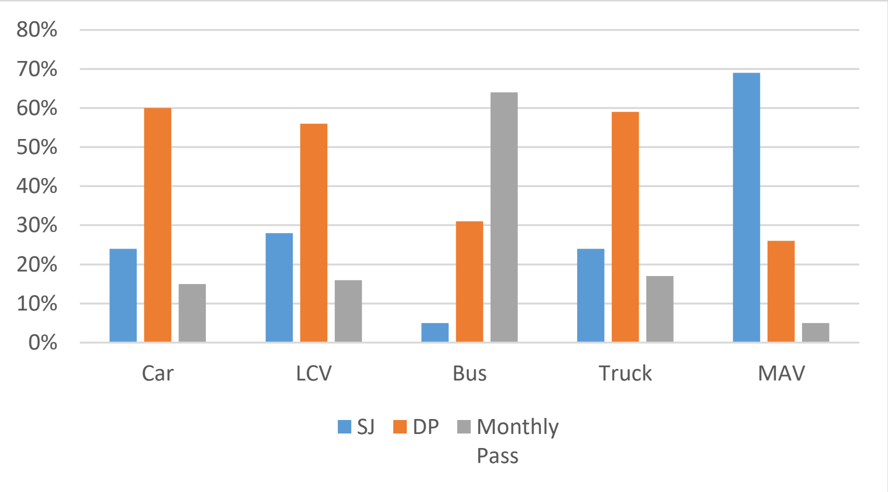


Figure 4:24 Traffic Segmentation– BS1 Toll Plaza

Table 4:26 Traffic Segmentation – BS2 Toll Plaza

Mode	Single Journey	Return Journey	Monthly Pass
Car	24%	60%	15%
LCV	28%	56%	16%
Bus	5%	31%	64%
Truck	24%	59%	17%
MAV	69%	26%	5%

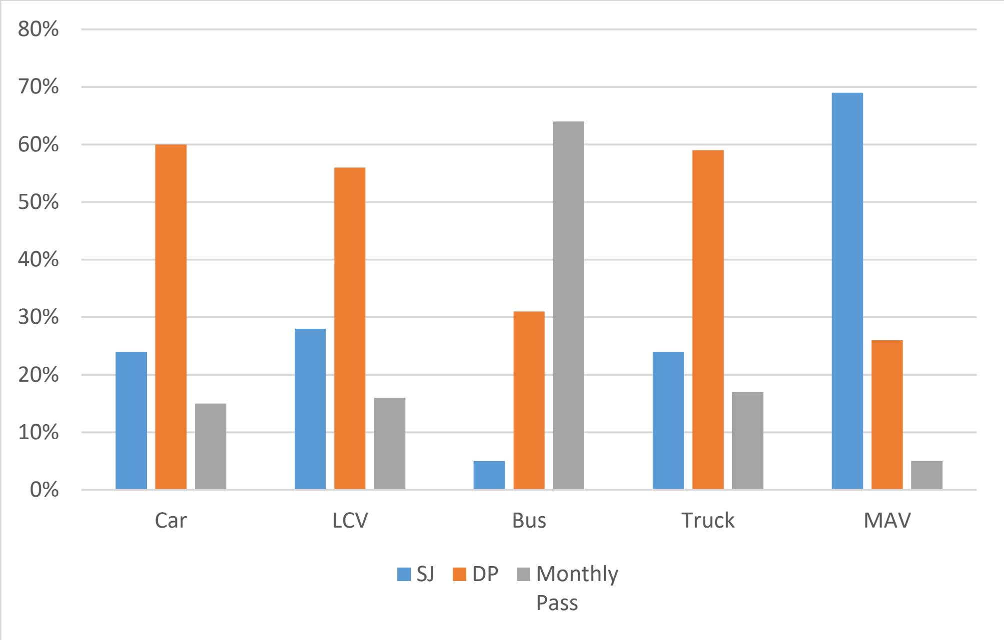


Figure 4:25 Traffic Segmentation– BS2 Toll Plaza

Table 4:27 Traffic Segmentation – Crusher Zone Toll Plaza

Mode	Single Journey	Return Journey	Monthly Pass
Car	1%	35%	65%
LCV	1%	56%	53%
Bus	3%	18%	79%
Truck	1%	22%	77%
MAV	10%	43%	47%

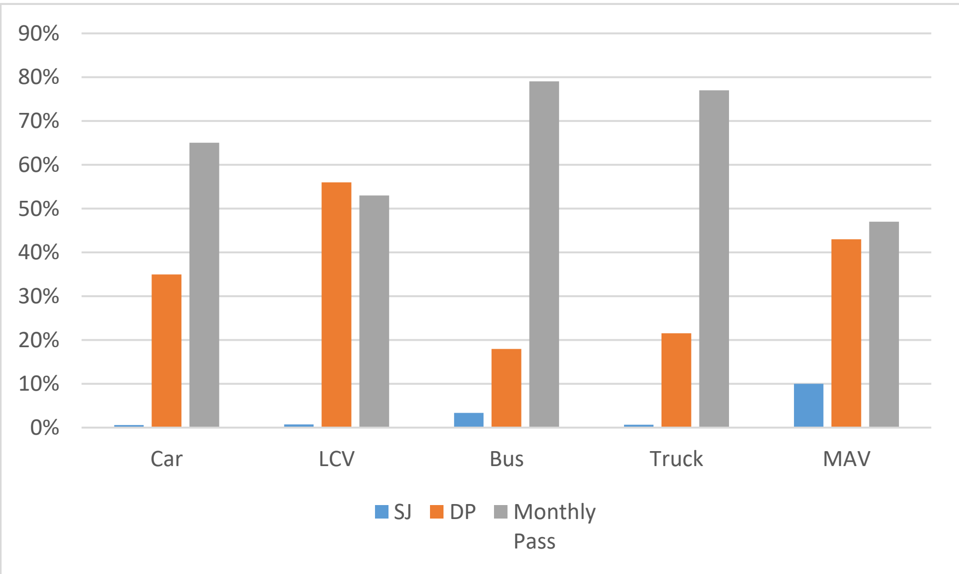


Figure 4:26 Traffic Segmentation– Crusher Zone Toll Plaza

Table 4:28 Traffic Segmentation – Bandhwari Toll Plaza

Mode	Single Journey	Return Journey	Monthly Pass
Car	19%	54%	27%
LCV	18%	55%	27%
Bus	10%	46%	44%
Truck	21%	74%	5%
MAV	55%	45%	0%

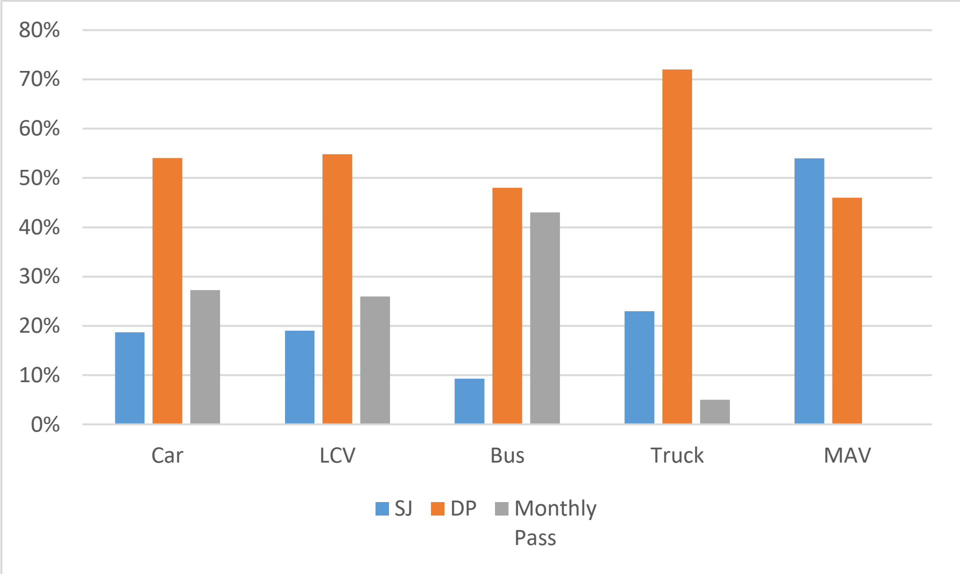


Figure 4:27 Traffic Segmentation– Bandhwari Toll Plaza

4.10.7 Local Vehicles

As per the existing toll concession, local travellers are exempted from the toll. The proportion of local travellers (Car/ Jeep/ Van) within vicinity of toll plaza is about 6%, 5%, 8% and 8% at BS1, BS2, CZ and Bandhwari Toll Plazas respectively. This data was estimated based on the OD survey analysis.

Chapter 5 Traffic Forecast and Toll Revenue Analysis

5.1 General

Assessment of traffic growth rates by various methods and traffic forecast for horizon years up to year 2027 are presented in this Chapter. Based on the traffic projections and toll rates, tollable traffic and toll revenue has been estimated and presented in this Chapter.

5.1.1 Assessment of Traffic Growth Rates

Long term forecasting of traffic on the project road during the time horizon of the study is required for assessing the financial viability of the project. To establish the future traffic growth rates, various approaches, including Transport Demand Elasticity Approach, were attempted.

5.1.2 Growth Rates Based on Past Toll Traffic Data

Consultants had carried out detailed analysis of the past toll traffic data of the four toll plazas on the project corridor. The average traffic growth rate observed during the period 2013-2016 is 50%, 18% 8.4% and 14% for BS1, Crusher Zone, BS2 and Bandhwari toll plaza locations respectively. For assessing the traffic growth rates, based on historical traffic data, at least 10 years' time series data are required. As only three years' toll traffic data is available, it is not appropriate to conclude the growth in traffic based on three years' traffic data. It is worth mentioning the latest IRC 108-2015 (Guidelines for Traffic Forecast on Highways) recommended that the past growth rates cannot be used directly for estimating future traffic on the project corridor.

5.1.3 Growth Rates based on Registered Motor Vehicles

If the area of influence is well defined and the general development pattern of influence area remains the same, then it can be assumed that traffic growth rate is approximately equal to the average growth rate of vehicle registration. It may be emphasized that the project corridor indicates a strong influence of Haryana State in the traffic generation/ attraction. For BS1 toll plaza location, it is found that about 87% of passenger traffic and 90% of freight traffic are originating from or destined to Haryana. In case of BS2 toll plaza location, it is 88% and 90%. The corresponding numbers for Crusher Zone toll plaza is 86% and 59%. At Bandhwari Toll Plaza location, about 90% of Passenger and goods traffic is from Haryana Therefore, there is a strong influence of number of registered vehicles Haryana on project road traffic.

However, assuming that the traffic growth rate equal to the average growth of vehicle registration may not be correct, unless the area of influence is well defined and the general development pattern of influence area remains same. However, this would be an alternative approach in the absence of any additional information or usable past traffic data on the project road. As transport demand elasticity approach is more proven approach, Consultants propose to adopt the growth rates derived from this approach.

5.1.4 Transport Demand Elasticity Approach

Long term forecasting of the project road traffic, during the time horizon of the study, is required for designing the highway and assessing the financial viability of the proposed investment for improving the facility.

As the growth of vehicle population can also be related to other influences, it is logical to relate vehicle population with one or more logically derived independent variables for deriving elasticity of transport demand. Elasticity of transport (traffic) demand, in the present context, is defined as the ratio of percentage change in traffic to the percentage change in socio-economic parameters. The concept of developing regression equation to relate the dependent variable in terms of one or more independent variable is widely used in transportation engineering for variety of purposes.

The process involves establishing a relationship between the traffic levels on the project corridor and Net State Domestic Product (NSDP) of the State contributing traffic on to the project corridor. This approach is even recommended by the recent Indian Roads Congress (IRC) *Guidelines for Traffic Forecast on Highways IRC: 108-2015.*

Elasticity in the present context is defined as the ratio of percentage change in traffic to the percentage change in socio-economic parameters. The concept of developing regression equation to express dependent variable in terms of one or more independent variable is widely used in transportation engineering for variety of purposes. In the present case, the dependent variable is the registered motor vehicles in the zone of influence (District/ State). The preferred dependent variable would have been past time series traffic on the project corridor. Number of registered motor vehicles growth in Haryana, Rajasthan, Delhi and Uttar Pradesh and Rest of India is taken as dependent variable. The independent variables are socio-economic parameters. The choice of independent variable depends upon vehicle type under consideration. It is logical to relate growth in traffic with NSDP/ PCI and Population. The vehicles types have been clubbed into two categories; passenger vehicles and freight/ goods vehicles. The independent variable used in case of passenger vehicles is Population and PCI and in case of freight vehicles NSDP is used.

It is possible to predict independently the socio-economic variables like population, per capita income (PCI), NSDP, etc. for future years and then assess future traffic growth rates using elasticity values. This is theoretically a sound and acceptable approach. Based on the above considerations, the growth rates based on elasticity approach have been adopted for projecting future traffic.

The traffic growth rates, by vehicle type, are obtained by running simple regression and fitting the regression equation with prospective values of independent variables. Separate equations using PCI and registered motor vehicles have been developed for influencing states for passenger vehicles. Similarly, equations by using NSDP and registered motor vehicles of influencing states are developed for freight vehicles. Traffic growth rate projections are done using the below formula;

$$T = \left[\left(1 + \frac{P}{100}\right) * \left(1 + \frac{R}{100}\right) - 1\right] * 100 * E$$

Where:

T - Traffic growth rate (in %)

P - Growth rate of population

R - Growth rate of per capita NSDP /per capita income

E - Elasticity.

The growth rates for the horizon years are arrived by taking the average of the Net State Domestic Product at constant price. Considering the big base of NSDP and already saturated development in the influencing states of the project corridor, the present growth may sustain only for a few years (say 5 years) and later slowly tapering down. India GDP has been considered for estimation of future NSDP of influencing states. World Economic Outlook has estimated India's GDP growth as 6.8% for FY 2017 and has projected India's GDP growth as 7.2% for FY 2018.

Elasticity values for different sections of the project corridor have been arrived based on the *Weightage Factors*. These weightage factors are assessed considering the contribution of the traffic on the project corridor based on primary traffic surveys (OD Survey) and the average weightage factors are presented in **Table 5:1** to **Table 5:2** for passenger vehicles and freight vehicles for toll plazas.

Table 5:1 : Weightage Factors - Passenger Vehicles (%)

Location	Haryana	Rajasthan	Delhi	UP	ROI
BS1	87%	6%	6%	1%	0%
BS2	88%	3%	5%	1%	3%
Crusher Zone	86%	0%	9%	4%	1%
Bandhwari	94%	0%	4%	1%	1%

Table 5:2: Weightage Factors– Freight Vehicles (%)

Location	Haryana	Rajasthan	Delhi	UP	ROI
BS1	90%	6%	0%	1%	3%
BS2	90%	6%	0%	1%	3%
Crusher Zone	59%	5%	11%	4%	21%
Bandhwari	91%	1%	6%	2%	0%

** ROI – Rest of India*

5.1.5 Economic Growth of Project influencing Areas

Growth of traffic on the project road depends on the existing development and future growth prospects of the PIA. A number of econometric indicators for the PIA states, as published by Central Statistical Organisation/ Economic Survey Reports have been studied to assess their past performance. Some of the salient features are presented below;

- **Haryana**

  Haryana's economy expanded at a CAGR of 13.4% during FY2005 to FY2015, higher than the national average of 12.6%. After expanding at a good pace of 9.4% in FY2013, industrial growth declined to 2.8% in FY2014, before recovering to 5.9% in FY2015. Similarly, the pace of growth of the services sector moderated from a good 10.0% in FY2013 to 8.5% in FY2015, before rising to a robust 11.5% in FY2015. In contrast, after contracting by 2.0% in FY2013, agricultural output rose by 3.1% in FY2014, before reverting to a mild 0.7% contraction in FY2015. The motor vehicles registered in Haryana expanded at a CAGR of 11.5%, during FY2006 to FY2013, higher than the 10.7% all-India growth.

- **Rajasthan**

  Rajasthan's economy expanded at a CAGR of 14.3% during FY2005 to FY2015, exceeding the national average of 12.6%. After averaging 8.5% during FY2013 and FY2014, the growth in Rajasthan's services sector improved to a robust 10.7% in FY2015. Moreover, industrial growth rose from a mild 0.3% in FY2013 to 2.7% in FY2014, and further to 5.9% in FY2015. Agricultural growth in Rajasthan doubled from 3.0% in FY2013 to 6.0% in FY2014, subsequent to which the sector recorded a contraction of 0.9% in FY2015. The motor vehicles registered in Rajasthan expanded at a CAGR of 11.3% during FY2006 to FY2013, higher than 10.7% growth at the all-India level.

- **Delhi**

  Delhi is one of the fastest growing states of the country. At current prices, the Gross State Domestic Product (GSDP) of Delhi was US$ 85.4 billion in 2015-16. Between 2004-05 and 2015-16, the GSDP of the state grew at a compound annual growth rate (CAGR) of 12.9 per cent. The state government expects to register growth of 11 per cent to 11.5 per cent by the end of 2017. At current prices, the Net State Domestic Product (NSDP) of Delhi was US$ 78.38 billion in 2015-16.

  Delhi has an attractive real estate market and is a preferred tourist destination. Owing to its location, connectivity and rich cultural history, Delhi has always been a prime tourist attraction of the country.

- **Uttar Pradesh**

  It is the largest producer of food grains among all states in India and accounted for about 19 per cent share in the country's total food grain output in 2014-15. Between 2004-05 and 2014-15, Gross State Domestic Product (GSDP) expanded at a Compound Annual Growth Rate (CAGR) of 10.72 per cent whereas the Net State Domestic Product (NSDP) expanded at a CAGR of 10.66 per cent. The motor vehicles registered in Uttar Pradesh expanded at a CAGR of 12.84% during FY2005 to FY2014, higher than 10.7% growth at the all-India level.

Table 5:3 presents the average annual economic growth rate (2005 - 2015) indicators for different influencing states of the project corridor. Highest growth rate of 8.93% in NSDP is observed for Delhi state followed by Haryana with 8.12%.

Table 5:3: Growth in Economic Indicators during 2005-2015

State	NSDP	Population	PCI
Haryana	8.12%	1.73%	6.5%
Rajasthan	7.86%	1.82%	5.94%
Uttar Pradesh	6.41	1.76	4.62%
Delhi	8.93%	1.55%	7.27%

5.1.6 PIA Outlook

For determining the perspective growth of the PIA States, their long and short term past growth were considered, along with their performances relative to India's and the opportunities for growth for each of them. Considering the big base of NSDP and already saturated development in the influencing states of the project corridor, the present growth may sustain only for a few years (say 5 years) and later slowly tapering down.

5.1.7 Estimated Traffic Growth Rates

Based on the derived elasticity values and the projected growth in economy of PIA, traffic growth rates have been estimated and presented in **Table 5:4** and **Table 5:7**

Table 5:4: Estimated Traffic Growth Rates (% per annum) – BS1

Financial Years	Passenger Car	Bus	LCV	2 -3 Axle Truck	MAV (4-6 Axles)
Up to 2019	10.0	8.0	8.0	8.0	8.0
2019-2020	8.5	7.0	6.5	7.0	6.5
2020-2023	6.5	5.5	5.0	5.5	5.0
2023-2027	4.0	3.0	3.0	3.0	3.0

Table 5:5: Estimated Traffic Growth Rates (% per annum) – BS2

Financial Years	Passenger Car	Bus	LCV	2 -3 Axle Truck	MAV (4-6 Axles)
Up to 2019	10.0	8.0	8.0	8.0	7.5
2019-2020	8.5	6.5	6.5	6.5	6.5
2020-2023	6.5	5.0	5.0	5.0	5.0
2023-2027	4.0	3.0	3.0	3.0	3.0

Table 5:6: Estimated Traffic Growth Rates (% per annum) – Crusher Zone

Financial Years	Passenger Car	Bus	LCV	2 -3 Axle Truck	MAV (4-6 Axles)
Up to 2019	9.5	5.5	8.0	7.5	7.0
2019-2020	8.0	5.0	6.5	6.5	6.0
2020-2023	6.5	3.5	5.0	5.0	4.5
2023-2027	3.5	2.0	3.0	3.0	2.5

Table 5:7: Estimated Traffic Growth Rates (% per annum) – Bandhwari

Financial Years	Passenger Car	Bus	LCV	2 -3 Axle Truck	MAV (4-6 Axles)
Up to 2019	10.0	8.0	8.0	8.0	8.0
2019-2020	8.5	7.0	6.5	7.0	6.5
2020-2023	6.5	5.5	5.0	5.5	5.0
2023-2027	4.0	3.0	3.0	3.0	3.0

5.1.8 Key Growth Factors

The Central NCR (earlier the Delhi Metropolitan Area) as defined in the Regional Plan - 2021, comprises of the notified / controlled development areas of the neighbouring towns of Ghaziabad - Loni, Noida, Gurgaon-Manesar, Faridabad-Ballabhgarh, Bahadurgarh and Sonepat-Kundli, and the extension of the ridge in Haryana, having an area of about 2000 sq. kms. It has been suggested that the opportunities presented by the Central NCR should be maximized to enable it to compete effectively with the NCT of Delhi, offering comparable employment, economic activities, comprehensive transport system, housing, social infrastructure and quality of life and environment.

In the Rest of the NCR (approximately 29,795 sq. km.), the basic policy of the Regional Plan - 2021 is aimed at accelerated development of the urban and rural areas. For this, infrastructure is being substantially upgraded at local and regional level (both by the State and Central Government) in order to induce growth in these areas, specifically in identified settlements / Metro Centres. This will make them more attractive for locating economic and allied activities and for attracting private sector investment. The rapid growth in NCR would have significant impact on the project road traffic.

Due to massive urban development in Gurgaon, Faridabad, Ballabhgarh, Sohna passenger traffic is showing tremendous growth in this region. This will continue for several years to come. Currently there are about 162 crushers operating in the area. Most of the stone is being brought from the quarries in Alwar and from Kotputli in Rajasthan. Stone is crushed by a series of conveyer belts and is transported back for construction purpose. Crusher area has potential for good growth as NCR area is undergoing through massive construction activity. Therefore, more truck traffic will be plying on BS2, BS1, and CZ toll plaza locations in future.

5.1.9 Suggested Elasticity Values

Derived elasticity values obtained for some vehicle types are low/high, which could be attributed mainly to the inconsistency in the data due to variety of reasons. Therefore, to make a realistic estimate of the traffic growth rates, necessary updation to the elasticity values is done considering the current scenario and the recommended standard elasticity values.

The shift from public transport to personalized modes is one of the major changes occurred over the past few years. This has led in elasticity of bus lower than unity. The growth in per capita income won't assure an increasing trend in car, as the trend may reach saturation and a decline may take place.

- **Car**

  It is likely that this growth would slow down over time as the market becomes more mature and saturated, therefore elasticity can be expected to decline over time.

- **Trucks**

  There are has been a rapid shift in freight transport in last decade. With enhance carrying capacity of LCV and better operational efficiencies of MAV over 2 Axle Truck for longer distance travel, there is a huge fluctuation in trend of truck traffic. This has been duly considered while finalising the growth rates for good vehicles and higher elasticity values for MAV have been considered as compared to 2 Axle trucks

5.1.10 Variable Elasticity Value

Elasticity value is the factor by which the socio-economic growth rate is multiplied to get the growth rate of traffic. Traffic is directly linked to the economic growth such as per capita income, population and NSDP/GDP. According to IRC-108, elasticity based econometric model for highway projects could be derived in the following form:

Log e (P) = A0 + A1 Log e (EI)
where:
P = Traffic volume (of any vehicle type)
EI = Economic Indicator (GDP/NSDP/Population/PCI)
A0 = Regression constant;
A1 = Regression co-efficient (Elasticity Index)

In coming years the Economic indicators will be reducing. Hence the regression coefficient will taper down. This tapering in elasticity is considered while deriving the traffic growth rates. **Table 5:8** shows the recommended elasticity values.

Table 5:8: **Recommended Elasticity Values**

Location	Financial Years	Car	Bus	LCV	2 Axle	MAV	Tractor
BS1	Up to 2019	0.93	0.93	1.28	0.58	1.16	0.58
	2019-2020	0.81	0.92	1.04	0.58	1.04	0.58
	2020-2023	0.79	0.73	0.97	0.48	0.97	0.48
	2023-2027	0.73	0.73	1.02	0.58	1.02	0.44
BS2	Up to 2019	1.04	0.93	1.27	0.58	1.16	0.58
	2019-2020	0.88	0.88	0.99	0.55	0.99	0.55
	2020-2023	0.81	0.70	0.93	0.46	0.93	0.46
	2023-2027	0.70	0.70	0.97	0.56	0.97	0.42
Crusher Zone	Up to 2019	1.05	0.00	0.87	0.35	1.17	
	2019-2020	0.94	0.00	0.72	0.28	0.89	
	2020-2023	0.93	0.00	0.64	0.23	0.70	
	2023-2027	0.98	0.00	0.70	0.28	0.56	
Bandhwari	Up to 2019	1.19	0.83	0.83	0.48	1.19	0.60
	2019-2020	0.92	0.69	0.80	0.46	1.03	0.57

Location	Financial Years	Car	Bus	LCV	2 Axle	MAV	Tractor
	2020-2023	0.76	0.55	0.65	0.44	0.87	0.44
	2023-2027	0.69	0.46	0.57	0.34	0.92	0.34

5.1.11 Non-Compliance

During the traffic surveys, it was found that certain vehicles were not paying toll. 16% and 9% of car passengers were not paying toll at BS1 and BS2 toll plaza locations respectively. Similarly, at Crusher zone toll plaza, about 21% of car users were not paying toll. At Bandhwari toll plaza, about 10% Truck users were not paying toll, though the absolute number is small. We understand that the Concessionaire is already taking necessary measures to avoid non-compliance and it is expected by FY 2020, there would be no non-compliance traffic. When compared with AADT based on historical toll data, it is observed that only 38% freight vehicles have paid toll at Crusher Zone. While, at BS1 & BS2, 30% are non-compliant.

In discussion with the Client, the non-compliance traffic is duly considered. Due to this, the toll revenue for the first two years of forecast is lower in comparison to the revenue based on the actual traffic count, for BS1, BS2 and CZ. For GF toll plaza, the non-compliance traffic is very insignificant and therefore not considered for the toll revenue calculation.

5.1.12 Suggested Traffic Growth Rates

The estimated growth rates based on past traffic data have no definite trend. Therefore, registered motor vehicles growth is explored. These past growth rates cannot be used for estimating future traffic on the project road. The future traffic may not follow these growth rates due to several reasons, like changes in price of new vehicles, fuel and taxes on several commodities. Any substantial change in policy (e.g., fare, travel time, loading and unloading of goods, etc.) and infrastructure (e.g. improvement of existing rail services, new railway line, etc.) may also affect the traffic volume on the project road.

It is possible to predict independently the socio-economic variables like population, per capita income, NSDP, etc. for future years and then assess future traffic growth rates using elasticity values. This is theoretically a sound and acceptable approach. Based on the above discussions, the growth rates based on elasticity approach have been adopted for projecting future traffic.

Based on the suggested elasticity values**,** the traffic growth rates have been estimated for three scenarios: (1) Realistic Scenario, (2) Optimistic Scenario and (3) Pessimistic Scenario. The key growth factors, indicated in the above sections, have been considered while finalising the traffic growth rates. While estimating the growth rates for freight vehicles, the decreasing trend in growth of 2 axle Trucks is taken into consideration and the same is counter balanced in the growth of LCV & MAV. Due consideration has been given for the gradual reduction of Non-compliance traffic. The suggested traffic growth rates are presented **Table 5:9**.

Table 5:9: Suggested Traffic Growth Rates (%)

	Realistic						Optimistic						Pessimistic					
	BS1																	
Financial Years	Vehicle Type																	
	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor
Up to 2019	8	8	11	5	10	5	9	9	12	6	11	6	6	6	9	3	8	3
2019-2020	7	8	9	5	9	5	8	9	10	6	10	6	5	6	7	3	7	3
2020-2023	6.5	6	8	4	8	4	7.5	7	9	5	9	5	4.5	4	6	2	6	2
2023-2027	5	5	7	4	7	3	6	6	8	5	8	4	3	3	5	2	5	1
	BS2																	
Financial Years	Vehicle Type																	
	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor
Up to 2019	9	8	11	5	10	5	10	9	12	6	11	6	7	6	9	3	8	3
2019-2020	8	8	9	5	9	5	9	9	10	6	10	6	6	6	7	3	7	3
2020-2023	7	6	8	4	8	4	8	7	9	5	9	5	5	4	6	2	6	2
2023-2027	5	5	7	4	7	3	6	6	8	5	8	4	3	3	5	2	5	1
	Crusher Zone																	
Financial Years	Vehicle Type																	
	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor
Up to 2019	9	0	7.5	3	10	0	10	0	8.5	4	11	0	7	0	5.5	1	8	0
2019-2020	8.5	0	6.5	2.5	8	0	9.5	0	7.5	3.5	9	0	6.5	0	4.5	0.5	6	0
2020-2023	8	0	5.5	2	6	0	9	0	6.5	3	7	0	6	0	3.5	0	4	0
2023-2027	7	0	5	2	4	0	8	0	6	3	5	0	5	0	3	0	2	0
	Bandhwari																	
Financial Years	Vehicle Type																	
	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor	Car	Bus	LCV	Trucks	MAV	Tractor
Up to 2019	10	7	7	4	10	5	11	8	8	5	11	6	8	5	5	2	8	3
2019-2020	8	6	7	4	9	5	9	7	8	5	10	6	6	4	5	2	7	3
2020-2023	7	5	6	4	8	4	8	6	7	5	9	5	5	3	4	2	6	2
2023-2027	6	4	5	3	8	3	7	5	6	4	9	4	4	2	3	1	6	1

5.2 Alternate Route

The Consultant have studied the road network in the surrounding area of the project corridor and found no potential alternate route to bypass the four toll plazas on the project corridors.

5.3 Traffic Forecast

Annual Average Daily Traffic for the financial year 2017 (1st April 2016 to 31st March 2017), provided by Client, was considered as the base for forecasting traffic (refer **Table 5:10**). The below traffic does not include non-compliance traffic, which is very significant at BS1, BS2 and Crusher Zone.

Table 5:10: Base Year Tollable Traffic

Mode	BS1	BS2	Crusher Zone	Bandhwari
Car	2,610	1,467	538	38,138
LCV	388	313	159	3,053
Bus	95	35	0	318
Truck	278	709	1,580	1,540
MAV	70	151	14	418
Total Vehicles	**3,441**	**2,676**	**2,291**	**43,467**

Source: Reliance Infrastructure ** excluding non-compliance traffic*

5.3.1 Tollable Traffic Forecast

Using the growth rates presented in Table 5:9, the tollable traffic has been projected up to the horizon year 2027. Traffic forecast for *realistic scenario* in terms of vehicles and PCUs for all the toll plaza locations is presented in **Table 5:11** to **Table 5:14**. Considering the significant non-compliance traffic at BS1, BS2 and CZ, the tollable traffic forecast was projected assuming 100% of the non-compliance traffic will pay toll over the next two years.

Table 5:11: Tollable Traffic Forecast - BS1 Toll Plaza

Financial Year	Car/Jeep /Van	Bus	LCV	2-Axle Trucks	MAV (3-6 Axles)	Total Vehicles	Total (PCUs)
2017	2610	95	388	278	70	3441	4626
2018	3471	126	528	361	95	4581	6151
2019	4617	168	718	470	128	6100	8181
2020	4940	181	782	493	139	6536	8764
2021	5261	192	845	513	150	6962	9320
2022	5603	204	912	534	162	7415	9914
2023	5967	216	985	555	175	7899	10547
2024	6266	227	1054	577	187	8312	11103
2025	6579	238	1128	600	201	8746	11689
2026	6908	250	1207	624	215	9204	12308
2027	7253	263	1292	649	230	9686	12960

 # non compliance traffic has been accounted in the initial 2 years

Table 5:12: Tollable Traffic Forecast – BS2 Toll Plaza

Financial Year	Car/Jeep/Van	Bus	LCV	2-Axle Trucks	MAV	Total Vehicles	Total (PCUs)
2017	1467	35	313	709	151	2675	4848
2018	1966	47	426	922	204	3564	6426

Financial Year	Car/Jeep/Van	Bus	LCV	2-Axle Trucks	MAV	Total Vehicles	Total (PCUs)
2019	2634	62	579	1198	275	4748	8521
2020	2845	67	631	1258	300	5101	9116
2021	3044	71	682	1308	324	5429	9662
2022	3257	75	736	1361	350	5779	10243
2023	3485	80	795	1415	378	6153	10862
2024	3659	84	851	1472	404	6470	11421
2025	3842	88	910	1531	433	6804	12010
2026	4034	92	974	1592	463	7155	12631
2027	4236	97	1042	1656	495	7526	13285

 # non compliance traffic has been accounted in the initial 2 years

Table 5:13: Tollable Traffic Forecast – Crusher Zone Toll Plaza

Financial Year	Car/ Jeep/Van	LCV	2-Axle Trucks	MAV (3-6 Axles)	Total Vehicles	Total (PCUs)
2017	538	159	1580	14	2291	5580
2018	721	171	2022	19	2933	7130
2019	966	184	2589	26	3764	9122
2020	1048	196	2653	28	3925	9426
2021	1132	206	2706	29	4074	9692
2022	1223	218	2761	31	4232	9970
2023	1320	230	2816	33	4399	10260
2024	1413	241	2872	34	4560	10545
2025	1512	253	2930	35	4730	10840
2026	1617	266	2988	37	4909	11147
2027	1731	279	3048	38	5096	11466

 # non compliance traffic has been accounted in the initial 2 years

Table 5:14: Tollable Traffic Forecast – Bandhwari Toll Plaza

Financial Year	Car/ Jeep/Van	Bus	LCV	2-Axle Trucks	MAV (3-6 Axles)	Total Vehicles	Total (PCUs)
2017	38138	318	3053	1540	418	**43467**	**50173**
2018	41952	340	3267	1602	460	**47620**	**54747**
2019	46147	364	3495	1666	506	**52178**	**59755**
2020	49839	386	3740	1732	551	**56248**	**64284**
2021	53327	405	3964	1802	595	**60094**	**68574**
2022	57060	425	4202	1874	643	**64205**	**73155**
2023	61055	447	4454	1949	694	**68599**	**78047**
2024	64718	465	4677	2007	750	**72617**	**82524**
2025	68601	483	4911	2067	810	**76873**	**87264**
2026	72717	503	5157	2129	875	**81380**	**92284**
2027	77080	523	5414	2193	945	**86155**	**97601**

5.4 Toll Revenue Estimation

5.4.1 Schedule of User fee

The schedule of user fee is shown in **Table 5:15**

Table 5:15: User Fee

S. No	Particulars of the type of vehicles on which toll is to be levied	Initial Rate applicable upto the first 3 years (in Rupees)	Graded rate applicable in rupees			
			After 3 years and upto 6 years	After 6 years and upto 9 years	After 9 years and upto 12 years	Beyond 12 years
1	Motor trucks (laden with goods or unladen) upto 10 tyres	200	230	250	280	300
2	Motor Bus with or Without passengers including School Bus	100	110	130	150	170
3	Tractor Trolley carrying quarry g building material etc. (No toll to be levied on tractors carrying agricultural produce)	50	60	70	70	80
4	Light Commercial Vehicle (LCV) and Low Powered trucks (LPT)	100	110	120	130	140
5	Multi-axle vehicles having more than 10 tyres and other heavy vehicles such as cranes, dozers, earth movers, road rollers etc.	250	300	300	350	350
6	Car, Jeep, Pickup Van, Three wheelers, Station wagon	15	20	25	30	40

Source: Reliance Infrastructure

5.4.2 Toll Concessions

As per the toll notification:

1) Once the toll has been paid, the vehicle need not to pay further toll within the toll road or crossing the toll road through same or other toll plaza. However, if the same wishes to re-enter the toll road it has to pay toll as per applicable rates

2) Daily pass- One and a half times the corresponding each trip rates as mentioned above. When the same vehicle has to cross the toll plaza more than once in a day, the users shall have the option to pay one and half times of the above rates while crossing the road in the first trip itself. However, in case of commercial vehicles, the users may avail of only return journey during the same day by paying one and half times the above rates.

3) Monthly pass – For commercial vehicles, thirty times the corresponding single trip rates and for others, twenty times the corresponding single trip rates as mentioned above.

4) Following types of vehicles are exempted from payment toll

i. Two-wheelers
ii. Tractor trolley carrying agriculture produce
iii. Defence vehicles,
iv. Ambulances/ funeral vans,
v. Police Vehicles, Fire fighting vehicles,
vi. Local traffic (non-commercial) in the vicinity of toll road, and
vii. Non-commercial vehicles owned by all State Government, Government of India and Haryana State Government Undertaking.

5.4.3 Adopted Toll Concessions

Considering all the above factors and based on the results of OD Survey and toll traffic data, Consultants adopted the following toll concessions for different categories of tollable vehicles as given **Table 5:16**.

Table 5:16 Adopted Toll Concessions

Location	Type of Road User	Sin. Use	Return	Monthly Pass	Local
BS1	Car/Jeep/Van	22.6%	56.4%	14.1%	6.0%
	Bus	5.0%	31.0%	64.0%	0.0%
	LCV	28.0%	56.0%	16.0%	0.0%
	2-Axle Trucks	24.0%	59.0%	17.0%	0.0%
	MAV (3-6 Axles)	69.0%	26.0%	5.0%	0.0%
	MAV (7 and more Axles)	100.0%	0.0%	0.0%	0.0%
	Tractor	24.0%	60.0%	15.0%	0.0%
BS2	Car/Jeep/Van	22.8%	57.0%	14.3%	5.0%
	Bus	5.0%	31.0%	64.0%	0.0%
	LCV	28.0%	56.0%	16.0%	0.0%
	2-Axle Trucks	24.0%	59.0%	17.0%	0.0%
	MAV (3-6 Axles)	69.0%	26.0%	5.0%	0.0%
	MAV (7 and more Axles)	100.0%	0.0%	0.0%	0.0%
	Tractor	24.0%	60.0%	15.0%	0.0%
Crusher Zone	Car/Jeep/Van	0.6%	32.2%	59.8%	8.0%
	Bus	3.4%	18.0%	79.0%	0.0%
	LCV	0.8%	56.0%	53.0%	0.0%
	2-Axle Trucks	0.7%	21.5%	77.0%	0.0%
	MAV (3-6 Axles)	10.0%	43.0%	47.0%	0.0%
	MAV (7 and more Axles)	100.0%	0.0%	0.0%	0.0%
	Tractor	0.6%	35.0%	65.0%	0.0%
Bandhwari	Car/Jeep/Van	17.2%	49.7%	25.1%	8.0%
	Bus	9.3%	48.0%	43.0%	0.0%
	LCV	19.0%	54.8%	26.0%	0.0%
	2-Axle Trucks	23.0%	72.0%	5.0%	0.0%
	MAV (3-6 Axles)	54.0%	46.0%	0.0%	0.0%
	MAV (7 and more Axles)	100.0%	0.0%	0.0%	0.0%
	Tractor	18.7%	54.1%	27.2%	0.0%

5.4.4 Toll Revenue

An assessment of likely toll revenue has been made by applying the estimated toll rates to the projected tollable traffic. Traffic forecast given in Section 5.3 is based on the actual observed AADT for FY 2017, provided by Client. Toll revenue for the project is estimated using growth rates and is presented in **Table 5:17**. The total estimated annual toll revenue from the four toll plazas is about Rs. 755 Million in 2018 and Rs. 334 Million in 2027 (Considering only 16% operational).

Table 5:17 Estimated Annual Toll Revenue (Rs. Million)

FY	Realistic	Pessimistic	Optimistic
2018	755	744	763
2019	1,011	982	1,032
2020	1,104	1,051	1,137
2021	1,168	1,091	1,214
2022	1,381	1,266	1,449
2023	1,501	1,349	1,590

FY	Realistic	Pessimistic	Optimistic
2024	1,578	1,392	1,687
2025	1,877	1,624	2,025
2026	2,033	1,724	2,214
2027	334	278	367

**Toll revenue for FY 2027 is for 16% of the year*

5.5 Operation and Maintenance Cost

5.5.1 General

The toll revenue account for the returns of the project. While the Operation and Maintenance cost apart from the Capital Cost account for expenditure towards the project cost. For this purpose, major O&M elements such as civil infrastructure, toll system and manpower, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analysed based on the data provided by Client.

5.5.2 Major Element of Maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

5.5.3 Project Parameters for O & M

Operation and Maintenance cost of the project depends on a number of factors like quality of construction, response of maintenance team to early damage, climate.

Future cost of operation and maintenance is the estimate made on engineering judgement and experience basis. Keeping all above factors in view, following can be basis of working out cast operation and maintenance for project corridor.

a. Annual Regular Maintenance – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll Collection, toll plaza maintenance, other services mile medical help and rescue operation etc.

b. Periodic Maintenance this will be done on periodic basis say. It usually consists of overlaying of wearing course, Road Marking. Some pavement strengthening is also anticipated in few sections. As project stretch is long periodic maintenance items have also been spread on annual basis from execution point of view. Since the project is commissioned and traffic is running for 2 years, periodic maintenance shall be as per condition of pavement and other infrastructure. Inputs of the concessionaire have been taken in this regard.

Cost for above operations is taken on prevailing rates. Following **Table 5:18** provides financial year wise details of operation and maintenance cost.

Table 5:18 Major Maintenance Cost (in Rs Crores)

Year	Base Year Expenditure	Renewal Cost of BC	Micro Surfacing Cost	Escalation Factor	Total Expenditure	Remarks
FY 2018	29.50	23.23	6.27	1.04	15	**Major Maintenance**
FY 2019	29.50	23.23	6.27		15	**Major Maintenance**
FY 2024	29.50	23.23	6.27	1.35	20	**Major Maintenance**
FY 2025	29.50	23.23	6.27		20	**Major Maintenance**

Table 5:19 O&M Cost (in Rs Crores)

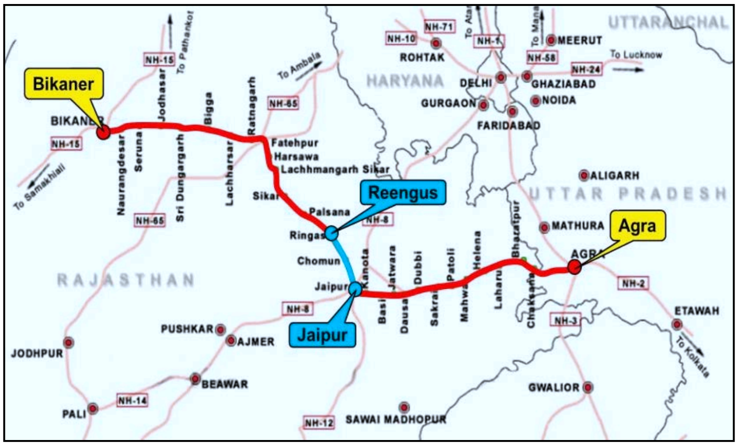
Year	Base Cost	Escalation Factor	Total Expenditure
FY 2018	16.5	1	17.16
FY 2019	16.5	1.05	18.02
FY 2020	16.5	1.10	18.92
FY 2021	16.5	1.16	19.86
FY 2022	16.5	1.20	20.66
FY 2023	16.5	1.25	21.49
FY 2024	16.5	1.30	22.35
FY 2025	16.5	1.35	23.24
FY 2026	16.5	1.41	24.17
FY 2027	16.5	1.42	24.30

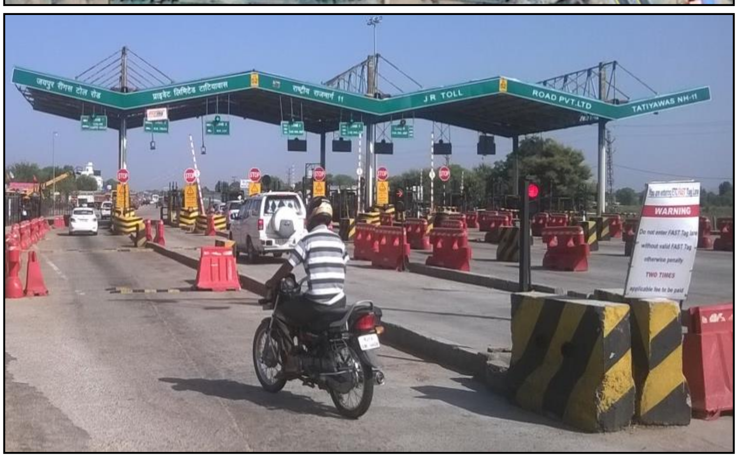
Annexure

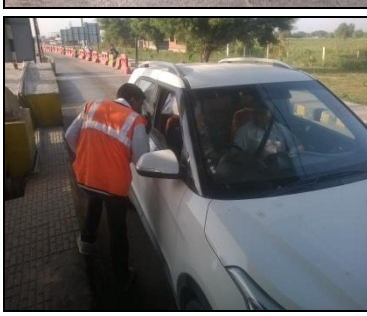
	Zone Name	Region		Zone Name	Region
1	PS_Anewadi TP1_10KM	Toll Plaza1	74	Valsa	
2	PS_Anewadi TP1_20KM		75	Kandla Port	
3	PS_Khedshivpur_TP2_10KM	Toll Plaza 2	76	Mundra Port	
4	PS_Khedshivpur_TP2_20KM		77	Mandivi Port	
5	Ahmadnagar	Maharashtra	78	Hazira Port	
6	Akola		79	GF_TP1_10KM	Toll Plaza1
7	Amravati		80	GF_TP1_20KM	
8	Aurangabad		81	GF_TP2_10KM	Toll Plaza 2
9	Beed		82	GF_TP2_20KM	
10	Bhandara		83	GF_TP3_10KM	Toll Plaza3
11	Buldhana		84	GF_TP3_20KM	
12	Chandrapur		85	GF_TP4_10KM	Toll Plaza 4
13	Dhule		86	GF_TP4_20KM	
14	Gadchiroli		87	Ambala	Haryana
15	Gondia		88	Bhiwani	
16	Hingoli		89	Chandigarh	
17	Jalgaon		90	Faridabad	
18	Jalna		91	Fatehabad	
19	Kolhapur		92	Gurgaon	
20	Latur		93	Hisar	
21	Mumbai Suburban		94	Jhajjar	
22	Mumbai		95	Jind	
23	Nagpur		96	Kaithal	
24	Nanded		97	Karnal	
25	Nandurbar		98	Kurukshetra	
26	Nashik		99	Mahendragarh	
27	Osmanabad		100	Mewat	
28	Parbhani		101	Palwal	
29	Pune		102	Panchkula	
30	Raigad		103	Panipat	
31	Ratnagiri		104	Rewari	
32	Sangli		105	Rohtak	
33	Satara		106	Sirsa	
34	Sindhudurg		107	Sonipat	
35	Solapur		108	Yamunanagar	
36	Thane		109	Ballabhgarh	
37	Wardha		110	Sohna	
38	Washim		111	JR_TP1_10KM	Toll Plaza
39	Yavatmal		112	JR_TP1_20KM	
40	KM_Mokha_TP1_10KM	Toll Plaza	113	Ajmer	Rajasthan
41	KM_Mokha_TP1_20KM		114	Alwar	
42	Ahmedabad	Gujarat	115	Banswara	
43	Amreli		116	Baran	
44	Anand		117	Barmer	
45	Aravalli		118	Bharatpur	
46	Banaskantha		119	Bhilwara	
47	Bharuch		120	Bikaner	
48	Bhavnagar		121	Bundi	
49	Botad		122	Chittaurgarh	
50	Chhota Udaipur		123	Churu	
51	Dahod		124	Dausa	
52	Dang		125	Dhaulpur	
53	Devbhoomi Dwarka		126	Dungarpur	
54	Gandhinagar		127	Ganganagar	
55	Gir Somnath		128	Hanumangarh	
56	Jamnagar		129	Jaipur	
57	Junagadh		130	Jaisalmer	
58	Kheda		131	Jalor	
59	Kutch		132	Jhalawar	
60	Mahisagar		133	Jhunjhunun	
61	Mehsana		134	Jodhpur	
62	Morbi		135	Karauli	
63	Narmada		136	Kota	
64	Navsari		137	Nagaur	
65	Panchmahal		138	Pali	
66	Patan		139	Pratapgarh	
67	Porbandar		140	Rajsamand	
68	Rajkot		141	Sawai Madhopur	
69	Sabarkantha		142	Sikar	
70	Surat		143	Sirohi	
71	Surendranagar		144	Tonk	
72	Tapi		145	Udaipur	
73	Vadodara		146	Reengus	

	Zone Name	Region
147	DA_TP1_10KM	Toll Plaza1
148	DA_TP1_20KM	
149	DA_TP2_10KM	Toll Plaza 2
150	DA_TP2_20KM	
151	DA_TP3_10KM	Toll Plaza3
152	DA_TP3_20KM	
153	DA_TP4_10KM	Toll Plaza 4
154	DA_TP4_20KM	
155	Central Delhi	Delhi
156	East Delhi	
157	New Delhi	
158	North Delhi	
159	North East Delhi	
160	North West Delhi	
161	South Delhi	
162	South West Delhi	
163	West Delhi	
164	Agra	Uttar Pradesh
165	Allahabad	
166	Aligarh	
167	Ambedkar Nagar	
168	Auraiya	
169	Azamgarh	
170	Barabanki	
171	Budaun	
172	Bagpat	
173	Bahraich	
174	Bijnor	
175	Ballia	
176	Banda	
177	Balrampur	
178	Bareilly	
179	Basti	
180	Bulandshahr	
181	Chandauli	
182	Nagar	
183	Chitrakoot	
184	Deoria	
185	Etah	
186	Kanshi Ram Nagar	
187	Etawah	
188	Firozabad	
189	Farrukhabad	
190	Fatehpur	
191	Faizabad	
192	Gautam Buddh Nagar	
193	Gonda	
194	Ghazipur	
195	Gorakhpur	
196	Ghaziabad	
197	Hamirpur	
198	Hardoi	
199	Mahamaya Nagar	
200	Jhansi	
201	Jalaun	
202	Jyotiba Phule Nagar	
203	Jaunpur district	
204	Dehat)	
205	Kannauj	
206	Kanpur	
207	Kaushambi	
208	Kushinagar	
209	Lalitpur	
210	Lakhimpur Kheri	
211	Lucknow	
212	Mau	
213	Meerut	
214	Maharajganj	
215	Mahoba	
216	Mirzapur	
217	Moradabad	
218	Mainpuri	
219	Mathura	

Zone	Zone Name	Region
220	Muzaffarnagar	Uttar Pradesh
221	Panchsheel Nagar district (Hapur)	
222	Pilibhit	
223	Shamli	
224	Pratapgarh	
225	Rampur	
226	Raebareli	
227	Saharanpur	
228	Sitapur	
229	Shahjahanpur	
230	Sant Kabir Nagar	
231	Siddharthnagar	
232	Sonbhadra	
233	Sant Ravidas Nagar	
234	Sultanpur	
235	Shravasti	
236	Unnao	
237	Varanasi	
238	Andhra Pradesh (AP)	Rest of India
239	Vijayawada	
240	Bihar (BR)	
241	Patna	
242	Chhattisgarh (CG)	
243	Raipur	
244	Goa (GA)	
245	Himachal Pradesh (HP)	
246	Simla	
247	Jammu and Kashmir (JK)	
248	Kashmir	
249	Jammu	
250	Jharkhand (JH)	
251	Ranchi	
252	Kerala (KL)	
253	Trivendrum	
254	Karnataka (KA)	
255	Bengaluru	
256	Madhya Pradesh (MP)	
257	Bhopal	
258	Gwalior	
259	Odisha (OR)	
260	Bhubaneshwar	
261	Punjab (PB)	
262	Amritsir	
263	Tamil Nadu (TN)	
264	Chennai	
265	Telangana	
266	Hyderabad	
267	Uttarakhand (UK)	
268	Dehradun	
269	West Bengal (WB)	
270	Kolkata	
271	North East States	







RELIANCE

Reliance Infrastructure InvIT Fund

Traffic Study for Jaipur - Reengus Section of NH 11

Final Traffic Report

April 2017

SYSTRA INDIA

Contents

Chapter 1 Introduction

1.1 Preamble

On February 19, 2010, the NHAI and JR entered into a concession agreement for widening of the existing two lanes to four, on a DBFOT basis of Jaipur Reengus stretch of NH 11. The project was bid at a grant of Rs. 102.9 cr. The concession period commenced on August 14, 2010 and the collection of tolls commenced on July 15, 2013. A provisional certificate of completion was issued on July 15, 2013 and a second provisional completion certificate was issued on October 16, 2015. The NHAI granted JR a concession for a period of 18 years for this project. The concession period commenced on August 14, 2010 and is expected to expire on August 13, 2028. JR began collecting tolls with respect to this project on July 15, 2013. The NHAI owns the land that underlies the JR Project

The expansion and development of efficient road network is one of the prerequisites for country's economic progress. Over the years, roads have emerged as preferred mode of transport in India and figures suggest that highways carry 60% of freight and 80% of passenger traffic.

The National Highways Authority of India (NHAI) has been entrusted by Government of India with the development, maintenance and management of National Highways. Under Phase III of National Highways Development Program (NHDP), the Government has taken up Implementation of 4-laning of National Highways, including **Jaipur - Reengus Section** (Km 246.300 to Km 298.075) **of NH-11** (Project Road) in the State of Rajasthan. This project was executed by *Reliance Infrastructure Limited* (*JR Toll Road Private Limited*) on Design, Build, Finance, Operate and Transfer (DBFOT) basis.

Reliance Infrastructure InvIT Fund has engaged *M/s Systra MVA Consulting (India) Private Limited* as Consultants for carrying out necessary traffic studies and assess the future traffic and toll potential of project along with related Operation & Maintenance expenditure involved.

Figure 1:1 Tatiyawas Toll Plaza on Jaipur Reengus Section of NH-11

1.2 Project Corridor

National Highway 11 is an important National Highway of India; it starts at Agra, travels through Bharatpur, Jaipur, Sikar, Fatehpur and ends at Bikaner in the State of Rajasthan. The project road is the main highway connecting cities like Bikaner, Fatehpur and Sikar to Jaipur. Project road (**Figure 1:2**) starts at Junction of NH-8 Bypass at Jaipur (km 246.3 on NH-11) and ends at Reengus (km 298.075 on NH-11). This road connects State capital Jaipur with district headquarters, Sikar and carries predominant passenger and goods traffic. The project road is 52.65 km as per concession agreement long with one toll plaza (Km 257- Tatiyawas toll plaza). At Tatiyawas toll plaza (**Figure 1:3**), toll is collected for 52.65 km stretch of project corridor.

Project road traverses through two major districts of Rajasthan, viz. Jaipur and Sikar and connects major tourist destinations such as Khatushyamji Temple and Salasar Balaji and religious places, industrial zones and Jaipur International Airport. The project road carries mostly local and tourist passenger traffic and some goods traffic, generating from several industrial areas in Jaipur district and stone mines.

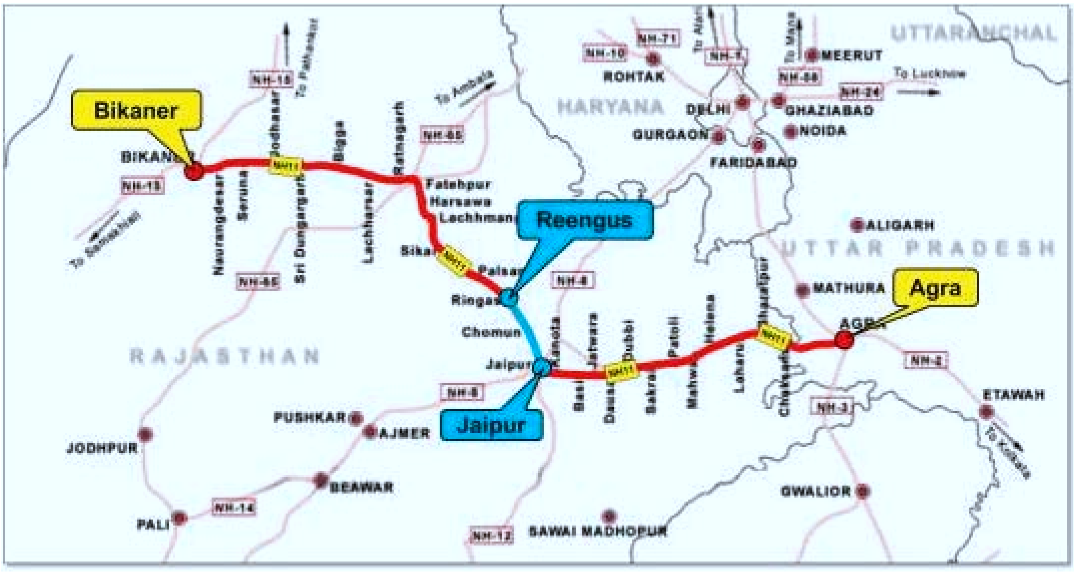


Figure 1:2: Project Corridor – Jaipur – Reengus Section of NH-11

Figure 1:3: Existing Toll Plaza on Jaipur- Reengus Section of NH-11

1.3 Salient Features of Project Corridor

1.3.1 Existing Major Bridges

The list of existing major bridges along the Jaipur Reengus section of NH-11 are given in **Table 1:1.**

Table 1:1 Existing Major Bridges

S No	Name of Bridge	Bridge No.	Chainage (Km)	Width (m)	Span Arrangement & Total Length	Type of Structure		
						Foundation	Sub Structure	Super Structure
1	Bandi River	257/1	256+125	8.30	18x5.5 /99.0	Raft	Stone wall type	RCC Slab
2	Govindgarh Bridge	282/1	281+250	8.40	23x4.8 / 110.40	Open Foundation	Stone wall type	RCC Slab
3	Reengus River	293/1	292+715	8.40	26x5.55 / 144.3	Open Foundation	Stone wall type	RCC Slab

1.3.2 Existing Minor Bridges

The list of existing minor bridges along the Jaipur Reengus section of NH-11 are given in **Table 1:2.**

Table 1:2 Existing Minor Bridges

S No	Name of Bridge	Bridge No.	Chainage (Km)	Width (m)	Span Arrangement & Total Length	Type of Structure		
						Foundation	Sub Structure	Super Structure
1	Harmara Bridge	248/1	247+950	11.00	2x5.8 / 11.6	Open Foundation	Stone wall type	RCC Slab
2	Motuka Nala	256/1	255+860	8.30	6x5.5 / 33.0	Raft	Stone wall type	RCC Slab
3	Minor Bridge	273/1	272+500	8.40	3x5.9 / 17.7	Open Foundation	Stone wall type	RCC Slab
4	Dhodhsar Bridge	285/1	284+770	8.40	8x4.8 / 38.4	Open Foundation	Stone wall type	RCC Slab

1.3.3 Details of ROBs/RUBs and High Embankments

The details of ROBs/RUBs along the project road is given in **Table 1:3.**

Table 1:3 Details of ROBs /RUBs

S No.	Chainage (km)	ROB/RUB	Width	Span Arrangement & Total Length	Type of Structure			Clear Height Available (m)
					Foundation	Sub Structure	Super Structure	
1	296+665	ROB	12.00	2 X 15.6 / 31.2	Open Foundation	RCC Wall Type	RCC T-Beam	6.5

Following **Table 1:4** gives the typical cross section of High Embankments (Approaches to Grade Separators/ Underpass/ Bridges/ ROBs.

Table 1:4 Details of High Embankments

S. No	Design Chainage From	Length (Km)	C/s Type
1	11.964 to 12.564	0.600	TCS - 9
2	18.978 to 19.578	0.600	TCS – 9
3	20.557 to 21.157	0.600	TCS – 9
4	48.105 to 49.105	1.000	TCS – 9
5	50.065 to 51.065	1.000	TCS - 10

1.3.4 Details of New Major and Minor Bridges

Details of new major bridges and rehabilitation/ repair/ widening scheme for existing major bridges are given in **Table 1:5** and

Table 1:6.

Table 1:5 Details of New Major Bridges

S.No.	Name of Bridge	Bridge No.	Existing Chainage	Design Chainage	Type of Crossing	Proposed Structural Configuration	Proposed Structure Type	Proposed Span Arrangements	Total Width of the Structure
1	Bandi River	257/1	256+125	9+857	Bandi River	New 2 -Lane	RCC T Beam	6 x 16.5	1 x 11.5
2	Govind Sagar River	282/1	281+125	35+184	Govind Sagar River	New 2 -Lane	RCC T Beam	5 x 19.2 +1 14.4	1 x 11.5
3	Reengus River	293/1	292+770	46+607	Reengus River	New 2 -Lane	RCC T Beam	9 x 16.6 + 1x11.1	1 x 11.5

Table 1:6 Details of New Minor Bridges

S. No	Bridge No.	Existing Chainage	Design Chainage	Type of Crossing	Proposed Structural Configuration	Proposed Structure Type	Proposed Span Arrangement	Total Width of the Structure
1	256/1	255+860	9+567	Motuka Nalla	New 4-Lane	RCC T Beam	2 x 16.5	2 x 11.5
2	21/2	Chomu Bypass	20+467	River	New 4-Lane	RCC Girder	1 x 17.2	2 x 11.5
3	22/2	Chomu Bypass	21+749	River	New 4-Lane	RCC Slab Bridge	1 x 11	2 x 11.5
4	23/1	Chomu Bypass	22+681	River	New 4-Lane	RCC Girder	1 x 17.2	2 x 11.5
5	285/1	284+770	38+691	Dhoodhsagar River	New 2-Lane	RCC T Beam	2 x 19.2	1 x 11.5

1.3.5 Details of Proposed ROB/ RUB

Details of proposed ROB/ RUB along project corridor is given in **Table 1:7**.

Table 1:7 Details of Proposed ROB/RUB

S.No	ROB/RUB	Existing Chainage / Design Chainage	Existing Structure	Proposed Structural Configuration	Proposed Structural Type	Proposed Span Arrangement	Total width of the structure
1	ROB	296.665/ 50.565	Two Lane ROB	New 2 - Lane	RCC T-Beam	1 x 18+ 2x28+ 2x18*	1x13.8

- Span arrangement is tentative

1.4 Objectives and Scope of Work

The main objective of the study is to assess the future traffic and toll potential of project along with related Operation & Maintenance expenditure involved. The scope of consultancy services broadly covers the following:

- ✓ 7 days Video graphic traffic count at the existing toll plaza to derive the Average Daily Traffic (ADT).
- ✓ 24 hours Origin-Destination Survey at the toll plaza location to assess the existing travel pattern of vehicles plying on the project road including origin and destination.
- ✓ Analysis of past traffic data provided by the Concessionaire.
- ✓ Establish seasonality factors using toll traffic data.
- ✓ Estimation of Annual Average Daily Traffic (AADT).
- ✓ Estimation of traffic diversion/leakage, if any.
- ✓ Traffic projections for the remaining concession period.
- ✓ Estimation of toll revenue as per categories of traffic streams stipulated in the Concession Agreement for the remaining concession period.
- ✓ Prepare a Report on Revenue and Traffic Forecast.
- ✓ O&M cost analysis (O&M Cost per km) including projections based on the historical cost incurred/ booked by the toll operator.

1.5 Report Structure

For the above Scope of Work, Systra MVA has carried out a series of investigations. This report presents details on various surveys carried out for estimation of toll traffic and revenue on the Project Road, as well as findings from the analysis of survey data.

This Final Report is organized under five Chapters. **Chapter 1** deals with the Introduction and objectives of the study and the project corridor details. **Chapter 2** covers Study Approach & Methodology and a review of the secondary data collected is presented in **Chapter 1**. **Chapter 4** deals with the traffic surveys and their analysis. Estimation of traffic growth rates, traffic forecast, toll revenue estimation and O&M Cost is presented in **Chapter 5**.

Chapter 2 Study Approach & Methodology

2.1 General

The estimation of tollable traffic requires development of well-defined objectives and traffic database containing relevant information concerning traffic flow characteristics. The broad methodology followed for the present study is presented in **Figure 2:1**.

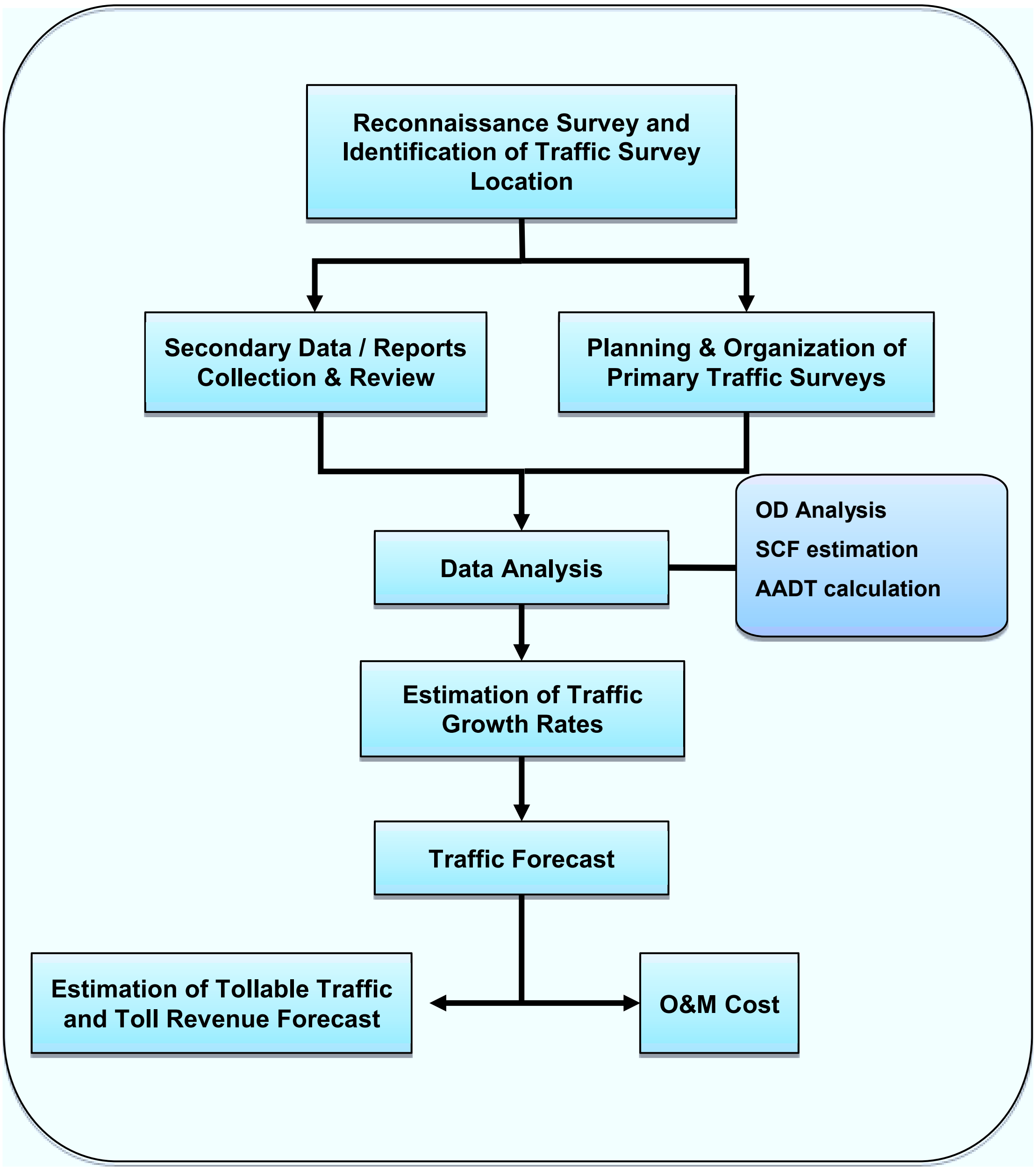


Figure 2:1: Broad Study Methodology

2.2 Primary Traffic Surveys

For traffic projections and toll revenue estimation, base year traffic volume on the project corridor and traffic characteristics like *local, through* traffic, proportion of frequent vehicles opting for return pass, monthly pass, etc. are required. To obtain these details, various surveys and studies were organized. The various traffic surveys carried out as part of the present study, the survey methodology and the survey schedule are presented in detail in the following sections. The review of secondary data collected is presented in **Chapter 1.** The following primary surveys, in addition to the secondary data from various sources, are identified to establish the traffic & travel characteristics on the project corridor:

1. Detailed Inventory within project corridor and adjoining roads in Project Influencing Area
2. Video graphic Traffic Volume Count
3. Origin and Destination Survey

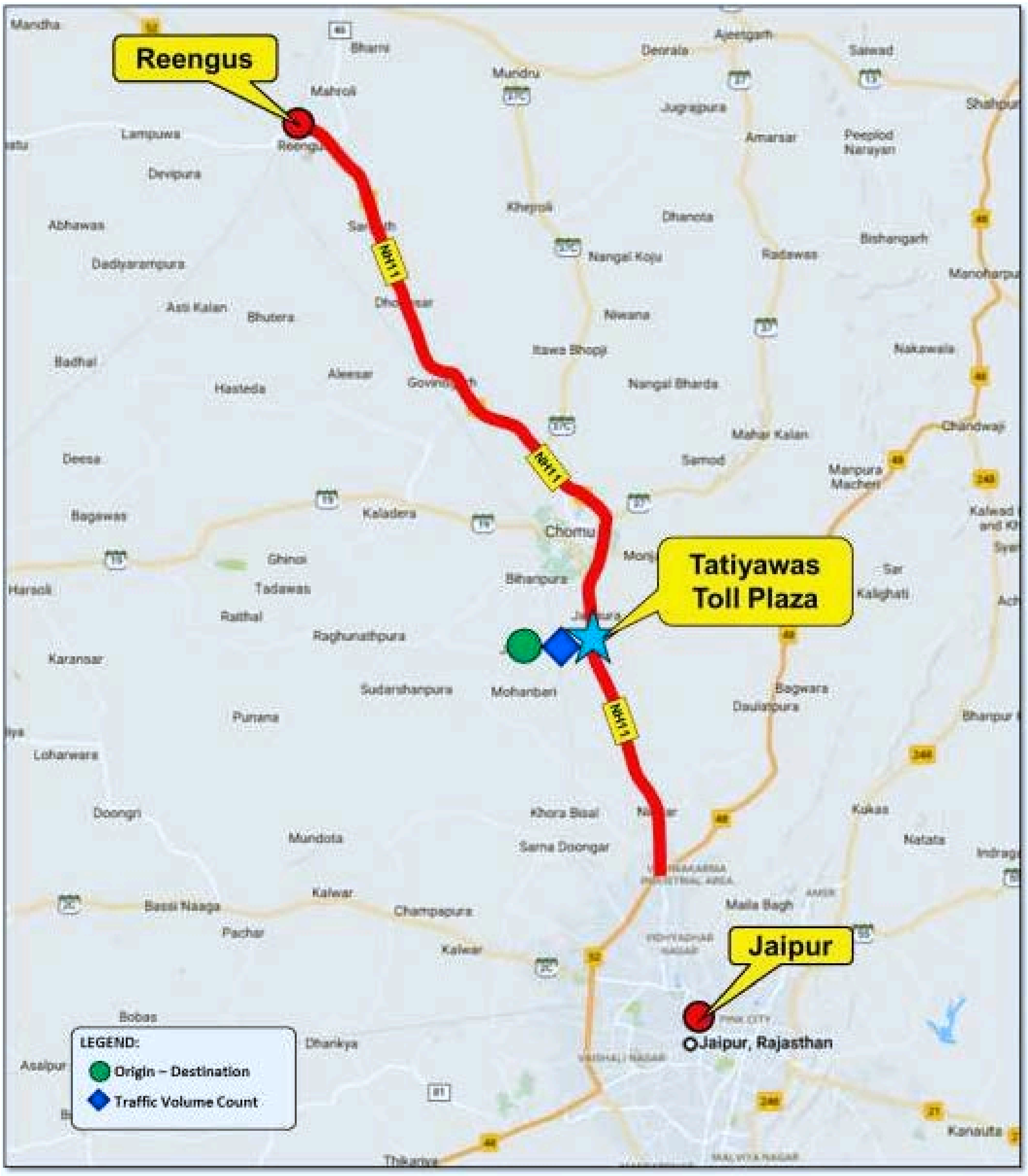


Figure 2:2 : Traffic Survey Locations

The project corridor and the survey location are schematically shown in **Figure 2:2**. It can be observed that the entire project stretch is covered extensively and appropriately in terms of capturing the traffic flows and characteristic of the project road. The survey methodology and the schedule is discussed in the following sections.

2.3 Classified Traffic Volume Count Survey

The 7-day (24 hours, both directions) Video graphic traffic volume count survey was carried out near the Tatiyawas toll plaza (km 257.000). Traffic was recorded using video cameras and data was extracted. Sufficient lighting arrangement was ensured for the video recording during night time. The traffic volume count data was processed using the commonly used spread sheet package. The processed hourly traffic volume data was compiled direction-wise.

Data collected from site was analyzed to study daily variation and hourly variation of traffic, traffic composition and Average Daily Traffic (ADT) at the survey location. The various vehicle types having different sizes and characteristics were converted into equivalent passenger car units. The Passenger Car Unit (PCU) factors recommended by Indian Roads Congress as per **IRC: 64-1990** were adopted.

Average Daily Traffic (ADT)

Daily traffic volume by vehicle type and direction were added separately and averaged to determine the Average Daily Traffic.

Annual Average Daily Traffic (AADT)

To account for the seasonal variation in the traffic, seasonal correction factors were worked out using past toll traffic data from the toll operator. Seasonal variation factors were estimated for each category of vehicle.

2.4 Origin and Destination Survey

The origin and destination (OD) survey was carried out with the primary objective of studying the travel pattern of passenger and goods traffic along the study corridor. The OD survey was carried out for one day (24 hours) on a typical weekday near Tatiyawas toll plaza (Refer **Figure 2:3**).

Figure 2:3: Origin Destination Survey

Roadside Interview Method was adopted for conducting the survey. The vehicles were stopped on random sample basis and the drivers/ users were interviewed by trained enumerators to collect the needed information/data. The survey format is finalized keeping in view the existing concessions as per Concession Agreement. The pertinent information in respect of travel characteristics including the following were collected during the OD Surveys;

- Origin zone & Destination zone of the vehicles
- Trip Purpose
- Frequency of travel
- Trip Length
- Type of Commodity (Commercial Vehicles)

2.5 Secondary Data collection

In addition to the data collected through primary surveys, the following data/ information was collected from various authorities. Review of the secondary data collected is presented in **Chapter 1.**

- Registered motor vehicles data from the Road Transport Authority (RTA) for the project influencing States.
- Past toll traffic data
- Net State Domestic Product for the major influencings states of project corridor traffic.
- Competing facilities that could affect the traffic on project road in future.

2.6 Survey Schedule

The traffic surveys were carried out near Tatiyawas toll plaza and survey schedule is presented in the **Table 2:1**.

Table 2:1: Survey Schedule

S. No	Type of Surveys	Schedule
1	7 Day Video graphic Volume Count	28th September to 4th October 2016 (7 Days)
2	Origin Destination Survey	24 Hours (8 am on 28th September to 8 am on 29th September 2016)

2.7 Traffic Data Analysis

Detailed analysis of the primary survey data and secondary data was undertaken to assess the traffic and travel characteristics of the project corridor. Daily traffic volume by vehicle type and direction at the survey location was used in determining Average Daily Traffic (ADT). The Annual Average Daily Traffic (AADT) was determined after applying seasonal correction factors to ADT. The tollable traffic was assessed after taking into account the toll exempted vehicles.

2.8 Traffic Forecast

The accuracy of traffic forecast depends upon the accuracy of the growth factors. To establish the future traffic growth rates, following approaches are explored.

- Growth rates based on past toll traffic data

- Growth rates based on registered motor vehicles
- Transport Demand Elasticity Approach

The growth rates are assessed for three scenarios viz. optimistic, realistic and pessimistic. Based on these growth rates, traffic was projected for the reaming concession period. The diversion of traffic due to competing facilities, if any, as well as the generated traffic due to proposed new developments is also taken into consideration while estimating the future traffic.

2.9 Toll Revenue Estimation

The project is a toll road project. Tollable traffic on section of the project corridor was derived from the analysis of primary surveys. The base year tollable traffic was projected to future years using the adopted growth rates and toll revenue is estimated for each horizon year using the specified toll rates as per the Concession Agreement. While estimating the toll revenue, toll exempted vehicles and various applicable concessions were taken into consideration.

2.9.1 Toll Exempted Vehicles

The toll exempted vehicles and the exempted dignitaries as per NHAI are presented in **Table 2:2**.

Table 2:2 Toll Exempted Vehicles

Exempted Vehicles	Exempted Dignitaries
i) Defence Vehicles	i) President of India
ii) Police vehicles	ii) Vice- President of India
iii) Vehicles with VIP symbol	iii) Central and State Minister while in vehicles
iv) Fire Fighting vehicles	iv) Leader of Opposition in Lok Sabha or Rajya Sabha or State Legislatures having the status of Cabinet Minister, while in vehicles
v) Ambulances	v) Governors of States
vi) Funeral vans	vi) Lieutenant Governors of Union Territories
vii) Post and Telegraphs Department's vehicles	vii) Speakers or Chairman of Central and State Legislatures while in vehicles
viii) Central and State Govt. vehicles on duty	viii) Executive councillors
	ix) Foreign dignitaries on State visit to India
	x) Foreign Diplomats Stationed in India using cars with CD or CC Number Plate

Chapter 3 Review of Secondary Data

3.1 General

As indicated in earlier Chapters, the project corridor connects two most important districts (Jaipur and Sikar) of Rajasthan. This project corridor is having higher influence of passenger vehicles due to attraction of tourist spots. Presence of some industries in Jaipur district generates commercial vehicles traffic movement along the project corridor. The traffic intensity on any highway is a function of Population, Net State Domestic Product (NSDP) / Net District Domestic Product (NDDP) and number of registered motor vehicles in the project influence area. The growth in each parameter will have significant impact on the traffic intensity on the project corridor. For the estimation of future traffic on the corridor and toll revenues, Consultants have collected extensive secondary information/ data including the following:

- Population of Rajasthan State and other influencing districts of Rajasthan
- Net State Domestic Product (NSDP) of Rajasthan
- Registered Motor Vehicles in Rajasthan
- Past traffic data at the toll plaza located on project road

3.2 Population of Rajasthan

Growth in population in project road influence area will have significant impact on the passenger traffic on the project corridor. **Table 3:1** shows the population in each district of Rajasthan.

Table 3:1 Population Details

District	2001	2011	Percentage Increase
Ajmer	2182000	2584913	18%
Alwar	2992000	3671999	23%
Banswara	1502000	1798194	20%
Baran	1022000	1223921	20%
Barmer	1965000	2604453	33%
Bharatpur	2101000	2549121	21%
Bhilwara	2014000	2410459	20%
Bikaner	1674000	2367745	41%
Bundi	963000	1113725	16%
Chittaurgarh.	1803000	1544392	-14%
Churu	1924000	2041172	6%
Dausa	1317000	1637226	24%
Dholpur	983000	1207293	23%
Dungarpur	1108000	1388906	25%
Ganganagar	1789000	1969520	10%
Hanumangarh	1518000	1779650	17%
Jaipur	5251000	6663971	27%
Jaisalmer	508000	672008	32%

District	2001	2011	Percentage Increase
Jalore	1449000	1830151	26%
Jhalawar	1180000	1411327	20%
Jhunjhun	1914000	2139658	12%
Jodhpur	2887000	3685681	28%
Karauli	1210000	1458459	21%
Kota	1568000	1950491	24%
Nagaur	2775000	3309234	19%
Pali	1820000	2038533	12%
Rajsamand	987000	1158283	17%
Sawai Madhopur	1117000	1338114	20%
Sikar	2288000	2677737	17%
Sirohi	851000	1037185	22%
Tonk	1212000	1421711	17%
Udaipur	2633000	3067549	17%
Pratapgarh	--	868231	--

**Source: Census of India*

It can be observed from the above Table, the increase in Population in Jaipur and Sikar districts is 27% and 17% respectively. Highest growth is observed in Bikaner district.

3.3 Net State Domestic Product (NSDP) of Influencing States

In estimating travel demand elasticity, it is logical to relate growth in passenger and freight traffic with Net State Domestic Product (NSDP) and population. The compiled data of NSDP at constant prices (2004-2005) for influencing states is presented in **Table 3*:2***.

Table 3:2 NSDP of Influencing States at Constant Prices (2004-2005)

Year	Rajasthan		Gujarat		Delhi		Haryana	
	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change	NSDP in Rs. Crores	% Change
2004-05	112636	--	172265	--	94716	--	86222	--
2005-06	120202	7%	197270	15%	104473	10%	94011	9%
2006-07	134350	12%	213954	8%	117444	12%	104700	11%
2007-08	140471	5%	239253	12%	130683	11%	112896	8%
2008-09	152284	8%	249480	4%	146961	12%	121588	8%
2009-10	161160	6%	284732	14%	159044	8%	136780	12%
2010-11	190130	18%	315892	11%	172235	8%	146053	7%
2011-12	202683	7%	336887	7%	187672	9%	158524	9%
2012-13	203298	0%	356478	6%	205396	9%	167389	6%
2013-14	212524	5%	385472	8%	224655	9%	178458	7%
2014-15	237529	12%	411179	7%	225629	0.5%	189837	6%

**Source: Economic Survey of Indian States*

3.4 Registered Motor Vehicles

Registered motor vehicles growth in the project corridor influence area is considered as an alternative approach in estimating the traffic growth in the absence of any additional information or usable past traffic data on the project road. Also this can be used in determining the travel demand elasticity. Consultants have collected the data related to registered motor vehicles in Rajasthan and the same is presented in **Table 3:3**. The percentage variation is presented in **Table 3:4.**

Table 3:3 Registered Motor Vehicles in Rajasthan

Year	Car	Bus	LCV	Truck &MAV
2005-06	460380	60979	61908	206361
2006-07	515376	63320	87345	232007
2007-08	577625	65605	92993	252109
2008-09	644683	69298	98692	266048
2009-10	727158	73257	106045	289925
2010-11	825612	77980	116678	323273
2011-12	934962	83345	126012	362028
2012-13	1051288	88616	138613	401983
2013-14	1168021	93892	152475	434379
2014-15	1294542	97650	167722	472365
Avg Annual Growth (2005-06 to 2014-15)	12.17%	5.37%	11.71%	9.64%

** Source: Motor Transport Statistics of Rajasthan*

Table 3:4 Growth Rate of Registered Motor Vehicles

Year	Car	Bus	LCV	Trucks & MAV
2005-06	--	--	--	--
2006-07	12%	3.8%	41%	12%
2007-08	12%	4%	6%	9%
2008-09	12%	6%	6%	6%
2009-10	13%	6%	7%	9%
2010-11	14%	6%	10%	12%
2011-12	13%	7%	8%	12%
2012-13	12%	6%	10%	11%
2013-14	11%	6%	10%	8%
2014-15	11%	4%	10%	9%

The growth rate in total registered motor vehicles in Rajasthan during 2014-2015 is 11%, 4%, 10% and 9% for Car, Bus, LCV and Truck/MAV respectively.

3.5 Traffic Data from Existing Toll Plaza

The toll traffic data for the last 3 years (July 2013 to March 2017) is collected from Tatiyawas Toll Plaza operator. The summary of the data collected is presented in **Table 3:5**. This data is used for assessing the seasonality factors and trend of traffic growth on the project corridor. Tollable traffic count by category of vehicles obtained from Reliance Infrastructure (TMS Data) is presented in **Table 3.6**.

Table 3:5 Traffic Data from Toll Plaza

Month	Car	LCV	Truck	Bus	MAV
Jul-13	9292	1066	1142	864	1224
Aug-13	9072	868	1154	767	1094
Sep-13	9431	1029	1205	999	1212

Month	Car	LCV	Truck	Bus	MAV
Oct-13	9473	1040	1251	1027	1193
Nov-13	10976	987	1237	754	1043
Dec-13	11412	1059	1243	856	1185
Jan-14	11444	1049	1228	1028	1261
Feb-14	12949	1114	1066	1269	1332
Mar-14	12120	1110	1065	1306	1401
Apr-14	13037	1204	1124	1312	1361
May-14	13466	1241	1142	1292	1297
Jun-14	13158	1197	1104	1326	1420
Jul-14	12097	1070	919	1266	1164
Aug-14	12620	1010	692	1332	1024
Sep-14	12090	1088	839	1295	1119
Oct-14	12604	1108	870	1292	1138
Nov-14	12738	1171	1011	1308	1202
Dec-14	13262	1164	988	1309	1236
Jan-15	13151	1085	887	1233	1150
Feb-15	15232	1236	1030	1327	1246
Mar-15	13321	1111	841	1269	1179
Apr-15	15000	1284	908	1306	1224
May-15	14435	1234	947	1316	1275
Jun-15	13436	1164	952	1298	1328
Jul-15	12119	1054	818	1275	1152
Aug-15	12051	994	714	1277	1128
Sep-15	12149	1084	799	1280	1229
Oct-15	12125	1175	862	1287	1330
Nov-15	13317	1080	809	1305	1232
Dec-15	12802	1102	895	1283	1380
Jan-16	12508	1061	807	1302	1348
Feb-16	14030	1140	848	1387	1415
Mar-16	12753	972	776	1354	1310
Apr-16	13677	1014	720	1388	1266
May-16	11570	907	713	1387	1212
Jun-16	11460	935	690	1401	1207
Jul-16	12065	909	583	1316	997
Aug-16	11720	930	524	1387	834
Sep-16	11473	991	623	1404	944
Oct-16	11470	1019	655	1384	1008
Nov-16	12524	932	588	1468	973
Dec-16	13332	1036	604	1503	1011
Jan-17	11644	930	568	1421	996
Feb-17	11872	1022	649	1494	1199
Mar-17	11145	1008	655	1464	1096

Source: TMS Data (Reliance Infrastructure)

Table 3:6 Tollable Traffic Count by Category of Vehicles

Modes	For FY ended March 31			FY15 – FY17 (%)
	2015	2016	2017(5)	
Car(1)	47,68,603	4,780, 097	4,102,587	-7%
LCV(2)	4,16,275	406, 970	331,556	-11%
Bus/Truck(3)	8,21,467	7,87,141	700,756	-8%
Multi-axle(4)	4,42,138	468, 247	363,193	-9%
Total	**64,48,483**	**64,42,453**	**5,498,092**	**-8%**

Source: TMS Data (Reliance Infrastructure)

Note:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) 24 days, i.e. from 9 Nov 2016 to 2 Dec 2016 lost due to demonetization toll closure which traffic is not included in FY 17

3.6 Historical Annual Average Daily Tollable Traffic

The annual average daily tollable traffic for the project decreased from 26,978 PCUs in 2015 to 24,376 PCUs in 2017, representing a CAGR of -5%. The **Table 3:7** below sets forth the tollable annual average daily traffic, by category of vehicles, for the financial years 2015, 2016 and 2017:

Table 3:7 Historical Tollable Annual Average Daily Traffic

Modes	For the FY ended March 31			FY15 – FY17 (%)
	2015	2016	2017(5)	
Car(1)	13,065	13,060	11,996	-4%
LCV(2)	1,140	1,112	969	-8%
Bus/ Truck(3)	2,251	2,151	2,049	-5%
Multi-axle(4)	1,211	1,279	1,062	-6%
Total	17,667	17,602	16,076	-5%
Total PCUs	26,978	26, 937	24,376	-5%

Source: TMS Data (Reliance Infrastructure)

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.
(5) 24 days, i.e. from 9 Nov 2016 to 2 Dec 2016 lost due to demonetization toll closure which traffic is not included in FY 17

On an average for the four financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the JR Project's total traffic mix, 74%, 6%,13% and 7% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented 74%, 6%, 13%, and 7% of tollable traffic respectively. Any growth in the macroeconomic factors can lead to an increase in the traffic growth in this area.

3.7 Toll Structure at Existing Toll Plaza

Existing toll structure including toll concessions at the Tatiyawas toll plaza on the project corridor is summarized in **Table 3:8**.

Table 3:8 Toll Structure at Existing Toll Plaza (2016-2017)

Toll Plaza	Vehicle Type	Toll (Rs)		
		Single Trip	Return Trip Within a day	Monthly Pass (50 Journey)
Tatiyawas	Car/ Jeep/ Van	55	80	1760
	LCV	85	130	2845
	Bus / Truck	180	270	5960
	3 to 6 Axle Trucks	280	420	9350
	Oversized vehicles (7 or more axle)	340	510	11380

The rates for monthly pass applicable for local non-commercial vehicles residing within a distance 20 km from the plaza for the financial year 2016-2017 shall be Rs. 235.

Chapter 4 Traffic Surveys and Analysis

4.1 General

This Chapter presents details about the various traffic surveys carried out as part of the present study and the survey data analysis. The results of analysis will form input for estimation of tollable traffic and toll revenue.

4.2 Classified Traffic Volume Count Survey

Classified traffic volume count survey was carried out at Tatiyawas Toll Plaza (km 257.000) for 7 consecutive days, from 28th September to 4th October 2016. The video graphic data was extracted for all the 7 days. During the data extraction, toll exempted vehicles were counted separately. The extracted video graphic data was analyzed to study the hourly variation and daily variation of traffic, peak hour share, traffic composition and Average Daily Traffic (ADT) at the survey location. Seasonality factors were applied for obtaining the Annual Average Daily Traffic (AADT).

4.3 Passenger Car Units

The various vehicle types having different sizes and characteristics were converted into equivalent passenger car units. The Passenger Car Unit (PCU) factors recommended by Indian Roads Congress in *Guidelines for Capacity of Roads in Rural Areas* (IRC: 64-1990) were used (**Table 4:1**).

Table 4:1 PCU Factors

Vehicle Type	PCU Factor	Vehicle Type	PCU Factor
Car/Jeep	1.00	LCV	1.50
Van/Tempo (passenger)	1.00	2-Axle Truck	3.00
Mini Bus	1.50	3-Axle Rigid Truck	3.00
Standard Bus	3.00	MAV	4.50

**Source: Guidelines for Capacity of Roads in Rural Areas (IRC 64-1990)*

4.4 Average Daily Traffic (ADT)

Daily traffic volume by vehicle type and direction is added separately and averaged to determine the Average Daily Traffic. ADT (tollable traffic), observed at the survey location, in vehicles and in PCUs, are presented in **Table 4:2** and shown in **Figure 4:1**.

Table 4:2 Average Daily Traffic (ADT) on the Project Corridor

Mode		ADT	
		Vehicles	PCUs
Passenger Vehicles	Car/Jeep/Van	11793	11793
	BUS	653	1959
Commercial Vehicles	LCV	1089	1634
	2-Axle Truck	1390	4170
	3-6 Axles	1013	4557
	>6 Axles	1	5

Mode	ADT	
	Vehicles	**PCUs**
Tollable Traffic	**15939**	**24119**
Car Exempted	915	915
LCV Exempted	27	41
Bus Exempted	11	34
Truck Exempted	4	12
MAV Exempted	6	29
OSV Exempted	0	0
Auto Exempted	0	0
Toll Exempted Vehicles	**965**	**1032**
Total	**16904**	**25151**

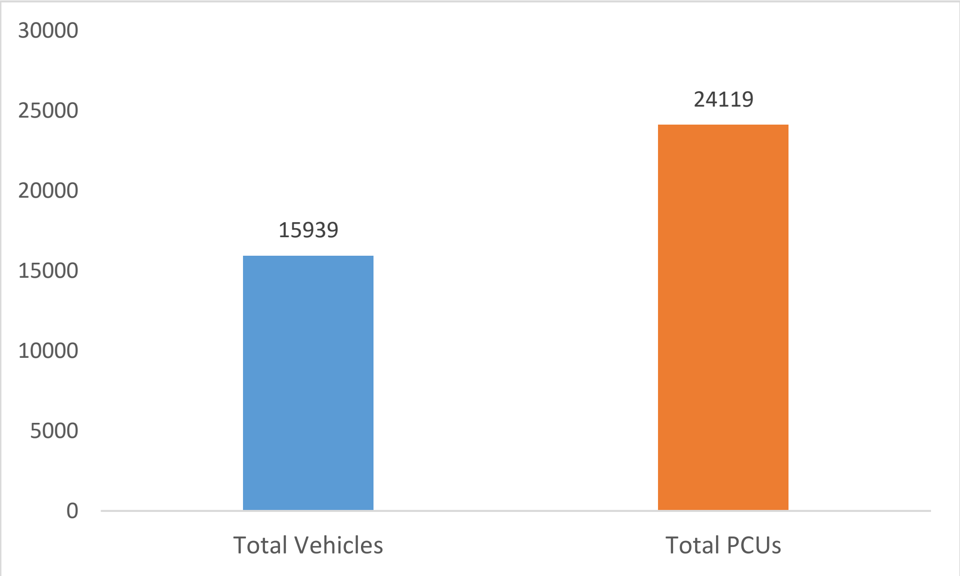


Figure 4:1 Average Daily Tollable Traffic

4.5 Daily Variation of Traffic

Daily traffic variation in terms of vehicles as well as in PCUs at Tatiyawas toll plaza is presented in **Table 4:3** and graphically shown in **Figure 4:2**.

Table 4:3 Daily Variation of Traffic

Date	Day	Tatiyawas Toll Plaza	
		Total Vehicles	**Total PCUs**
28-Sep-16	Wednesday	17140	25715
29-Sep-16	Thursday	15833	24343
30-Sep-16	Friday	16130	24653
01-Oct-16	Saturday	16050	24536
02-Oct-16	Sunday	17728	26284
03-Oct-16	Monday	18678	25806
04-Oct-16	Tuesday	16767	24710
Average Daily Traffic		**16904**	**25151**

The salient observations at the survey location are as follows.

❖ At Tatiyawas toll plaza, maximum traffic was observed on Sunday (in terms of vehicles with 18678 vehicles) and Saturday (in terms of PCUs with 26284 PCUs). Sunday and Tuesday can be considered as average traffic days.

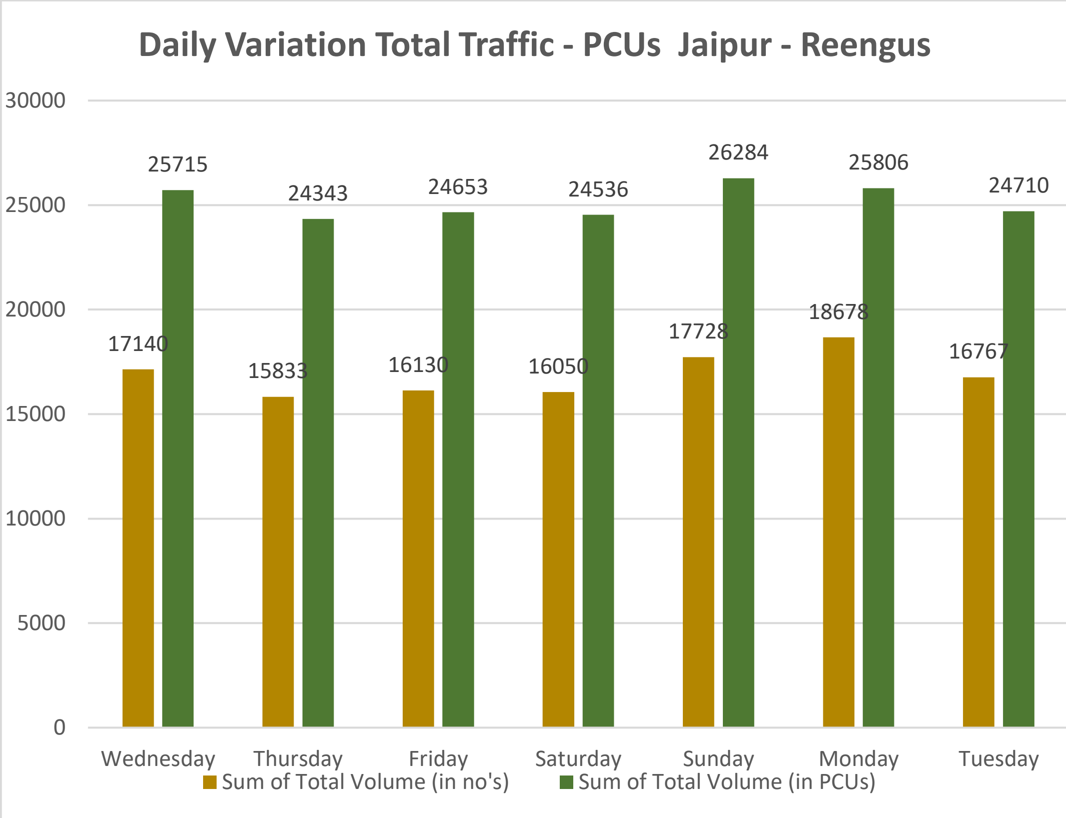


Figure 4:2 Daily Variation of Traffic – Tatiyawas Toll Plaza

The mode-wise traffic breakup for the 7 days of traffic count survey and the ADT at the survey location is presented in **Table 4:4**

Table 4:4 Mode-wise Traffic

Mode	Tatiyawas Toll Plaza						
	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7
	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
Car	11504	11805	11793	13385	14955	12704	12812
LCV	1142	1156	1118	1176	974	1089	1163
Bus	770	729	695	690	489	586	641
Truck	1374	1369	1345	1388	1498	1421	1415
MAV	1043	1070	1097	1089	762	966	1107
OSV	0	1	2	0	0	1	2
Total	**15833**	**16130**	**16050**	**17728**	**18678**	**16767**	**17140**

4.6 Maximum, Minimum and Average Daily Traffic

The variation of traffic with respect to average in terms of vehicles and PCUs observed at the survey location is presented in **Table 4:5.** It has been observed that at Tatiyawas toll plaza, the minimum traffic variation in terms of PCUs is 3% and maximum traffic variation in terms of PCUs is 4% with respect to ADT.

Table 4:5 Minimum, Maximum and Average Daily Traffic

Location	Tatiyawas Toll Plaza	
	Total Vehicles	Total PCUs
ADT	16904	25151
Maximum Traffic	18678	26284
Minimum Traffic	15833	24343
% Variation of Max Traffic w.r.t. ADT	**9%**	**4%**
% Variation of Min Traffic w.r.t. ADT	**-7%**	**-3%**

4.7 Hourly Variation of Traffic

Average hourly variation of traffic observed at the survey location is presented in **Figure 4:3**. Important inferences drawn from analysis are presented below:

- At Tatiyawas Toll Plaza location, it is observed that peak period was observed between 16.00 and 17.00 hours with maximum peak hour traffic of 1485 PCUs

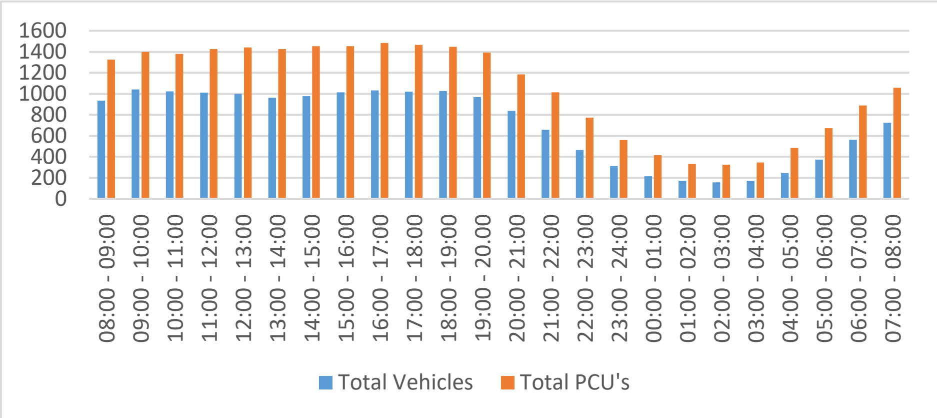


Figure 4:3 Hourly Variation of Traffic – Tatiyawas Toll Plaza

4.8 Traffic Composition

Average composition of tollable traffic observed at the volume count survey location is presented in **Table 4:6** and graphically shown in **Figure 4:4**. The major composition of vehicles is of Car (75%) followed by MAV (6%).

Table 4:6 Average Traffic Composition at Survey Location

Mode	Percentage Composition
Car	75%
LCV	7%
Truck	8%
Bus	4%
MAV	6%

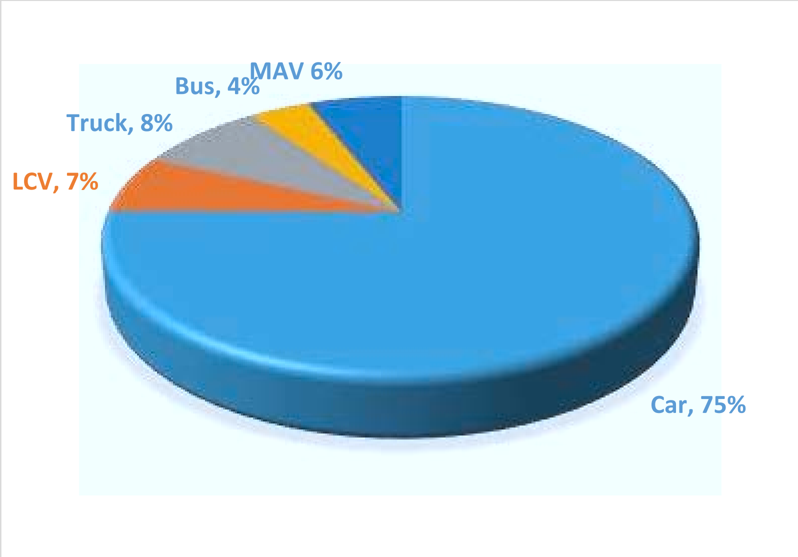


Figure 4:4 Traffic Composition – Tatiyawas Toll Plaza

4.9 Estimation of Seasonal Variation Factors

To account for the seasonal variation in the traffic, seasonal variation factors have been worked out using past toll traffic data collected from toll operator. The data used for estimating the seasonality factors is presented in **Chapter 1**. The factors have been estimated separately for passenger vehicles and freight vehicles by taking the ratio of monthly average to actual counting month. It may be noted that, surveys have been carried out for 3 days in the month of September and 4 days in October. Therefore, weighted average of September and October with respect to number of survey days in each month has been estimated. These factors are presented in **Table 4:7**.

Table 4:7 Seasonal Correction Factors

Mode	SCF
Car	1.12
LCV	1.00
Bus	1.01
Truck (2 Axle)	1.00
MAV	1.03

4.10 Annual Average Daily Traffic (AADT)

Considering the above Seasonal Correction Factors, Annual Average Daily Traffic at the survey location on the project corridor is estimated. The mode wise Annual Average Daily tollable Traffic (AADT) on the project road is presented in **Table 4:8**.

Table 4:8 Annual Average Daily Traffic (AADT)

Mode		Tatiyawas Toll Plaza	
		ADT	AADT
Passenger Vehicles	Car/Jeep/Van	11793	13158
	BUS	653	569
Commercial Vehicles	LCV	1089	1090
	2-Axle	1390	1390
	3-6 Axles	1013	1042

Mode		Tatiyawas Toll Plaza	
		ADT	AADT
	>6 Axles	1	1
Tollable Traffic		**15939**	**17341**
Car Exempted		915	1021
LCV Exempted		27	27
Bus Exempted		11	11
Truck Exempted		4	4
MAV Exempted		6	7
Toll Exempted Vehicles		**965**	**1071**
Total		**16904**	**18412**

4.11 Origin – Destination Survey

4.11.1 General

The origin-destination survey was carried out with the primary objective of studying the travel pattern of passenger and goods traffic on the project corridor. The results of these surveys are useful in estimating the traffic split / segmentation and in assessing the traffic characteristics of vehicles. The O-D survey was carried out for 24 hours near Tatiyawas Toll Plaza on the 28th September 2016 simultaneously along with traffic volume count survey.

4.11.2 Sample Size

Sample size achieved during the OD survey as percentage to the total traffic is presented in **Table 4:9.**

Table 4:9 Sample Size of OD Survey

Mode	Sample Size
Car	17%
LCV	75%
BUS	22%
Truck	59%
MAV	62%

4.11.3 Zoning System

It is required to code the origin and destination of trip. Broad zoning system was developed to analyse the O-D data collected from the field. The zoning system was evolved mainly considering the toll notification issued by *Ministry of Shipping, Road Transport and Highways* (Department of Road Transport & Highways). Local travellers (resident within 20 km from toll plaza) would get concession on the toll rates. This has been considered while finalizing the zoning system. In all, total 271 Traffic Analysis Zones (TAZ) were considered. The details of traffic zones and codes adopted for the study are presented in **Annexure**. The pictorial representation of zoning is given in the **Figure 4:5**. The OD matrix for various modes is separately provided in soft copy (.xls)

The proportion of vehicles with origin or destination within Rajasthan State are presented in **Table 4:10**. It has been observed that except MAV, maximum proportion of vehicles is having either Origin or destination within Rajasthan. Generally, traffic growth rate is heavily reliant on Rajasthan state as around 99% of passenger traffic and around 86 % of freight traffic originated from or were destined for Rajasthan.

Table 4:10 %Trips with Origin or destination in Rajasthan

Mode	Percentage Contribution
Car	97%
Bus	96%
LCV	96%
2-Axle Truck	97%
MAV	87%

The following **Table 4:11** shows the major traffic generators on the project road. It can be inferred that the major contribution is from Rajasthan.

Table 4:11 Major Traffic Generators – Tatiyawas

Cities		Passengers	Goods
Rajasthan	Jaipur	71%	70%
	Jhunjhunun	5%	4%
	Sikar	10%	7%
	Reengus	5%	5%
	Other Districts of Rajasthan	5%	7%
Other Districts of India		4%	8%

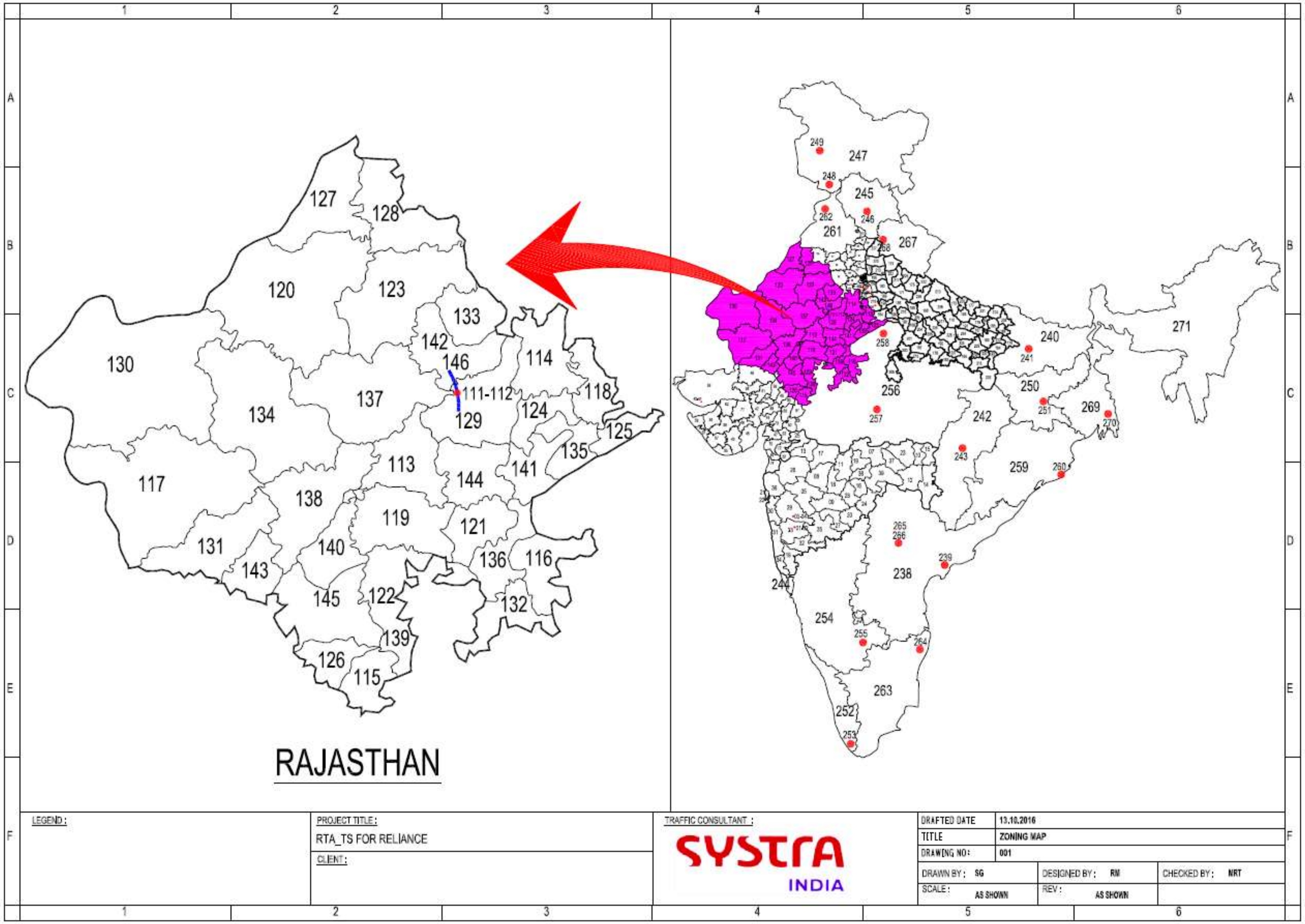


Figure 4:5 Zoning System

4.11.4 Commodity

During OD Survey, the commodity which is carried by the goods vehicles was also noted. It is observed that at Tatiyawas toll plaza, Construction Material and Agricultural Products are the major commodity being carried. **Table 4:12** and **Figure 4:6** show the commodity distribution observed at Tatiyawas toll plaza location.

Table 4:12 Commodity Share

Commodity	Location
Empty	27%
Agricultural Products	11%
Forest Products	1%
Fuel, Oil & Gas	4%
Construction Materials	5%
Fruits and Vegetables	9%
Powder	3%
Iron & Steel	5%
Machinery	7%
Consumer Goods	5%
Timber & furniture	1%
Poultry, Cattles & feed	2%
Construction Material	19%

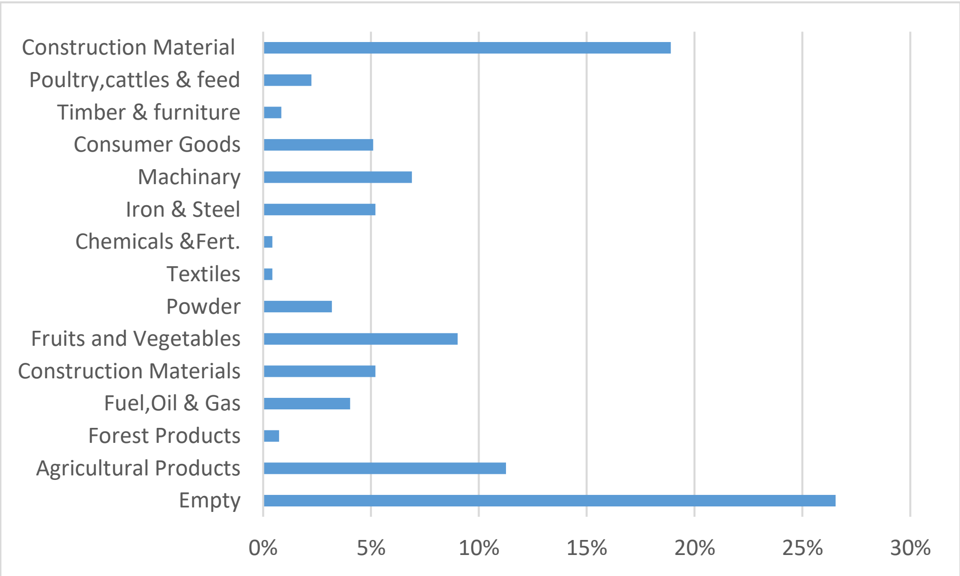


Figure 4:6 Commodity Share– Tatiyawas Toll Plaza

4.11.5 Trip Length

The trip length of the journey was enquired during OD survey and the analysis of the same is carried out. **Table 4:13** and **Table 4:14** present mode-wise trip length distribution observed at the survey location (Tatiyawas). It can be observed that maximum proportion of trips are within 300 km range and 1500 range for passenger and goods vehicles respectively. Graphical representation of trip length frequency distribution is presented in **Figure 4:7** and **Figure 4:8**.

Table 4:13 Trip Length Frequency Distribution - Passenger Vehicles

Distance	Passenger Vehicles			
	Car	Mini Bus	Private Bus	Govt. Bus
0-25	6%	3%	0%	0%
25-50	33%	58%	33%	10%
50-75	9%	9%	10%	5%
75-100	8%	9%	4%	12%
100-125	12%	9%	12%	14%
125-150	5%	0%	6%	5%
150-175	6%	0%	10%	9%
175-200	6%	9%	12%	16%
200-300	8%	3%	15%	19%
300-400	5%	0%	0%	9%
400-500	2%	0%	0%	2%
>700	1%	0%	0%	0%

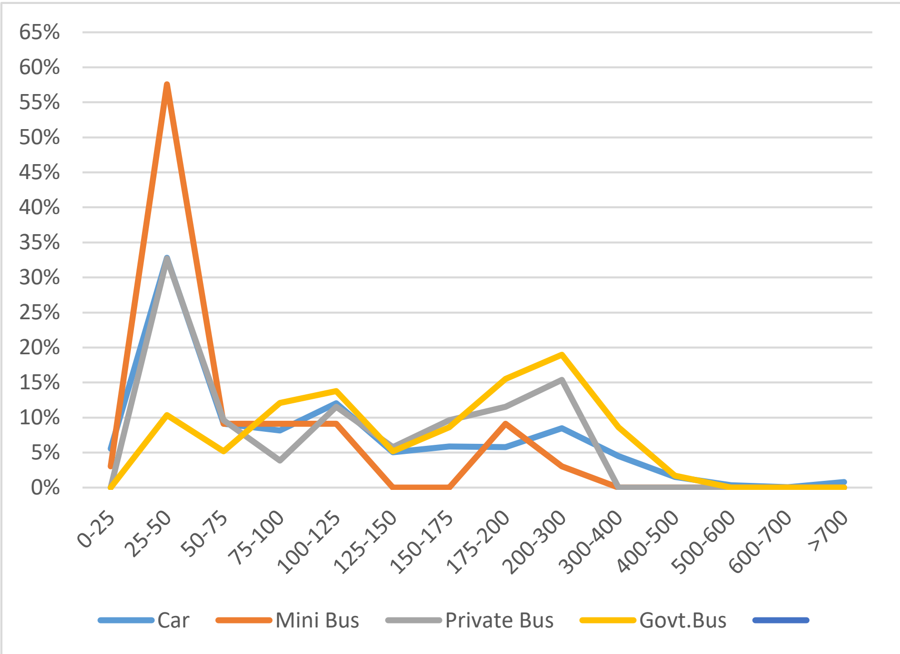


Figure 4:7 Trip Length Frequency Distribution - Passenger Vehicles

Table 4:14 Trip Length Frequency Distribution - Goods Vehicles

Distance	Goods Vehicles					
	Mini LCV	LCV	2 AXLE	3-6 AXLE	MAV	OSV
0-25	13%	7%	7%	4%	5%	0%
25-50	55%	33%	27%	22%	12%	17%
50-75	9%	16%	11%	9%	9%	0%
75-100	3%	11%	13%	14%	10%	0%
100-125	6%	7%	10%	6%	7%	0%
125-150	3%	5%	3%	5%	2%	0%
150-175	2%	1%	2%	4%	3%	0%

Distance	Goods Vehicles					
	Mini LCV	LCV	2 AXLE	3-6 AXLE	MAV	OSV
175-200	5%	5%	10%	12%	11%	17%
200-300	1%	7%	4%	4%	6%	0%
300-400	2%	2%	6%	10%	11%	0%
400-500	0%	1%	1%	1%	5%	0%
500-600	0%	1%	0%	0%	4%	17%
600-700	0%	2%	3%	1%	1%	17%
700-800	0%	1%	0%	0%	0%	0%
800-1000	0%	1%	1%	1%	5%	0%
1000-1500	0%	1%	1%	7%	7%	33%
>1500	0%	0%	0%	0%	2%	0%

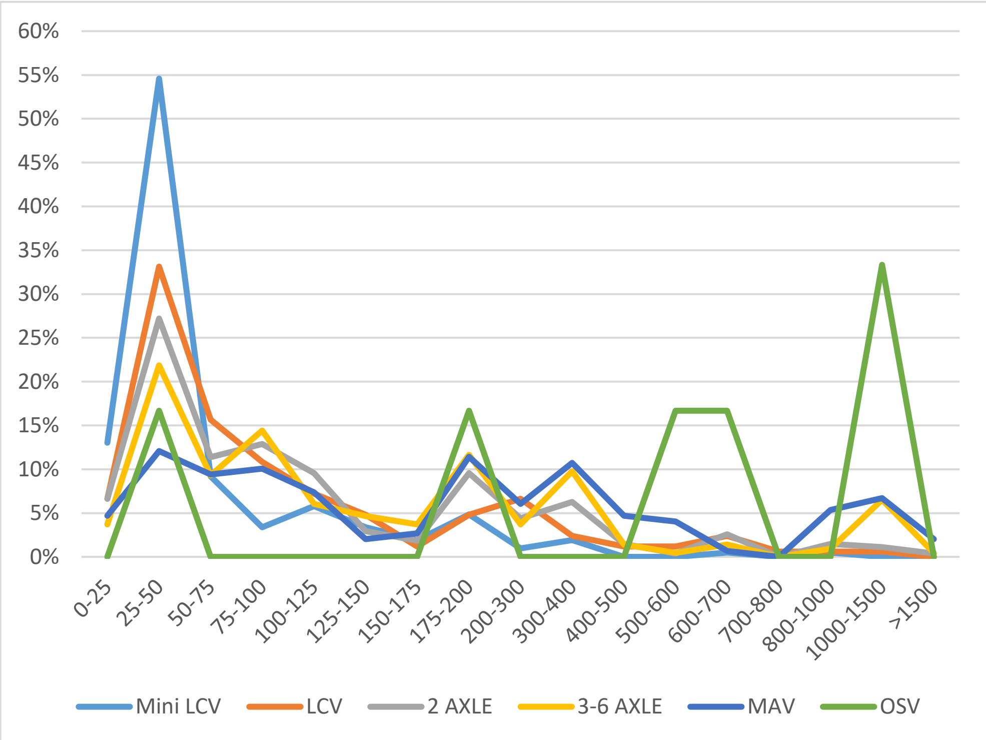


Figure 4:8 Trip Length Frequency Distribution – Goods Vehicles

4.11.6 Trip Frequency

Traffic data from Toll Plaza was used for assessing the proportion of users using single journey, return journey and monthly pass. The observed traffic segmentation at Tatiyawas Toll Plaza is given in **Table 4:15** and the same is shown graphically in **Figure 4:9**. It can be observed that return journey ticket is highly preferred by Car, LCV, Bus and Truck. Most of the MAVs use single ticket. Unlike other locations 70% of Truck trip length of truck is less than 150 Km most users prefer return pass

Table 4:15 Traffic Segmentation

Mode	Tatiyawas		
	Single	Return	Monthly Pass
Car	24%	67%	9%
LCV	29%	62%	9%

Mode	Tatiyawas		
	Single	Return	Monthly Pass
Bus	20%	77%	4%
Truck	23%	73%	4%
MAV	64%	36%	0%

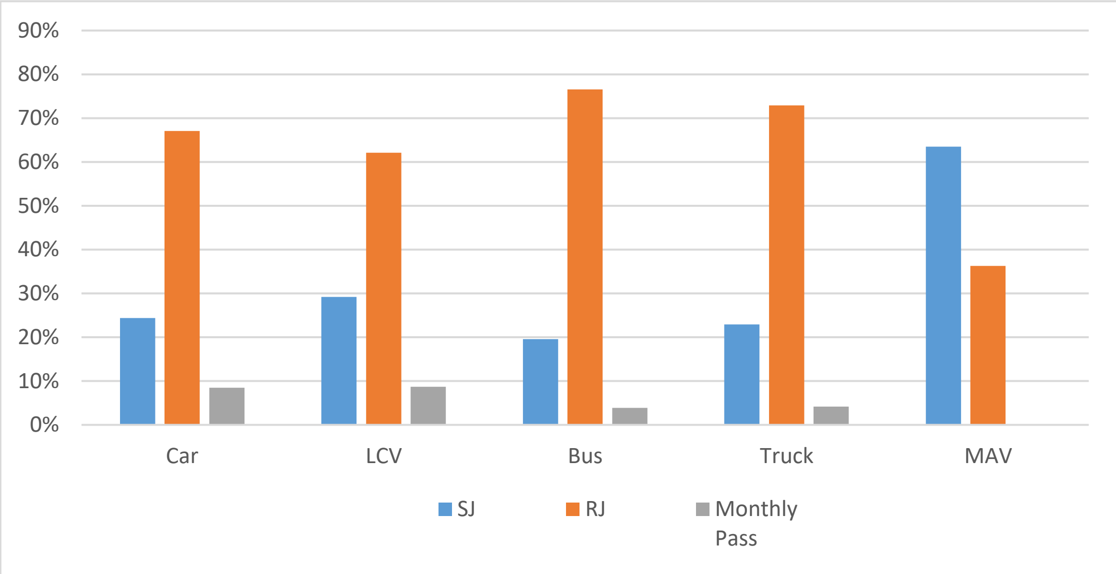


Figure 4:9 Traffic Segmentation – Tatiyawas Toll Plaza

4.11.7 Local Vehicles

As per the existing toll concession, local travellers (excluding commercial) residing within 20 km from the toll plaza can avail the monthly pass at Rs.235. The proportion of local travellers (Car/ Jeep/ Van) within 20 km from toll plaza is about 5% at Tatiyawas toll plaza. This data was estimated based on the OD survey analysis.

Chapter 5 Traffic Forecast and Toll Revenue Analysis

5.1 General

Assessment of traffic growth rates by various methods and traffic forecast for horizon years up to 2032 are presented in this Chapter. Based on the traffic projections and proposed toll rates, tollable traffic and toll revenue has been estimated and presented in this Chapter.

5.1.1 Assessment of Traffic Growth Rates

Long term forecasting of traffic on the project road during the time horizon of the study is required for assessing the financial viability of the project. To establish the future traffic growth rates, various approaches, including Transport Demand Elasticity Approach, were attempted.

5.1.2 Growth Rates Based on Past Traffic Data

Consultants had carried out detailed analysis of the past toll traffic data of Tatiyawas Toll Plaza on the project corridor. For assessing the traffic growth rates, based on historical traffic data, at least 10 years' time series data are required. However, only three years' toll traffic data is available and it is not logical to conclude the growth in traffic based on three years' traffic data. It is worth mentioning the latest IRC 108-2015 (*Guidelines for Traffic Forecast on Highways*) recommended that the past growth rates cannot be used directly for estimating future traffic on the project corridor.

5.1.3 Growth Rates based on Registered Motor Vehicles

If the area of influence is well defined and the general development pattern of influence area remains the same, then it can be assumed that traffic growth rate is approximately equal to the average growth rate of vehicle registration. It may be emphasized that the project corridor indicates a strong influence of Rajasthan State in the traffic generation/ attraction. From the OD survey analysis, it is found that about 97% of passenger traffic and 82% of freight traffic are originating from or destined to Rajasthan State. Therefore, there is a strong influence of number of registered vehicles in Rajasthan on project road traffic.

Table 5:1 presents the growth rates of the registered motor vehicles in Rajasthan. The vehicle registration data was obtained from the D*epartment of Port and Transport, Government of Rajasthan.*

Table 5:1 Registered Motor Vehicles in the State of Rajasthan

Year	Car	Bus	LCV	Trucks & MAV
2005-06	460380	60979	61908	206361
2006-07	515376	63320	87345	232007
2007-08	577625	65605	92993	252109
2008-09	644683	69298	98692	266048
2009-10	727158	73257	106045	289925
2010-11	825612	77980	116678	323273
2011-12	934962	83345	126012	362028
2012-13	1051288	88616	138613	401983

Year	Car	Bus	LCV	Trucks & MAV
2013-14	1168021	93892	152475	434379
2014-15	1294542	97650	167722	472365
Growth during 2006-2015	**12.17%**	**5.37%**	**11.71%**	**9.64%**

The growth rates in registered motor vehicles during 2006-2015 is 12.17%, 5.37% 11.71% and 9.64% for Car, Bus, LCV and Trucks & MAV respectively. However, assuming the traffic growth rate equal to the average growth of vehicle registration may not be correct, unless the area of influence is well defined and the general development pattern of influence area remains same. However, this would be an alternative approach in the absence of any additional information or usable past traffic data on the project road. As transport demand elasticity approach is more proven approach, Consultants propose to adopt the growth rates derived from this approach.

5.1.4 Transport Demand Elasticity Approach

Long term forecasting of the project road traffic, during the time horizon of the study, is required for designing the highway and assessing the financial viability of the proposed investment for improving the facility.

As the growth of vehicle population can also be related to other influences, it is logical to relate vehicle population with one or more logically derived independent variables for deriving elasticity of transport demand. Elasticity of transport (traffic) demand, in the present context, is defined as the ratio of percentage change in traffic to the percentage change in socio-economic parameters. The concept of developing regression equation to relate the dependent variable in terms of one or more independent variable is widely used in transportation engineering for variety of purposes.

The process involves establishing a relationship between the traffic levels on the project corridor and Net State Domestic Product (NSDP) of the State contributing traffic on to the project corridor. This approach is even recommended by the recent Indian Roads Congress (IRC) *Guidelines for Traffic Forecast on Highways IRC: 108-2015*

Elasticity in the present context is defined as the ratio of percentage change in traffic to the percentage change in socio-economic parameters. The concept of developing regression equation to express dependent variable in terms of one or more independent variable is widely used in transportation engineering for variety of purposes. In the present case, the dependent variable is the registered motor vehicles in the zone of influence (District/ State). The preferred dependent variable would have been past traffic on the project corridors. Number of registered motor vehicles growth in Gujarat, Rajasthan, Delhi, Haryana and Rest of India is taken as dependent variable. The independent variables are socio-economic parameters. The choice of independent variable depends upon vehicle type under consideration. It is logical to relate growth in traffic with NSDP/ NDDP, PCI and population. The vehicles types have been clubbed into two categories; passenger vehicles & freight vehicles. The independent variable used in case of passenger vehicles is Population and PCI and in case of freight vehicles NSDP/ NDDP is used.

It is possible to predict independently the socio-economic variables like population, per capita income (PCI), NSDP, etc. for future years and then assess future traffic growth rates using elasticity values. This is theoretically a sound and acceptable approach. Based on the above considerations, the growth rates based on elasticity approach have been adopted for projecting future traffic.

The traffic growth rates, by vehicle type, are obtained by running simple regression and fitting the regression equation with prospective values of independent variables. The separate equations using PCI and registered motor vehicles have been developed for influencing states and districts for passenger vehicles. Similarly, equations by using NSDP and registered motor vehicles of influencing states are developed for freight vehicles. Traffic growth rate projections are done using the below formula;

$$T = \left[\left(1 + \frac{P}{100}\right) * \left(1 + \frac{R}{100}\right) - 1\right] * 100 * E$$

Where:

T - Traffic growth rate (in %)

P - Growth rate of population

R - Growth rate of per capita NSDP /per capita income

E - Elasticity

The growth rates for the horizon years are arrived by taking the average of the Net State Domestic Product at constant price. Considering the big base of NSDP and already saturated development in the influencing states of the project corridor, the present growth may sustain only for a few years (say 5 years) and later slowly tapering down. India GDP has been considered for future estimation of future NSDP of influencing states. World Economic Outlook has estimated India's GDP growth as 6.8% for FY 2017 and has projected India's GDP growth as 7.2% for FY 2018.

Elasticity values for different sections of the project corridor have been arrived based on the *Weightage Factors*. These weightage factors are assessed considering the contribution of the traffic on the project corridor based on primary traffic surveys (OD Survey) and the average weightage factors are presented from **Table 5:2** to **Table 5:3** for passenger vehicles and commercial vehicles respectively.

Table 5:2: Weightage Factors (CH: Km 257.000) - Passenger Vehicles (%)

Location	Passenger Vehicles		
	Haryana	Rajasthan	ROI
Km 257.000	1%	97%	2%

Table 5:3: Weightage Factors (CH: Km 257.000) – Goods Vehicles (%)

Location	Goods Vehicles				
	Gujarat	Haryana	Rajasthan	Delhi	ROI
Km 257.000	6%	6%	82%	5%	1%

** ROI – Rest of India*

Majority of passenger (97%) and freight (82%) traffic is generated from Rajasthan as shown in Table 5:2 and Table 5:3. Other contributors for the Freight traffic are Gujarat, Delhi and Haryana.

5.1.5 Economic Growth of Project influencing Areas

Growth of traffic on the project road depends on the existing development and future growth prospects of the PIA. A number of econometric indicators for the PIA states, as published by Central Statistical Organisation/ Economic Survey Reports, have been studied to assess their past performance. Some of the salient features are presented below;

- **Gujarat**

  Gujarat's economy expanded at a CAGR of 13.1% during FY2005 to FY2015, exceeding the national average of 12.6%. After recording a healthy growth of 18.5% in FY2013, industrial growth declined sharply to 2.9% in FY2014, before recovering to 8.0% in FY2015. In contrast, after contracting by 13.8% in FY2013, the agricultural sector recorded a considerable growth of 25.9% in FY2014. Subsequently in FY2015, the agriculture sector contracted by a mild 0.7%. Services sector growth ranged between 8% - 12% during FY2013 to FY2015. The motor vehicles registered in Gujarat expanded at a CAGR of 9.0%, from FY2006 to FY2013, lower than the 10.7% growth at the all-India level.

- **Rajasthan**

  Rajasthan's economy expanded at a CAGR of 14.3% during FY2005 to FY2015, exceeding the national average of 12.6%. After averaging 8.5% during FY2013 and FY2014, the growth in Rajasthan's services sector improved to a robust 10.7% in FY2015. Moreover, industrial growth rose from a mild 0.3% in FY2013 to 2.7% in FY2014, and further to 5.9% in FY2015. Agricultural growth in Rajasthan doubled from 3.0% in FY2013 to 6.0% in FY2014, subsequent to which the sector recorded a contraction of 0.9% in FY2015. The motor vehicles registered in Rajasthan expanded at a CAGR of 11.3% during FY2006 to FY2013, higher than 10.7% growth at the all-India level.

- **Haryana**

  Haryana's economy expanded at a CAGR of 13.4% during FY2005 to FY20015, higher than the national average of 12.6%. After expanding at a good pace of 9.4% in FY2013, industrial growth declined sharply to 2.8% in FY2014, before recovering to 5.9% in FY2015. Similarly, the pace of growth of the services sector moderated from a healthy 10.0% in FY2013 to 8.5% in FY2015, before rising to a robust 11.5% in FY2015. In contrast, after contracting by 2.0% in FY2013, agricultural output rose by 3.1% in FY2014, before reverting to a mild 0.7% contraction in FY2015. The motor vehicles registered in Haryana expanded at a CAGR of 11.5%, during FY2006 to FY2013, higher than the 10.7% all-India growth.

- **Delhi**

Delhi is one of the fastest growing states of the country. At current prices, the Gross State Domestic Product (GSDP) of Delhi was US$ 85.4 billion in 2015-16. Between 2004-05 and 2015-16, the GSDP of the state grew at a compound annual growth rate (CAGR) of 12.9

per cent. The state government expects to register growth of 11 per cent to 11.5 per cent by the end of 2017. At current prices, the Net State Domestic Product (NSDP) of Delhi was US$ 78.38 billion in 2015-16.

Table 5:4 presents the average annual economic growth rate (2005 to 2015) indicators for different influencing states of the project corridor. Highest growth rate of 8.9% in NSDP is observed for Delhi followed by Gujarat with 8.50%.

Table 5:4: Growth in Economic Indicators during 2004-2014

State	NSDP	Population	PCI
Gujarat	8.50%	1.59%	6.80%
Rajasthan	7.86%	1.82%	5.94%
Delhi	8.9%	1.56%	7.26%

5.1.6 PIA Outlook

For determining the perspective growth of the PIA States their long and short term past growth were considered, along with their performances relative to India's and the opportunities for growth for each of them. Considering the big base of NSDP and already saturated development in the influencing states of the project corridor, the present growth may sustain only for a few years (say 5 years) and later slowly tapering down.

5.1.7 Estimated Traffic Growth Rates

Based on the derived elasticity values and the projected growth in economy of PIA, traffic growth rates have been estimated and presented in **Table 5:5**.

Table 5:5: **Estimated Traffic Growth Rates (%)**

Year period	Car	Bus	LCV	2 Axle	3-6 Axle	>6 Axle
Up to 2019	9.5%	6.0%	7.5%	5.5%	5.5%	5.5%
2019-2026	8.0%	5.0%	6.5%	4.5%	4.5%	4.5%
Beyond 2026	6.5%	4.0%	5.0%	3.5%	3.5%	3.5%

5.1.8 Key Growth Points

5.1.8.1 Jaipur Growth

According to the report published by the UN-HABITAT, Jaipur will be the 10th populated city by 2025, with average population increase of Jaipur urban agglomeration from 1990-95 to 2020-25, a 26.3% rise. Jaipur has 19 industrial areas with product base including gems & jewellery, marble, granite and engineering items. With the decision of GE Capital Corporation to establish its latest contact centre in Jaipur is set to emerge as the latest destination for IT and ITES industries.

The project road connects State capital Jaipur with district headquarters, Sikar and carries predominant passenger and goods traffic. This corridor lies on one of the prominent manufacturing area in Jaipur district and the traffic pressure is again very high on this stretch as well. Chomu town which is in the midway of the corridor a favourite hub for the purchase of agriculture equipment and machines. Chomu and the surrounding areas of the project road are likely to experience very high growth. This is because, Chomu is one of the satellite towns for Jaipur and work on some of the approved layouts between Jaipur and Chomu has already started. Industrial park is proposed in Sikar for different industries like IT, Hardware, Footwear, Handloom, Automobiles, Electronics, Paper, etc. So more traffic is expected from Jaipur to Sikar. The construction related traffic initially and traffic from developed area later would add to normal growth of traffic on the Project Road.

Jaipur popularly known as the Pink City, attracts is tourist traffic. Reengus is mainly famous due to its proximity to Khatushyamji temple. This temple attracts lot of devotees throughout the year. The main access to this temple is from Jaipur only via this project corridor. Smooth travel on 4 lane road has created more number of car trips to Khatushyamji Temple.

5.1.8.2 Delhi Mumbai Industrial Corridor

The alignment of Dedicated Freight Corridor passes through Phulera-Ajmer-Marwar and over 58% area of the Rajasthan state falls within the influence area of DMIC. Based on the strengths of specific regions across the state, five development nodes are identified in the influence area of DMIC. It includes two investment regions and three industrial areas. Jaipur-Dausa region is connected by NH-11. Jaipur-Dausa Industrial Area would be located within 50 km-100 km from Phulera, an important junction on DFC. There would be significant positive impact on the project road traffic due to DMIC.

5.1.9 Variable Elasticity Value

Elasticity value is the factor by which the socio-economic growth rate is multiplied to get the growth rate of traffic. Traffic is directly linked to the economic growth such as per capita income, population and NSDP/GDP. According to IRC-108, elasticity based econometric model for highway projects could be derived in the following form:

$$\text{Log e (P)} = A0 + A1 \text{ Log e (EI)}$$

Where:

P = Traffic volume (of any vehicle type)

EI = Economic Indicator (GDP/NSDP/Population/PCI)

A0 = Regression constant;

A1 = Regression co-efficient (Elasticity Index)

In coming years, the Economic indicators will be reducing. Hence the regression coefficient will taper down. This tapering in elasticity is considered while deriving the traffic growth rates.

5.1.10 Suggested Elasticity Values

Derived elasticity values obtained for some vehicle types are low/high, which could be attributed mainly to the inconsistency in the data due to variety of reasons. Therefore, to make a realistic estimate of the traffic growth rates, necessary updation in the elasticity values is done considering the current scenario and the recommended standard elasticity values.

The shift from public transport to personalized modes is one of the major change occurred over the past few years. This has led in elasticity of bus lower than unity. The growth in per capita income won't assure an increasing trend in car, as the society may reach saturation and a decline may take place.

- **Car**

  Car's elasticity has been considered at 1.05 for the period up to 2018-19. It is likely that this growth would slow down over time as the market becomes more mature and saturated, therefore elasticity to NSDP can be expected to decline over time.

- **Trucks**

  There are has been a rapid shift in freight transport in last decade. With enhance carrying capacity of LCV and better operational efficiencies of MAV over 2 Axle and 3 Axle for longer distance travel, there is a huge fluctuation in trend of truck traffic. This has been duly considered while finalising the growth rates for good vehicles and higher elasticity values for MAV have been considered as compared to 2 Axle and 3 Axle trucks. **Table 5:6** shows the recommended elasticity values for all the vehicles.

Table 5:6: Recommended Elasticity Values

Financial Year	Vehicle Type				
	Car	Bus	LCV	2 Axle	MAV
Up to 2019	1.05	0.62	0.78	0.30	1.02
2019-2020	0.96	0.60	0.68	0.23	0.80
2020-2026	0.73	0.48	0.66	0.18	0.72
Beyond 2026	0.78	0.61	0.58	0.14	0.72

5.1.11 Suggested Traffic Growth Rates

The estimated growth rates based on past traffic data have no definite trend. Therefore, registered motor vehicles growth in Gujarat, Rajasthan and Delhi are explored. It showed a growth rate of more than 7% to 11%. These past growth rates cannot be used for estimating future traffic on the project road. The future traffic may not follow these growth rates due to several reasons, like changes in price of new vehicles, fuel and taxes on several commodities. Any substantial change in policy (e.g., fare, travel time, loading and unloading of goods, etc.) and infrastructure (e.g. Improvement of existing rail services, new railway line, etc.) may also affect the traffic volume on the project road.

It is possible to predict independently the socio-economic variables like population, per capita income, NSDP, etc. for future years and then assess future traffic growth rates using elasticity values. This is theoretically a sound and acceptable approach. Based on the above discussions, the growth rates based on elasticity approach have been adopted for projecting future traffic.

Based on the suggested elasticity values, the traffic growth rates have been estimated for three scenarios: (1) Realistic Scenario, (2) Optimistic Scenario and (3) Pessimistic Scenario. There would be significant positive impact on the project road traffic due to DMIC.

Also, Chomu and the area around the project road are likely to experience very high growth. This is because, Chomu is one of the satellite towns for Jaipur and work on some of the approved layouts between Jaipur and Chomu has already started. The construction related traffic initially and traffic from developed area later would add to normal growth of traffic on the Project Road. All these factors are duly considered while finalising the traffic growth rates. While estimating the growth rates for freight vehicles, the decreasing trend in growth of 2 axle and 3 axle Trucks is taken into consideration and the same is counter balanced in the growth of LCV & MAV. The suggested traffic growth rates are presented **Table 5:7**.

Table 5:7: Suggested Traffic Growth Rates (%)

	Realistic					Optimistic					Pessimistic				
Financial Year	**Vehicle Type**														
	Car	**Bus**	**LCV**	**2 Axle**	**MAV**	**Car**	**Bus**	**LCV**	**2 Axle**	**MAV**	**Car**	**Bus**	**LCV**	**2 Axle**	**MAV**
Up to 2019	8.50	5.00	6.50	2.50	8.50	9.5	6.0	7.5	3.5	9.5	6.50	3.00	4.50	0.50	6.50
2019-2020	8.00	5.00	6.00	2.00	7.00	9.0	6.0	7.0	3.0	8.0	6.00	3.00	4.00	0.00	5.00
2020-2026	6.00	4.00	5.50	1.50	6.00	7.0	5.0	6.5	2.5	7.0	4.00	2.00	3.50	-0.50	4.00
Beyond 2026	4.50	3.50	4.00	1.00	5.00	5.5	4.5	5.0	2.0	6.0	2.50	1.50	2.00	-1.00	3.00

5.2 Escape Route

Though there is no competing route for the project road, there is a village road in the vicinity of toll plaza which traffic is using to bypass the toll plaza. This Escape Route has a 4-lane section starting just in front of toll plaza (about 450m long) and a village road (about 750m long), which takes off from this 4-lane road, passes through a small village and joins the project road just after the toll plaza. This alternative road is about 700 m longer than the project road section.

Figure 5:1 Escape Route in the Vicinity of Toll Plaza

The vehicles escaping through this route are counted and shown in **Table 5:8**.

Table 5:8: Escape Route Traffic

Modes	Car	LCV	Bus	Truck (2A)	MAV (3-6 Axles)	Total
Traffic	3223	150	27	70	124	3596
Tollable Traffic	2611	137	26	65	124	2964

* *Source: Reliance Infrastructure*

5.3 Traffic Forecast

Annual Average Daily Traffic (AADT) for the financial year 2017 (1st April 2016 to 31st March 2017), provided by Client, was considered as the base traffic for traffic forecast. The AADT used for the base year (2017) is presented in **Table 5:9**.

Table 5:9: Base Year Tollable Traffic

Mode		AADT
Passenger Vehicles	Car	11996
	Bus	1277
Commercial Vehicles	LCV	969
	Truck	772
	3-6 Axles Truck	1062
Total Tollable Traffic		**16076**

Source: TMS Data (Reliance Infrastructure)

5.3.1 Tollable Traffic Forecast

Using the growth rates presented in Table 5:7, the tollable traffic has been projected up to the horizon year 2032. Traffic forecast in terms of vehicles and PCUs, for the period 2017 to 2032, at Tatiyawas Toll Plaza location is presented in **Table 5:10** for Realistic, Optimistic and Pessimistic scenarios respectively.

Table 5:10: Tollable Traffic Forecast –Realistic

Year	Car/Jeep/Van	Bus	LCV	2-Axle Trucks	MAV (3-6 Axles)	Total	Total (PCUs)
2017	11996	772	969	1277	1062	16077	24377
2018	13016	811	1032	1309	1152	17320	26109
2019	14122	851	1100	1342	1250	18665	27976
2020	15252	894	1166	1369	1338	20017	29807
2021	16167	929	1230	1389	1418	21133	31348
2022	17137	967	1297	1410	1503	22314	32977
2023	18165	1005	1369	1431	1593	23563	34697
2024	19255	1045	1444	1453	1689	24886	36515
2025	20410	1087	1523	1475	1790	26285	38436
2026	21635	1131	1607	1497	1898	27767	40467
2027	22608	1170	1671	1512	1992	28954	42127
2028	23626	1211	1738	1527	2092	30194	43862
2029	24689	1254	1808	1542	2197	31489	45673
2030	25800	1298	1880	1557	2306	32841	47564
2031	26961	1343	1955	1573	2422	34254	49540
2032	28174	1390	2034	1589	2543	35729	51604

5.4 Target Traffic

For this project, the target date set forth in the concession agreement is October 1, 2020, and the target traffic volume set forth in the concession agreement 35,663 passenger car units ("**PCUs**"), the passenger car equivalent for various types of vehicles based on industry guidelines. Based on the terms of the concession agreement, in the event that the actual traffic volume on the target date falls short of or exceeds the target traffic volume by more than 2.5%, the concession period will be deemed to be modified and may be increased by 1.5% for every 1% of shortfall in traffic, provided that the aggregate increase in the concession period does not exceed 20% of the original concession period. Any extension, however, is subject to NHAI approval and may differ from the Traffic Consultant's estimate depending on actual traffic volumes on the target date. As per the current traffic growth, the concession period would be extended by 3 years 3 months.

5.5 Toll Revenue Estimation

5.5.1 Adopted Toll Rates

Consultants have compiled the unit toll rates suggested by NHAI for 4/6 laning projects. The NHAI unit toll rates are of 2007-08 price levels and they are updated to current level using WPI. Toll fee is calculated for the project road considering the length of NH 11 section (Jaipur to Reengus). For convenience of the toll collection, in line with the NHAI toll notification, toll rates are rounded to the nearest Rs. 5.00. The unit toll rates and base year toll rates (single journey) for the project corridor are presented in **Table 5:11** and **Table 5:12.**

Table 5:11 Unit Toll Rates

(Rs per km)

S. No	Type of Vehicle	Unit Toll Rates 2007-08	Unit Toll Rates 2016-17
1	Car	0.65	1.02
2	LCV	1.05	1.646
3	Bus\Truck	2.20	3.45
4	MAV	3.45	5.41
5	Oversized Vehicles	4.20	6.586

Table 5:12 Base Year Toll Rates

(in Rs per single journey)

S. No	Type of Vehicle	Toll Rate
1	Car, Jeep, Van or Light Motor Vehicle	55
2	Light Commercial Vehicle, Light Good Vehicle or Mini Bus	85
3	Bus\Truck (Two Axle)	180
4	Heavy Construction Machinery (HCM) or Earth Moving Equipment (EME) or Multi Axle Or Multi Axle Vehicle (3 to 6 Axle)	280
5	Oversized Vehicles (7 or more axle)	340

5.5.2 Wholesale Price Index (WPI)

The annual rate of inflation, based on monthly WPI, stood at 5.70% (provisional) for the month of March, 2017 (over March, 2016) as compared to 6.55% (provisional) for the previous month and -0.45% during the corresponding month of the previous year. Build-up inflation rate in the financial year so far was 5.70% compared to a build-up rate of -0.45% in the corresponding period of the previous year. The adopted WPI for the horizon years are given in **Table 5:13**.

Table 5:13 Wholesale Price Index for the Entire Concession Period

Up to FY 2018	Up to FY 2021	Up to FY 2026	Up to FY 2031	Beyond
4.00%	5.00%	4.00%	3.00%	2.00%

5.5.3 Toll Concessions

As per the NHAI toll notification:

- The concessionaire shall not collect any fee from local non-commercial traffic (residence within 20 km from toll plaza) and shall issue passes in respect thereof for commuting on the Project Highway. The concessionaire shall be entitled to charge a monthly fee equal to Rs. 235.
- No concession for local transporters
- The return pass cost is 150% of the single journey trip.
- Discounted rate for 50 coupons is two thirds of the single one-way trip, and they must be used in a period of one month.

5.5.4 Adopted Toll Concessions

Considering all the above factors and based on the results of OD Survey, Consultants adopted the following toll concessions for different categories of tollable vehicles as shown in **Table 5:14**.

Table 5:14 Adopted Toll Concessions

Mode	Single Entry	Return	Monthly Pass
Car	24%	67%	9%
Bus	20%	77%	3%
LCV	29%	62%	9%
2 Axle Truck	23%	73%	4%
MAV	64%	36%	0%
MAV (7 and more Axles)	100%	-	-

Table 5:15 Toll Rates (*Rs*)

Financial Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Single																
Car	55	55	60	60	65	65	70	75	75	80	80	85	90	90	95	100
LCV	85	90	95	100	105	110	110	115	125	130	135	140	145	150	155	160
Bus	180	185	195	205	215	225	235	245	255	270	280	290	300	310	325	335
Truck (<2 axle)	180	185	195	205	215	225	235	245	255	270	280	290	300	310	325	335
MAV (>2 Axle)	280	295	305	320	340	355	370	385	405	420	435	455	470	490	505	525
HCM	340	355	375	390	410	430	450	470	490	510	530	550	570	595	615	640
Daily																
Car	80	85	85	90	95	100	105	110	115	120	125	130	135	140	145	150
LCV	130	135	140	145	155	160	170	175	185	190	200	205	215	225	230	240
Bus	270	280	295	310	325	340	355	370	385	400	420	435	450	465	485	500
Truck (<2 axle)	270	280	295	310	325	340	355	370	385	400	420	435	450	465	485	500
MAV (>2 Axle)	420	440	460	485	510	530	555	580	605	630	655	680	705	730	760	790
HCM	510	535	560	590	620	645	675	705	735	770	795	825	860	890	925	960
Monthly																
Car	1760	1835	1930	2025	2125	2220	2320	2420	2530	2640	2740	2845	2955	3065	3180	3295
LCV	2845	2965	3115	3270	3435	3585	3745	3910	4085	4265	4430	4595	4770	4950	5135	5325
Bus	5960	6215	6525	6855	7195	7515	7850	8195	8560	8940	9280	9630	9995	10370	10760	11160
Truck (<2 axle)	5960	6215	6525	6855	7195	7515	7850	8195	8560	8940	9280	9630	9995	10370	10760	11160
MAV (>2 Axle)	9350	9750	10235	10745	11285	11785	12310	12855	13425	14020	14550	15100	15670	16260	16870	17500
HCM	11380	11870	12460	13085	13740	14350	14985	15650	16340	17065	17715	18385	19080	19795	20540	21305

5.5.5 Toll Revenue

An assessment of likely toll revenue has been made by applying the estimated toll rates to the projected tollable traffic. Traffic forecast given in Section 5.3 would be more appropriate as it is the actual observed Annual Average Daily Traffic provided by Client (Reliance Infrastructure). Therefore, observed AADT for the FY 2017 is used for the toll revenue estimation. Toll revenue on the project road is estimated using *growth rates* and is presented in **Table 5:16**. The estimated annual toll revenue for the base year is about Rs 416 million. The total revenue is about Rs.469 million and Rs. 1605 million for the year 2018 and 2032 respectively.

Table 5:16 Total Toll Revenue - (Realistic)

Rs Million

FY	Realistic	Pessimistic	Optimistic
2017	416	416	416
2018	469	461	474
2019	522	503	532
2020	581	549	598
2021	647	600	672
2022	708	644	742
2023	782	697	827
2024	862	754	920
2025	943	810	1,017
2026	1,038	874	1,129
2027	1,119	924	1,229
2028	1,214	984	1,347
2029	1,315	1,045	1,473
2030	1,414	1,102	1,598
2031	1,530	1,170	925*
2032	1009*	1204*	

* Note: Toll plaza during 2032 was 61% operational & target traffic for optimistic scenario is realised in 2031

5.5.6 Revenue due to Overloading

As per the notification of National Highway Authority of India (NHAI), Concessioners are eligible to levy penalties on overloading vehicles. As per the notification;

- A Mechanical vehicle loaded in excess of permissible maximum Gross Vehicle Weight (GVW) shall not be permitted to use the National Highway or cross the toll plaza until the excess load is removed.
- The overloaded vehicle shall be liable to pay fee equal to ten times of the applicable fee;
- Maximum GVW is as indicated in vehicle RC under MV Act.

  The data related to over loading as provided by the Concessioner, it is estimated that the toll revenue at each toll plaza would increase by about 4% to 6% due to overloading as shown **Table 5:17**. In the long run OV trend is expected to taper down to 0%.

Table 5:17 Toll Revenue due to Overloading

(Revenue in Lakhs)

Particulars	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Total Commercial vehicles (CV)	3043	3130	2947	2904	2555	2375	2620	2841
Overloaded Vehicles (OV)	299	327	259	236	201	173	201	206
% Vehicle (OV/CV)	10%	10%	9%	8%	8%	7%	8%	7%
Revenue								
CV-Revenue (CVR)	4.9	5.0	4.9	4.9	4.1	3.6	4.0	4
OV-Revenue (OVR)	0.75	0.87	0.67	0.66	0.56	0.49	0.61	0.59
% Revenue (OVR/CVR)	15%	18%	14%	14%	14%	14%	15%	14%
% of overloading revenue (OVR/R)	6%	6%	5%	5%	5%	4%	5%	5%

5.6 Operation and Maintenance Cost

5.6.1 General

The toll revenue account for the returns of the project. While the Operation and Maintenance cost apart from the Capital Cost account for expenditure towards the project cost. For this purpose, major O&M elements such as civil infrastructure, toll system and manpower, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analysed based on the data provided by Client.

5.6.2 Major Element of Maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

5.6.3 Project Parameters for Major Maintenance O & M

Operation and Maintenance cost of the project depends on a number of factors like quality of construction, response of maintenance team to early damage, climate.

Future cost of operation and maintenance is the estimate made on engineering judgement and experience basis. Keeping all above factors in view, following can be basis of working out cast operation and maintenance for project corridor from Jaipur to Reengus on NH 11 in state of Rajasthan.

a. Annual Regular Maintenance – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll Collection, toll plaza maintenance, other services mile medical help and rescue operation etc.
b. Periodic Maintenance this will be done on periodic basis say. It usually consists of overlaying of wearing course, Road Marking. Some pavement strengthening is also

anticipated in few sections. As project stretch is long periodic maintenance items have also been spread on annual basis from execution point of view. Since the project is commissioned and traffic is running for 2 years, periodic maintenance shall be as per condition of pavement and other infrastructure. Inputs of the concessionaire have been taken in this regard.

Cost for above operations is taken on prevailing rates. Following **Table 5:18** provides year wise details of operation and maintenance cost.

Table 5:18 Major Maintenance Cost (in Rs Crores)

Year	Base Year Expenditure	Renewal Cost of BC	Micro Surfacing Cost	Escalation Factor	Total Expenditure	Remarks
FY 2021	25.37	21.54	3.83	1.20	15.24	**Major Maintenance**
FY 2022	25.37	21.54	3.83		15.24	**Major Maintenance**
FY 2029	25.37	21.54	3.83	1.60	20.25	**Major Maintenance**
FY 2030	25.37	21.54	3.83		20.25	**Major Maintenance**

Based on the NHAI circular dated November 15, 2016 on use of Micro surfacing on 30% continuous stretch of the project road, the overall cost of MMR are reduces by 15-20%. It has been assumed that this provision will be used on alternate major maintenance activities of the SPV. It is assumed that micro surfacing will be used on 35% of the project stretch, which will cost 12.2 lakhs per lane km (approx.) based on current raw material price.

Table 5:19 Operation and Maintenance Cost (in Rs Crores)

Year	Base Cost	Escalation Factor	Total Expenditure
FY 2018	7.7	1	7.7
FY 2019	7.7	1.05	8.08
FY 2020	7.7	1.10	8.48
FY 2021	7.7	1.16	8.91
FY 2022	7.7	1.20	9.27
FY 2023	7.7	1.25	9.64
FY 2024	7.7	1.30	10.02
FY 2025	7.7	1.35	10.42
FY 2026	7.7	1.41	10.84
FY 2027	7.7	1.45	11.16
FY 2028	7.7	1.49	11.50
FY 2029	7.7	1.54	11.84
FY 2030	7.7	1.59	12.20
FY 2031	7.7	1.63	12.57
FY 2032	7.7	1.68	12.94

The SPV had certain onetime accounting expenses in the FY 2016 and hence there is an upward bias in the operations and maintenance expenses of FY 2016. Based on the actual historical operations and maintenance expenses, the figure for FY 2017 has been normalized.

Annexure

	Zone Name	Region		Zone Name	Region
1	PS_Anewadi TP1_10KM	Toll Plaza1	74	Valsa	
2	PS_Anewadi TP1_20KM		75	Kandla Port	
3	PS_Khedshivpur_TP2_10KM	Toll Plaza 2	76	Mundra Port	
4	PS_Khedshivpur_TP2_20KM		77	Mandivi Port	
5	Ahmadnagar	Maharashtra	78	Hazira Port	
6	Akola		79	GF_TP1_10KM	Toll Plaza1
7	Amravati		80	GF_TP1_20KM	
8	Aurangabad		81	GF_TP2_10KM	Toll Plaza 2
9	Beed		82	GF_TP2_20KM	
10	Bhandara		83	GF_TP3_10KM	Toll Plaza3
11	Buldhana		84	GF_TP3_20KM	
12	Chandrapur		85	GF_TP4_10KM	Toll Plaza 4
13	Dhule		86	GF_TP4_20KM	
14	Gadchiroli		87	Ambala	Haryana
15	Gondia		88	Bhiwani	
16	Hingoli		89	Chandigarh	
17	Jalgaon		90	Faridabad	
18	Jalna		91	Fatehabad	
19	Kolhapur		92	Gurgaon	
20	Latur		93	Hisar	
21	Mumbai Suburban		94	Jhajjar	
22	Mumbai		95	Jind	
23	Nagpur		96	Kaithal	
24	Nanded		97	Karnal	
25	Nandurbar		98	Kurukshetra	
26	Nashik		99	Mahendragarh	
27	Osmanabad		100	Mewat	
28	Parbhani		101	Palwal	
29	Pune		102	Panchkula	
30	Raigad		103	Panipat	
31	Ratnagiri		104	Rewari	
32	Sangli		105	Rohtak	
33	Satara		106	Sirsa	
34	Sindhudurg		107	Sonipat	
35	Solapur		108	Yamunanagar	
36	Thane		109	Ballabhgarh	
37	Wardha		110	Sohna	
38	Washim		111	JR_TP1_10KM	Toll Plaza
39	Yavatmal		112	JR_TP1_20KM	
40	KM_Mokha_TP1_10KM	Toll Plaza	113	Ajmer	Rajasthan
41	KM_Mokha_TP1_20KM		114	Alwar	
42	Ahmedabad	Gujarat	115	Banswara	
43	Amreli		116	Baran	
44	Anand		117	Barmer	
45	Aravalli		118	Bharatpur	
46	Banaskantha		119	Bhilwara	
47	Bharuch		120	Bikaner	
48	Bhavnagar		121	Bundi	
49	Botad		122	Chittaurgarh	
50	Chhota Udaipur		123	Churu	
51	Dahod		124	Dausa	
52	Dang		125	Dhaulpur	
53	Devbhoomi Dwarka		126	Dungarpur	
54	Gandhinagar		127	Ganganagar	
55	Gir Somnath		128	Hanumangarh	
56	Jamnagar		129	Jaipur	
57	Junagadh		130	Jaisalmer	
58	Kheda		131	Jalor	
59	Kutch		132	Jhalawar	
60	Mahisagar		133	Jhunjhunun	
61	Mehsana		134	Jodhpur	
62	Morbi		135	Karauli	
63	Narmada		136	Kota	
64	Navsari		137	Nagaur	
65	Panchmahal		138	Pali	
66	Patan		139	Pratapgarh	
67	Porbandar		140	Rajsamand	
68	Rajkot		141	Sawai Madhopur	
69	Sabarkantha		142	Sikar	
70	Surat		143	Sirohi	
71	Surendranagar		144	Tonk	
72	Tapi		145	Udaipur	
73	Vadodara		146	Reengus	

	Zone Name	Region
147	DA_TP1_10KM	Toll Plaza1
148	DA_TP1_20KM	
149	DA_TP2_10KM	Toll Plaza 2
150	DA_TP2_20KM	
151	DA_TP3_10KM	Toll Plaza3
152	DA_TP3_20KM	
153	DA_TP4_10KM	Toll Plaza 4
154	DA_TP4_20KM	
155	Central Delhi	Delhi
156	East Delhi	
157	New Delhi	
158	North Delhi	
159	North East Delhi	
160	North West Delhi	
161	South Delhi	
162	South West Delhi	
163	West Delhi	
164	Agra	Uttar Pradesh
165	Allahabad	
166	Aligarh	
167	Ambedkar Nagar	
168	Auraiya	
169	Azamgarh	
170	Barabanki	
171	Budaun	
172	Bagpat	
173	Bahraich	
174	Bijnor	
175	Ballia	
176	Banda	
177	Balrampur	
178	Bareilly	
179	Basti	
180	Bulandshahr	
181	Chandauli	
182	Nagar	
183	Chitrakoot	
184	Deoria	
185	Etah	
186	Kanshi Ram Nagar	
187	Etawah	
188	Firozabad	
189	Farrukhabad	
190	Fatehpur	
191	Faizabad	
192	Gautam Buddh Nagar	
193	Gonda	
194	Ghazipur	
195	Gorakhpur	
196	Ghaziabad	
197	Hamirpur	
198	Hardoi	
199	Mahamaya Nagar	
200	Jhansi	
201	Jalaun	
202	Jyotiba Phule Nagar	
203	Jaunpur district	
204	Dehat)	
205	Kannauj	
206	Kanpur	
207	Kaushambi	
208	Kushinagar	
209	Lalitpur	
210	Lakhimpur Kheri	
211	Lucknow	
212	Mau	
213	Meerut	
214	Maharajganj	
215	Mahoba	
216	Mirzapur	
217	Moradabad	
218	Mainpuri	
219	Mathura	

Zone	Zone Name	Region
220	Muzaffarnagar	Uttar Pradesh
221	Panchsheel Nagar district (Hapur)	
222	Pilibhit	
223	Shamli	
224	Pratapgarh	
225	Rampur	
226	Raebareli	
227	Saharanpur	
228	Sitapur	
229	Shahjahanpur	
230	Sant Kabir Nagar	
231	Siddharthnagar	
232	Sonbhadra	
233	Sant Ravidas Nagar	
234	Sultanpur	
235	Shravasti	
236	Unnao	
237	Varanasi	
238	Andhra Pradesh (AP)	Rest of India
239	Vijayawada	
240	Bihar (BR)	
241	Patna	
242	Chhattisgarh (CG)	
243	Raipur	
244	Goa (GA)	
245	Himachal Pradesh (HP)	
246	Simla	
247	Jammu and Kashmir (JK)	
248	Kashmir	
249	Jammu	
250	Jharkhand (JH)	
251	Ranchi	
252	Kerala (KL)	
253	Trivendrum	
254	Karnataka (KA)	
255	Bengaluru	
256	Madhya Pradesh (MP)	
257	Bhopal	
258	Gwalior	
259	Odisha (OR)	
260	Bhubaneshwar	
261	Punjab (PB)	
262	Amritsir	
263	Tamil Nadu (TN)	
264	Chennai	
265	Telangana	
266	Hyderabad	
267	Uttarakhand (UK)	
268	Dehradun	
269	West Bengal (WB)	
270	Kolkata	
271	North East States	

RELIANCE

NAMAKKAL TO KARUR (KM 248.625 TO KM 292.600) SECTION OF NH-7 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

GMD Consultants
2, Park View, Park Avenue,
Sector – 17, Nerul ,
Navi Mumbai
Maharashtra, India

NAMAKKAL TO KARUR (KM 248.625 TO KM 292.600)

SECTION OF NH-7 IN THE STATE OF

TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India through National Highway Authority of India (NHAI) embarked upon a program to enhance the traffic capacity and safety for efficient transportation of goods as well as passenger traffic on National Highway Sections under NHDP Phase V. Under Phase V NHAI has planned to convert 6,500 km of existing 4-lane National Highways into 6-lane National Highway. Sections envisaged under 6-laning comprise the Golden Quadrilateral section (5,700 km) and some other sections which are 800 km in length.

The project under consideration, Namakkal - Karur section of NH-7 from Km 248.625 to Km 292.600 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. Project has concession period of 20 years. Project achieved COD on 22th August 2009. A capex grant of Rs. 240 million was provided for the project. The Project has been commissioned and is currently in the operation / maintenance phase.

1.2 Objective of the Study

M/s Reliance Infrastructure InvIT Fund has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost ProjectionReport***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

Origin Destination survey data (including trip frequency, trip length distribution, major traffic generators and their contribution, commodity analysis, etc.) has been sourced from a

third party study, we relied upon the survey outcome after necessary cross verification with the three year historical data available with the toll collection plazas. The Concessionaire has provided basic traffic data and other project details on the basis of which the above analysis has been carried out.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

The project corridor is one of the busiest route (NH-7) connecting north of India to Deccan and to south. It forms the part of main connectivity network joining commercial hubs like Hyderabad, Bengaluru and down south up to Kanyakumari.

Project corridor section starts from Km 248.625 from Namakkal Bypass to Km 292.600 up to Karur Bypass.

The project corridor generally traverses through plain terrain for most of its length except for few locations where terrain conditions are litter undulating. Exposed rock has been observed at several places along the project corridor.

The project corridor bypasses major settlements of Paramatty and Pugaloor / Veleyudampalayam.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

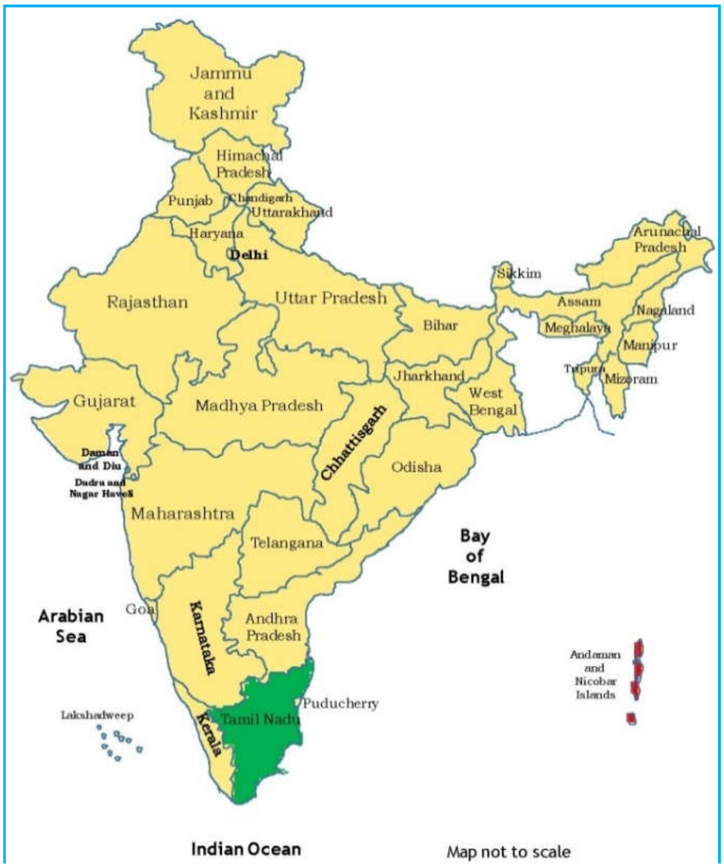


Figure 2-1: Index Map of Project Highway - Country Level

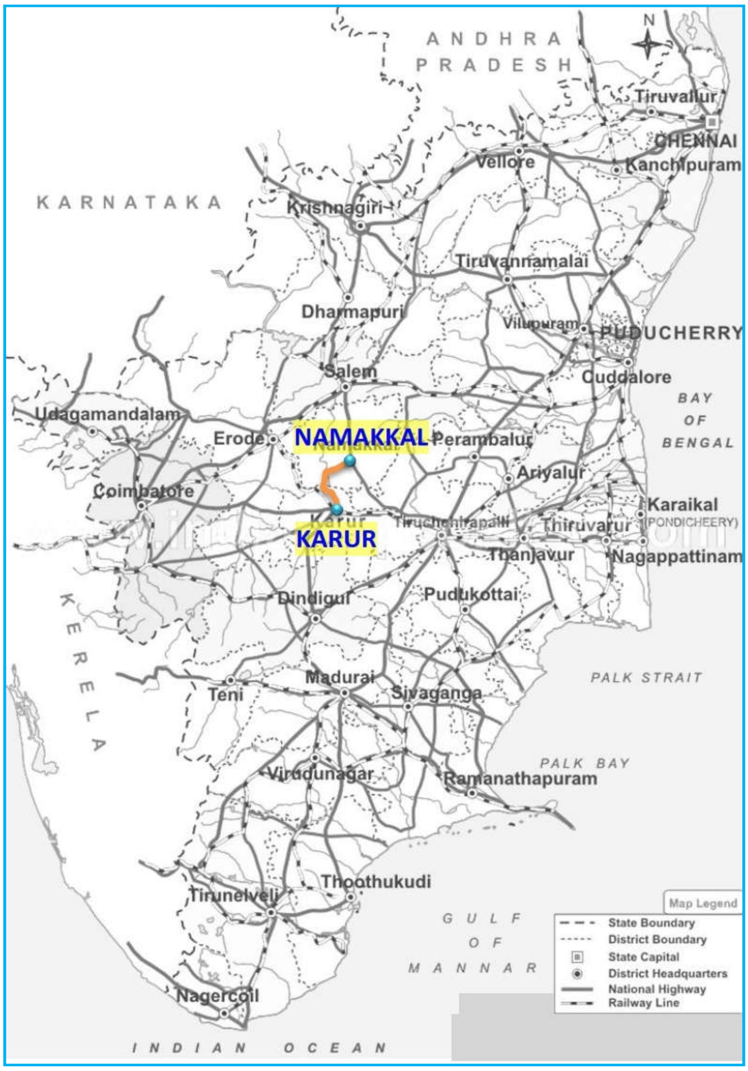


Figure 2-2: Index Map of Project Highway - State Level

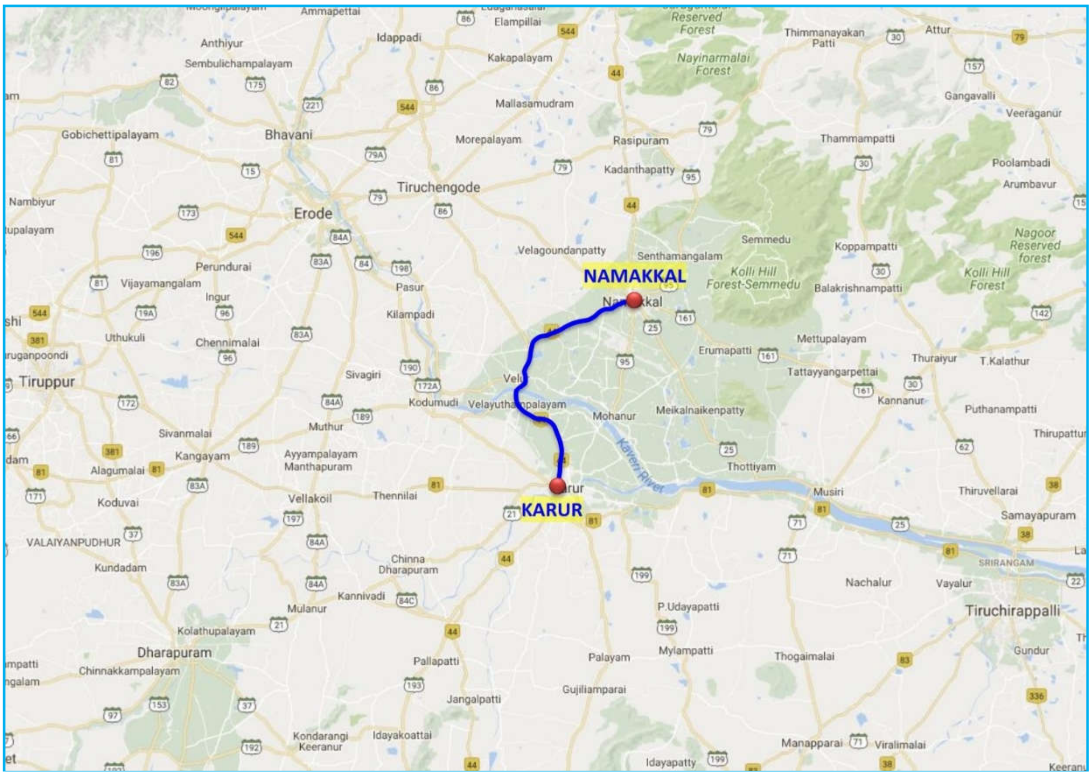


Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

NH-7 is a major North-South National Highway in India that runs through the states of Uttar Pradesh, Madhya Pradesh, Maharashtra, Telangana, Andhra Pradesh, Karnataka, and Tamil Nadu. The highway connects several important Indian cities such as Varanasi, Rewa, Jabalpur, Nagpur, Adilabad, Nirmal, and Armoor in (Nizamabad), Kamareddy, Hyderabad, Kurnool, Anantapur, Chikkaballapur, Bangalore, Krishnagiri, Salem, Madurai, Tirunelveli and Kanyakumari. A major part of NH 7 falls on the North-South Corridor of NHDP.

Abutting land along the project corridor from Namakkal to Karur is a mix of agriculture, urban and semi-urban land use. Both end of project fall in urban areas of Namakkal and Karur respectively.

Project stretch is combination of widening and strengthening of existing two lane to four lane and improvement and maintenance of existing four lane. Details of both stretches are given as under

- Improvement Package - From Km 248.625 to Km 258.645. This section was already four lanes.
- Construction Package - From Km 258.645 to Km 292.600. This part of stretch is widened from 2 lane to four lane configuration.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Total Length of Project = 41.375 Kms
- Major Bridges = 02 Nos.
- Minor Bridges = 04 Nos.
- Flyovers = 04 Nos.
- Culverts = 65 Nos.
- Vehicular Underpass = 02 Nos.
- Pedestrian Under passes = 04 Nos.
- Major Intersections = 11 Nos.
- Service Road = 11.522 Kms.
- Bus Bays = 20 Nos.
- Toll Plaza Complex = 01 Nos.

The details of the structures are given below.

2.3.1 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-1 : List of Major Bridges

Sr. No.	Chainage (km)	Span Arrangement (m)	Total Width of Super Structure (m)	Type of Super Structure	Type of Sub Structure and Foundation
1	271.200	5 x 15.1	20.5	RCC T-Girder	RCC Circular Columns (3 Nos) with Open Foundation
2	278.630	40 x 20.1	20.5	RCC Voided slab	RCC Wall type Pier/ Abutment with Open Well Foundation

2.3.2 Flyovers& ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-2 : List of Flyovers& ROB's along Project Corridor

Sr. No.	Chainage (km)	Type	Span Arrangement (m)	Total widthof Super Structure (m)	Type of Super Structure	Type of Sub Structure and foundation
1	249.000	ROB	3 x 25	20 m total width for two carriageways with 8.75 m with clear carriageway	PSC Post Tensioned T-Girder	RCC Circular Pier, Abutment, Open Foundation & Reinforced Earth Wall
2	259.600	ROB	3 x 25	20.5 m total width for two carriageways with 8.75 m with clear carriageway	PSC Post Tensioned T-Girder	RCC Circular Pier, Abutment, Open Foundation & Reinforced Earth Wall
3	276.300	ROB	1 x 30	20 m total width for two carriageways with 8.75 m with clear carriageway	PSC Post Tensioned T-Girder	RCC Circular Pier, Abutment, Open Foundation & Reinforced Earth Wall
4	281.600	Flyover	1 x 30	20 m total width for two carriageways with 8.75 m with clear carriageway	PSC Post Tensioned T-Girder	RCC Circular Pier, Abutment, Open Foundation & Reinforced Earth Wall

2.3.3 Minor Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges

Sr. No.	CD No	Chainage (km)	Span Arrangement (m)	Total width of Super Structure(m)	Type of Super Structure	Type of Sub Structure and foundation
1	249/2	248.840	2 x 3.6	39.4	RCC Box	-
2	279/1	276.750	1 x 10	24	RCC Solid Slab	PCC Abutment and Foundation
3	281/1	280.659	2 x 3.5	24	RCC Solid Slab	PCC Abutment and Foundation
4	3/4	283.946	1 x 10.5 (Skew 45 degrees)	24	RCC Solid Slab	PCC Abutment and Foundation

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

During the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at toll plaza location on Namakkal - Karur section of NH-7for base year 2016-17
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

From traffic point of view project can be considered as one homogenous sections from Namakkal to Karur. *Table* 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic DataDetails

Sr. No.	Location	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 259.500 Toll Plaza-Rasampalayam	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017

The locations of each of the traffic survey are illustrated in Figure 3-1.

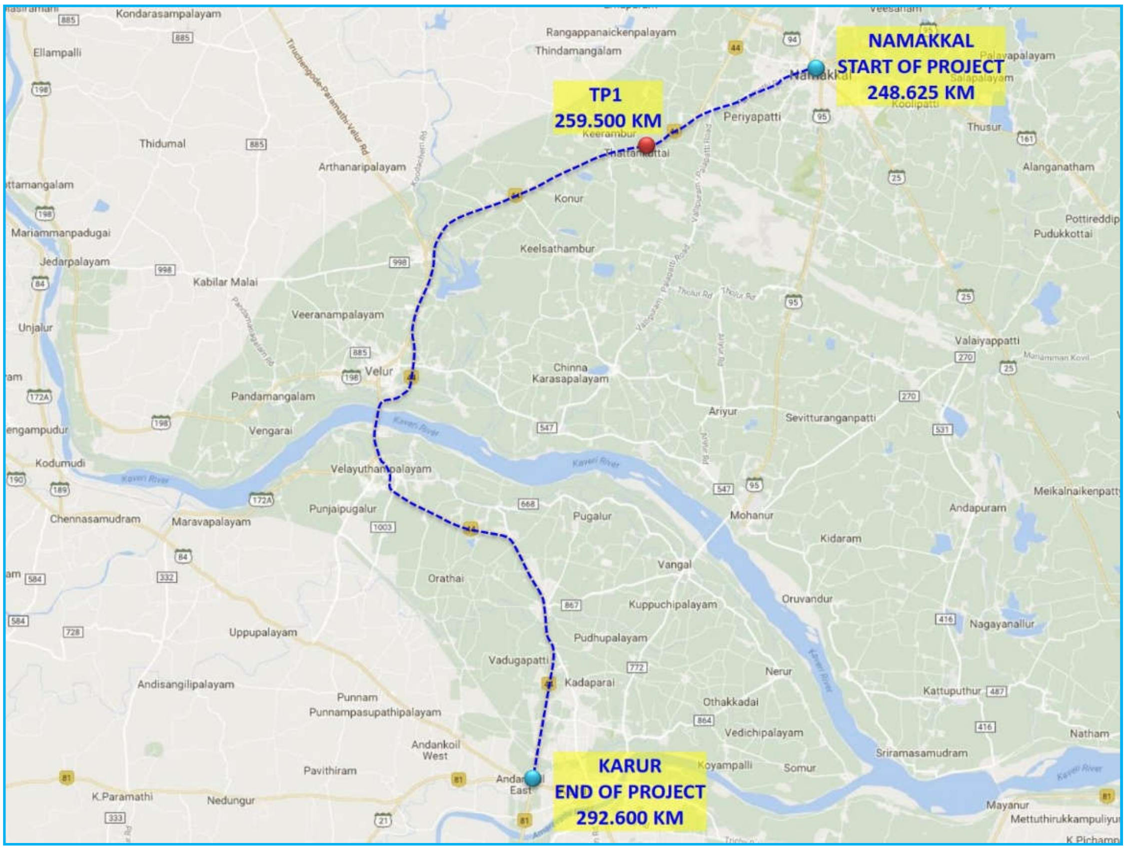


Figure 3-1: Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / New Technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle (MAV)
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2016-17 as under at the toll plaza-

Table 3-3 : Traffic Data at Toll Plaza at Km 259.500

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)
1	CAR	5,188
2	LCV	1,658
3	Truck/Bus	1,641
4	Multi Axle	1,930
	Total	**10,417**

* excluding exempt

Volume of oversize vehicle was negligible

This data was then bifurcated to various components like through local, monthly, return journey etc. category. Same is discussed in detail in following section.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-4 : Historical Tollable Traffic at Toll Plaza at Km 259.500

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car(1)	1,614,709	1,747,484	1,774,420	5%
LCV(2)	592,429	594,005	566,913	-2%
Bus/Truck(3)	635,292	616,189	561,370	-6%
Multi-axle(4)	741,324	675,429	659,998	-6%
Total	3,583,754	3,633,107	3,562,701	0%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles

The tollable annual average daily traffic for the project increased to 21,283 PCUs in 2017 from 21,220 PCUs in 2015, representing a CAGR of 0%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-5 : Historical AADT at Toll Plaza at Km 259.500

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [(1)]	4,424	4,993	5,188	8%
LCV [(2)]	1,623	1,697	1,658	1%
Bus/Truck [(3)]	1,741	1,761	1,641	-3%
Multi-axle[(4)]	2,031	1,930	1,930	-3%
Total	9,819	10,381	10,417	3%
Total PCUs	21,220	21,504	21,283	0%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

On average for the three financial years ended 2015 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the NK Project's total traffic mix, 48%, 16%, 17% and 19% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 50%, 16%, 16%, and 18% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of NK's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the NK Project by category of vehicles for the financial year 2015, 2016 and 2017:

Table 3-6 : Historical Toll Revenue at Toll Plaza at Km 259.500

Category	(in Rs. Millions) For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [(1)]	56.0	61.6	61.0	4%
LCV [(2)]	36.2	36.6	34.8	-2%
Bus/Truck [(3)]	75.3	72.9	66.1	-6%
Multi-axle [(4)]	156.9	148.3	146.5	-3%
Total	**324.4**	**319.4**	**308.4**	**-2%**

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

The following table sets forth the gross monthly toll revenues received from the project for the periods indicated:

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in table below:

Table 3-7 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-8: Traffic in PCU at Project Stretch

Toll Plaza Location	Traffic No	PCU	PCU Index
259.500	10417	21283	**2.04**

It can be observed from above that project traffic has PCU index above 2 which is a fair indicator of good mix being split between commercial and urban traffic.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

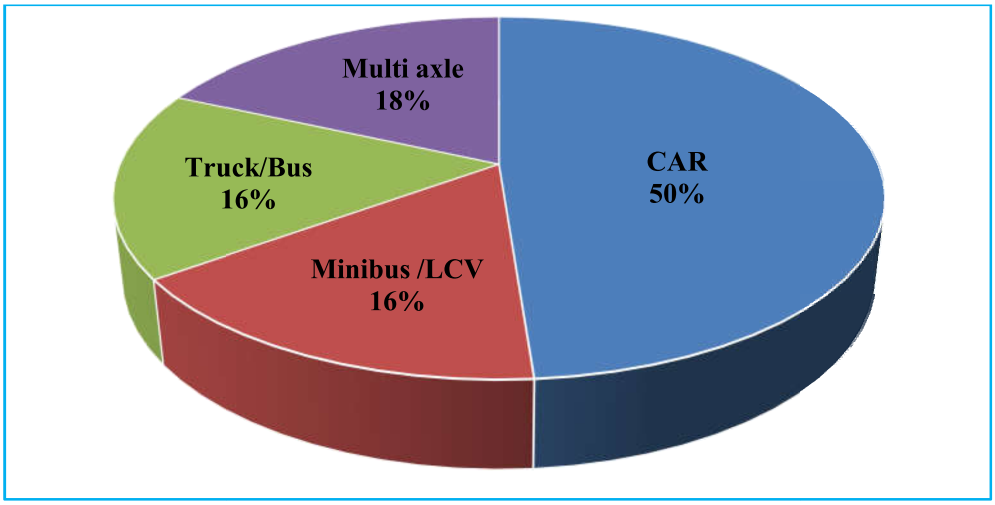


Figure 3-2: Modal Split of Traffic at Toll Plaza 259.500

It is observed that car traffic forms 50% of total traffic at toll plaza location Km 259.500. Share of LCV and bus / truck was 16% and 16% respectively. Multi axle consists of 18% of total traffic. Over all about 50% of traffic is commercial in nature. Higher percentage of urban traffic is due to the fact that on both end of stretch there are developing urban centers of Namakkal and Karur.

Another important bifurcation of traffic is components of traffic with respect to various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16

Table 3-9 : Journey Type Bifurcation of Traffic at KM 259.500

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	41.3%	53.7%	0.7%	4.3%	100.0%
Minibus /LCV	41.0%	56.1%	0.0%	2.9%	100.0%
Truck/Bus	45.2%	36.1%	0.0%	18.7%	100.0%
Multi axle	72.5%	26.6%	0.0%	0.9%	100.0%

Following figure illustrate component of each type of journey in graphics for better understanding.

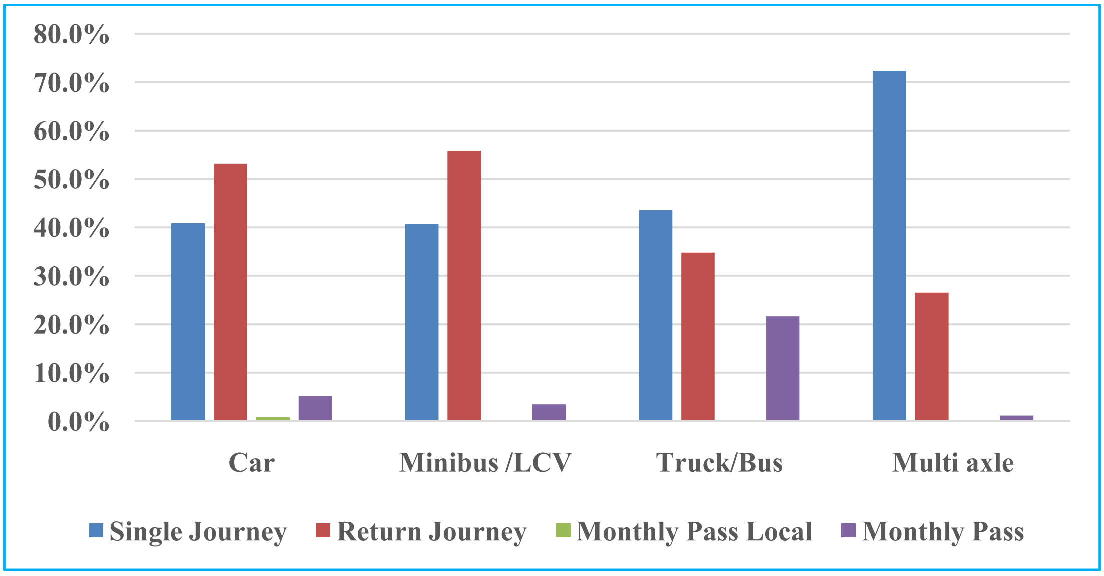


Figure 3-3: Journey Type Bifurcation at Toll Plaza 259.500

Cars and buses have good component of return journey. In case of Car, mini bus and bus return journey component is higher that single journey or almost equal. Over all return journeys represent about 44% of the total traffic volume. High component of return journeys indicates presence of two commercial centers at either end of project road. Multi axle have predominant share of single journey as expected on rural highways. The variation in modal split from financial year 2015-16 and 2016-17 is negligible and hence the split has not been changed.

3.4.3 Seasonal Variation in Traffic

Traffic on highway does not remain uniform throughout the year. Festivals, rains etc. are factors for such variation. Seasonal variation of traffic was worked out from the data available. Following figure depict monthly variation of AADT.

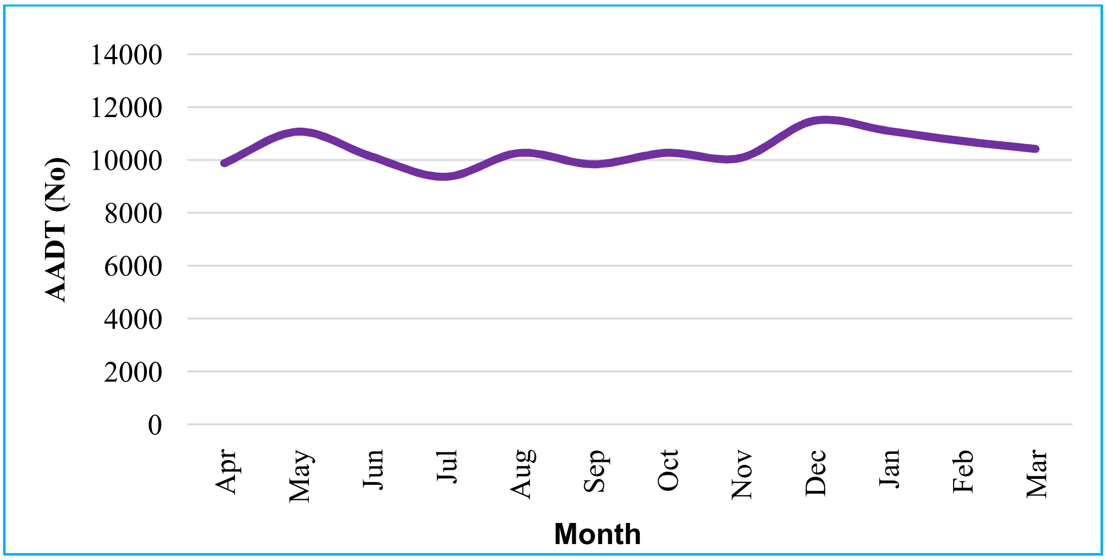


Figure 3-4: Seasonal Variation of Traffic at Project Highway

It is observed that traffic volume reduces in the rainy season from August to October. In the month of November, traffic reduced owing to demonetization and then picks up after November during the harvest season. Maximum Season correction factor varies between 0.90 to 1.11.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

The regression analysis have been done for a longer time span of five to eight years, using authentic data pairs for a common period sourced from the governmental publications, and exclusion of data pertaining to later years will have no significant impact on the outcome of this study.

We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flows on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time,
- Geometric deficiencies,
- Configuration of road,
- Riding comfort,
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Namakkal to Karur

Following figures depict competing road network of above pair of origin & destinations

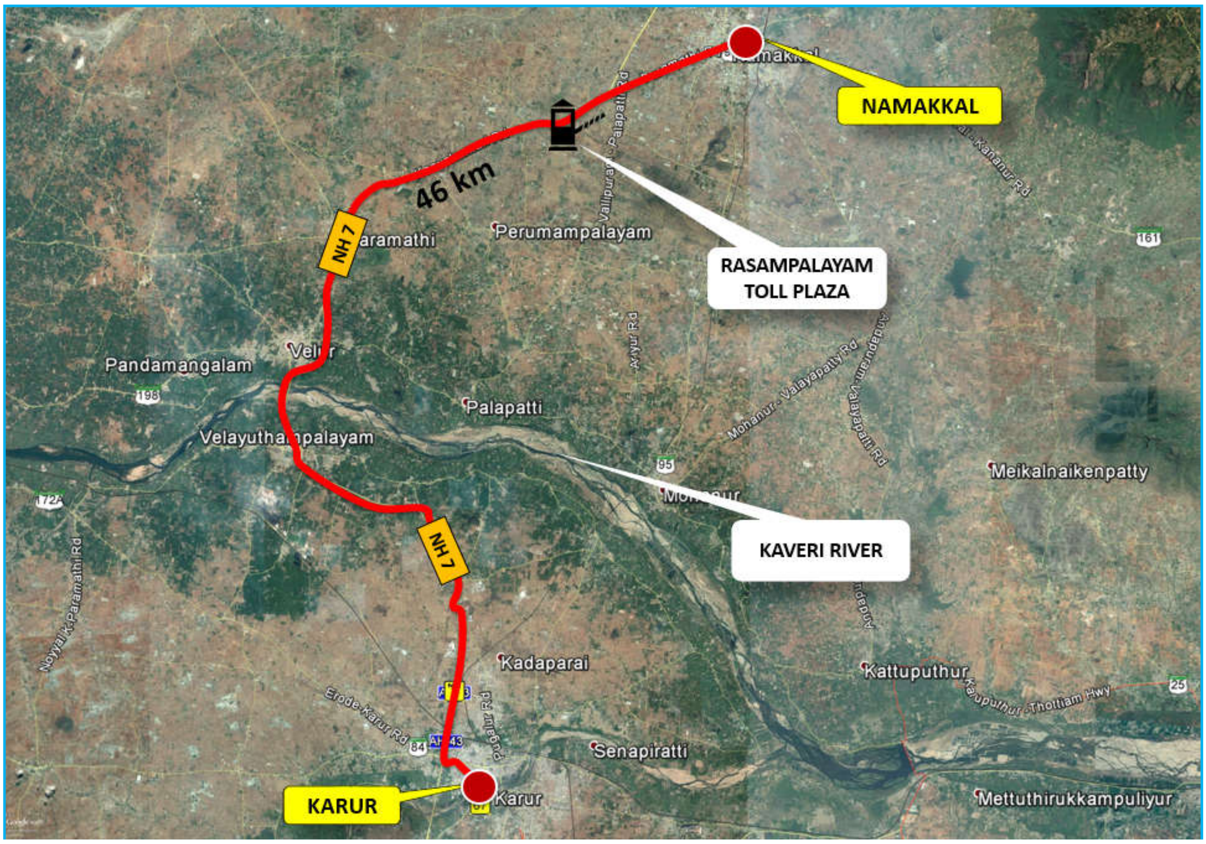


Figure 4-1: Project Alignment Namakkal to Karur

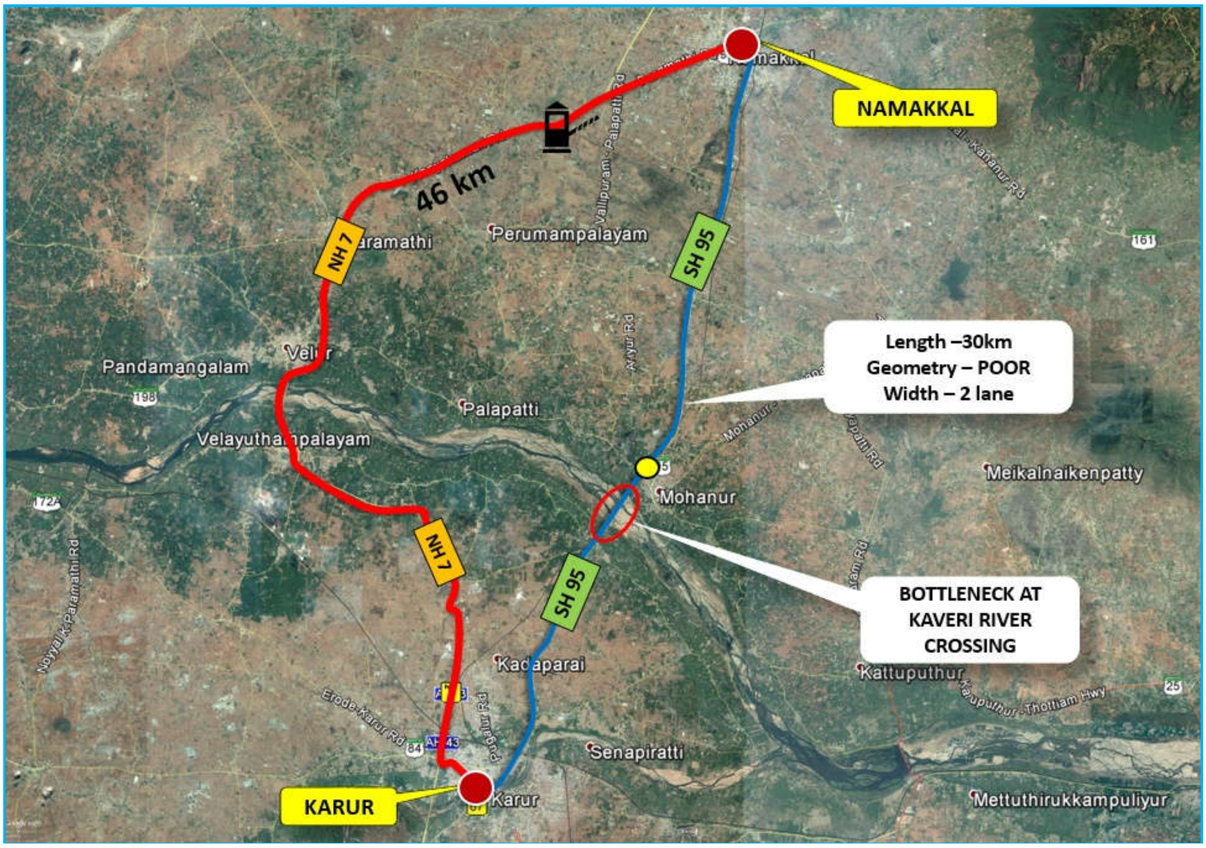


Figure 4-2: Competing Roads Namakkal to Karur

It can be observed that the project highway is the spine of the corridor between Namakkal to Karur. There are local roads and state highways which if integrated can form a competing road network. State Highway SH-95 can be one such competing road. It is a mix of intermediate and two lane configuration. It passes through several villages which can be bottleneck to truck and MAV movement specially. With construction of 1.5 km two lane bridge on river Cauveryat Mohanur in 2015, a direct alternate connectivity is established between Karur and Namakkal. The geometry and quality of road is inferior as compared to project section of NH-7, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches where road passes through dense built up sections. In light of above discussion, it is not expected that much of long distance commercial traffic would be diverted to this alternate route. Mohanur bridge being only two lane has its own capacity limitations.

Concessionaire has put a claim for extension of concession period under clause 8.2 for post tender development of alternative connectivity. It is expected that on this account concession period may get extended by 5-6 years.

The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Namakkal to Karur competing road (SH-95- Mohanur-Cauvery Bridge Crossing) on East side	Competing Road	30	40	45	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of commercial traffic from NH-7 not expected
	Namakkal to Karur via Project Road NH-7	**Project Road**	**46**	**70**	**39**	

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. Under these circumstances, it is not envisaged that there would be a significant switch of commercial traffic to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history post development of this alternate connectivity, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have several uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Namakkal - Karur section of NH-7 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method, past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on several economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep - Par Capita Income
- Bus / Minibus - Population
- Trucks / Heavy / Goods Vehicle - NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

Log (P) = k x Log (EI) + A

Where,

P =Number of Vehicles (Mode wise)

EI =Economic Indicator

A =Regression constant

k = Elasticity coefficient (Regression coefficient)

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

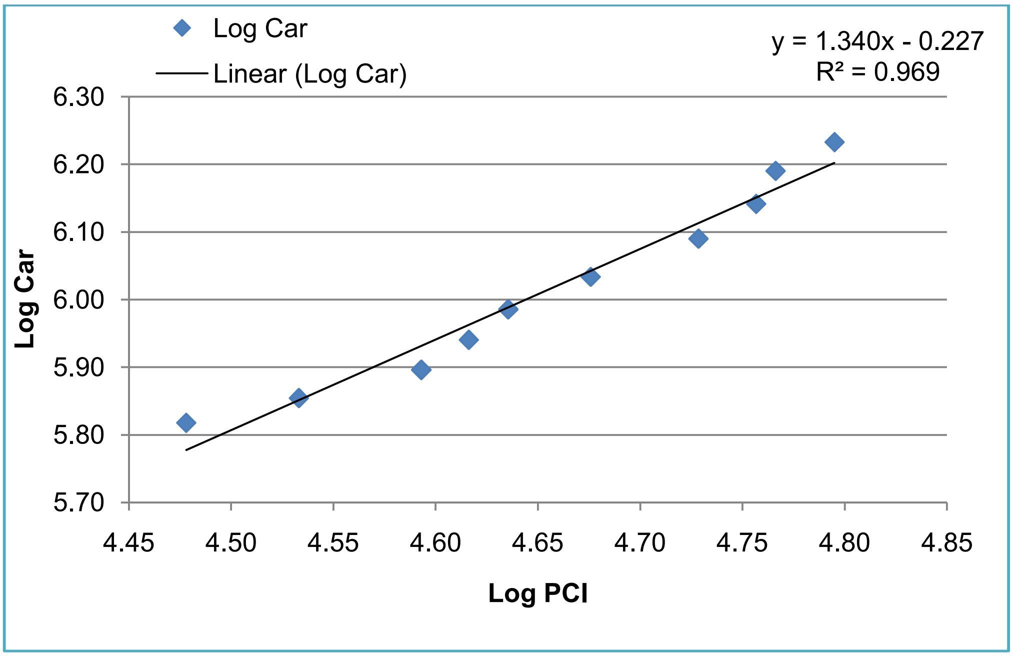


Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	0.8%	
2006	65135000	42999	7.81	4.63	0.8%	
2007	65629000	47765	7.82	4.68	0.8%	
2008	66106000	52617	7.82	4.72	0.7%	
2009	66566000	56338	7.82	4.75	0.7%	
2010	67012000	59240	7.83	4.77	0.7%	
2011	67444000	62725	7.83	4.80	0.6%	
2012	67862000	68096	7.83	4.83	0.6%	
2013	68265000	84488	7.83	4.93	0.6%	0.70%

Regression analysis of same is given in figure below

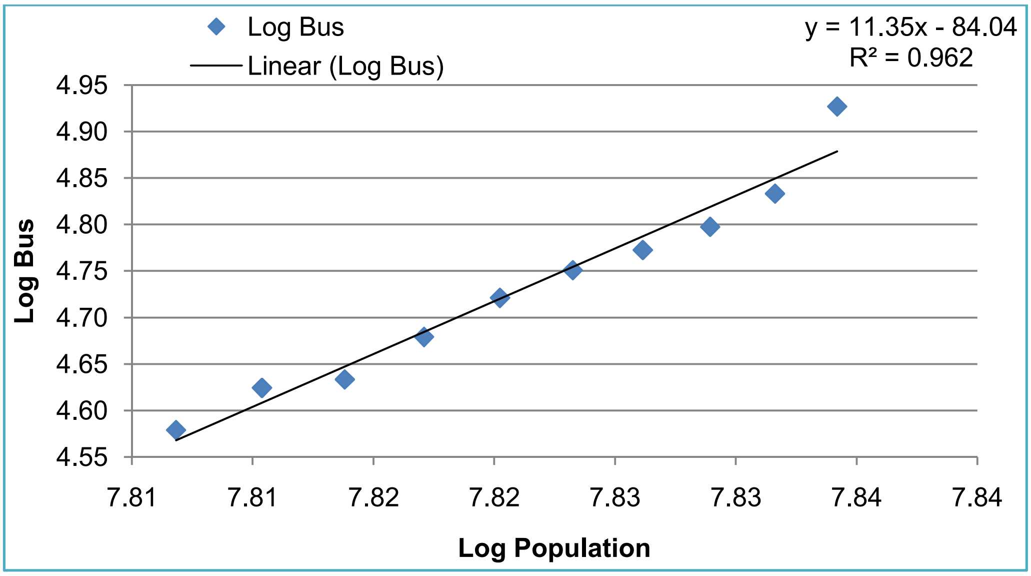


Figure 5-2: Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

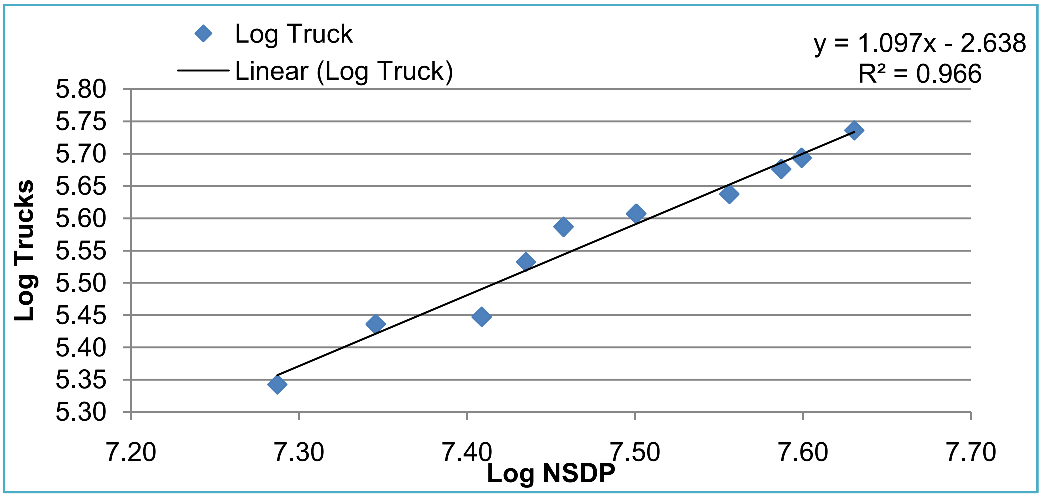


Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamil Nadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R² = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - - 84.0434	R² = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R² = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

Project stretch from Namakkal to Karur is extension of NH-7 towards south. It is expected that this section would have some fraction of Karnataka traffic. Concessionaire has carried out a sample survey of traffic to analyze share of vehicles from various states in traffic on project road. Survey was done in year 2012 on both directions of traffic and sample size was approximately 25%. Following table provides summary of the same

Table 5-5 : Component Share of Various States in Project Traffic

State / Vehicle	Tamil Nadu	Karnataka	Kerala	ROI	Total
Car	95.00%	3.50%	1.20%	0.3%	**100.00%**
LCV	96.90%	2.10%	0.20%	0.80%	**100.00%**
2AT	91.90%	5.20%	0.40%	2.50%	**100.00%**
3AT	87.40%	7.30%	3.20%	2.10%	**100.00%**
MAV	80.50%	15.00%	1.80%	2.70%	**100.00%**

In such case, it would be necessary to consider and factor in the growth perspective of Karnataka additionally.

A regression model for Karnataka traffic growth was prepared for period from 2005-06 to 2014-15. Summary of same is given in following table

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient	Average IV Growth (5yrs)	Growth Elastic Model	Remarks
Karnataka	Car/Jeep	PCI	y = 1.1164x - 2.7365	R^2 = 0.9969	0.8535	14.30%	12.20%	Excellent Regression
	Bus	Population	y = 1.8755x - 10.293	R^2 = 0.956	7.197	1.05%	7.54%	Excellent Regression
	Truck	NSDP	y = 1.1164x - 2.7365	R^2 = 0.8539	1.42	6.53%	9.27%	Good Regression

Table 5-6 : Summary Regression Analysis- Karnataka

Impact of other state traffic is suitably taken in to recommended growth rates for project traffic

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Namakkal to Karur has been commissioned and it under tolled operation since September 2009.

The historical data available for corridor from 2011 to 2017 was analyzed. It exhibits steady growth in terms of passenger traffic. Following table presents overall growth of tollable traffic on project corridor from year 2011 to year 2017.

Table 5-7 : Past Traffic Trends

Type of Vehicle	Year 2010-11	Year 2016-17	Overall Growth %
Car	2765	5188	11.06%
LCV	1186	1658	5.74%

LCV / Bus/ Truck	1651	1641	-0.10%
MAV	1345	1930	6.20%

As recommended by **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways** "*This (historic growth) for short term projects but for longterm projections it would be erroneous for assume that the past rate of growth would prevail for long time in future. Economic conditions are bound to change over long period and it would be necessary to modify the rate of growth accordingly*".

It is thus clear that while developing a futuristic growth projections for highway projects, long terms factors like growth of economy and upcoming developments in area have greater impact than past trends. Considering above, both historic trend and economic factors (elasticity) have been considered suitably to work out recommended growth rate of traffic on project corridor.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

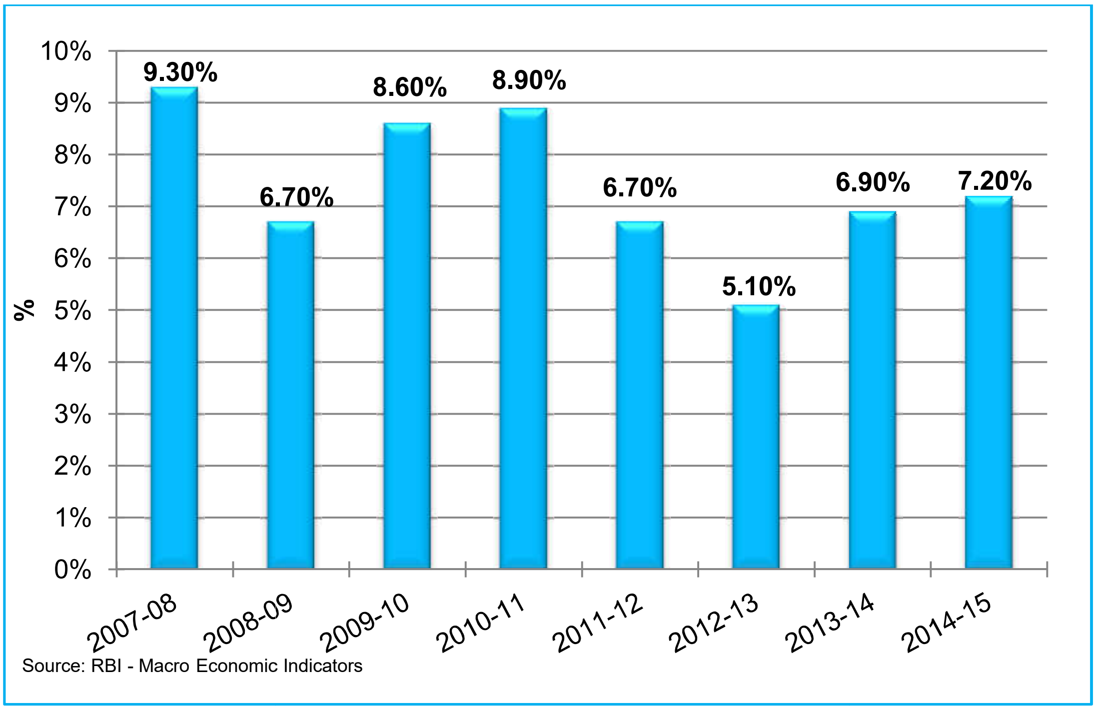


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Namakkal Area

- Namakkal is noted for truck body building activity. Truck, trailer, tanker and rig unit body building activities are being carried out in Namakkal since 1956, products built up in this region are sold to customers from other states of India and are also exported to foreign countries. About 25000 people are employed directly and indirectly in truck body building activity in approximately 300 units which are engaged in this activity in Namakkal District. Approximately 40% of the trucks operating in state have body and other units done from Namakkal.
- Poultry development has been rather phenomenal in the district of Namakkal. About 1500 Poultry/Cattle feed manufacturing units are also in existence. Mostly every poultry unit has put up their own feed manufacturing unit. The district is also well known for its poultry and dairy industries, accounting for a bulk of supply of poultry

products to neighboring industries. In fact, Namakkal produces about 65% of the egg output of Tamil Nadu.

- Tapioca is cultivated in Namakkal District in abundance. Tapioca serves as a useful raw material in the production of Starch and Sago which has engaged 350 business units in the Namakkal region. These products often find a good market in northern India, where the demand is high.

5.6.2 Developments around Karur Area

- Karur is the district located "HEART" of Tamil Nadu. i.e. Karur is centre of Tamil Nadu and equally distance to all around Tamil Nadu districts & quick reach by Road ways.

- Karur is a hub for bus body building industries. Most of the South Indian private bus bodies are built in Karur. The total business turnover from building bus coaches is estimated to be around ₹1000 crore per annum. There are more than 50 companies that build coaches in Karur.

- Karur is a major home textile centre and has five major product groups - bed linens, kitchen linens, toilet linens, table linens and wall hangings. The town generates around ₹6000 crores in foreign exchange through direct and indirect exports. Allied industries like ginning and spinning mills, dyeing factories and weaving employ around 300,000 people in and around Karur. Hand-loom Exports from Karur began on a modest scale with just 15 exporters in 1975. Products, made in Karur, are supplied to world leading chain stores such as WalMart, Target, IKEA, JC Penny and Ahlens, which generates high volumes of traffic to nearby ports.

  Set up under the scheme for Integrated Textile Parks, the ₹130 crores Karur Textile Park Limited (KTPL) is rated the premier facility of its kind in the country for its technical and ancillary facilities.

- About 60% of mosquito nets in India are manufactured in Karur. About 2000 units are engaged in making High-density polyethylene (HDPE) mono filament yarn and associated products and employ about 50,000 people.

- Bharat Petroleum Corporation in a joint venture with Petronet CCK has installed a pipeline facility from Cochin BPCL to Karur BPCL to transport petroleum products. The petroleum products received at the BPCL-Karur terminal is supplied to more than 20 districts of Tamil Nadu through container trucks.

- Tamil Nadu News Print and Papers Ltd., better known as TNPL the country's largest non-wood based paper maker was established in the early 80's at Pugalur near Karur. It is acknowledged as the world leader in the technology for manufacture of newsprint from bagasse which became operational from January 1996. The production of news print and paper have been raised from 90000 tonnes to 180000 tonnes per annum.

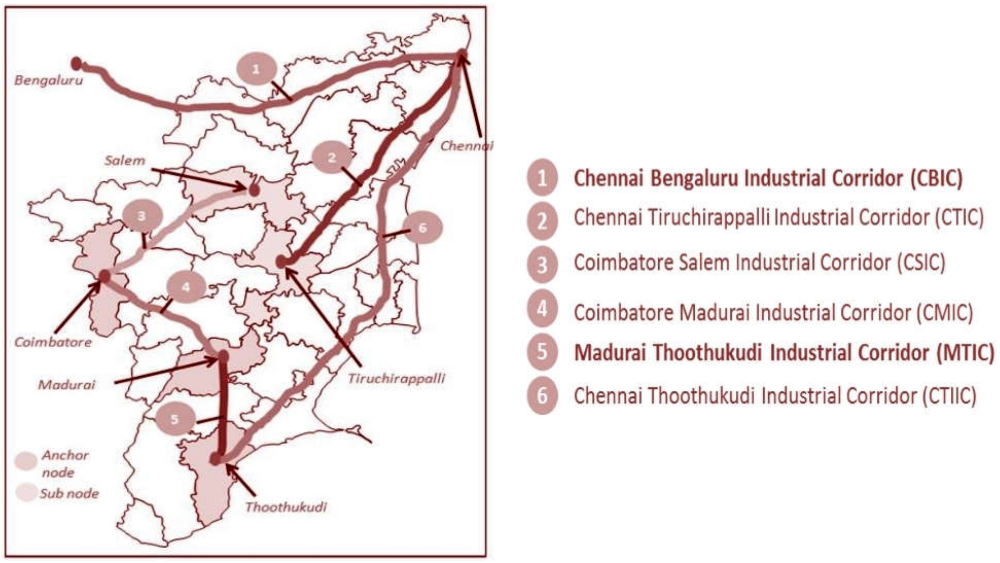
  TNPL produces 230,000 tons of Printing & writing paper and consumes 1 million tons of bagasse every year.

- Chettinad Cement Corporation Ltd was formed 1962 to cater to growing demands of cement in the country. The manufacturing unit located at Puliyur, Karur District, in Tamil Nadu commenced production in April 1968. Apart from cement, the Chettinad House is today engaged in activities as diverse as granite, engineering, silica, garnet, information technology, steel & textile trading, horse breeding, plantations, shipping, transportation, stevedoring, clearing and forwarding and logistics having a combined turnover of Rs.8500 million.

Some of the big projects around the project corridor are detailed below

5.6.3 Coimbatore - Salem Industrial Corridor

Coimbatore - Salem Industrial Corridor is expected to attract an investment of about Rs 14,700 crore to create further infrastructure. This in turn is expected to create investment opportunities to the tune of about Rs 43,000 crore. Sources are predicting creation of jobs for approximately 18 lakh white and blue collar personnel. This has already translated into residential developers planning to expand their offerings.



5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, overall growth rates are recommended for each category of vehicle. Rate of growth is moderated considering overall regional trend. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years.

Impact of other important factors affecting growth is taken as under.

- Historical data of project stretch is consistent except for truck and bus. 30% and 70% weightage is assigned for historical and future growth trends (elastic model) respectively for LCV and MAV category. For car, a weightage factor of 10% is assigned to historical growth trend. For bus and truck category, since the past growth trend is abnormally low, historical growth trend is ignored.
- Karnataka growth rates of elastic model assigned weightage of 10% and 20% is assigned to truck and MAV category while 90% and 80% weightage is given to Tamil Nadu elastic model growth rate in line with state wise traffic distribution of traffic. For car and LCV category only Tamil Nadu growth rates are considered.
- Due to technological advances in logistic industry greater preference is now given to Multi Axle (MAV) over conventional 2/3 Axle truck. To

accommodate this in growth projection growth rate of MAV is stepped down in future year by lesser offset as compared to that of Car, LCV and Bus truck

- Namakkal and Karur being second class cities a negative growth rate of -0.5% and -1% is applied to car and LCV category respectively

Taking all above factors in to consideration, Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-8 : Recommended Growth RatesOptimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30
CAR	11.60%	10.60%	9.35%
Mini Bus /LCV	7.60%	6.60%	5.10%
Truck / Bus	8.50%	7.50%	6.00%
Multi Axle	8.80%	8.30%	7.30%

Table 5-9 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30
CAR	10.60%	9.60%	8.35%
Mini Bus /LCV	6.60%	5.60%	4.10%
Truck / Bus	7.50%	6.50%	5.00%
Multi Axle	7.80%	7.30%	6.30%

Table 5-10 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	Up to 2020	2020-25	2025-30
CAR	11.10%	10.10%	8.85%
Mini Bus /LCV	7.10%	6.10%	4.60%
Truck / Bus	8.00%	7.00%	5.50%
Multi Axle	8.30%	7.80%	6.80%

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- 259.500 KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	5,790	1,784	1,781	2,100	**11,454**	**23,257**
2018-19	6,462	1,919	1,932	2,284	**12,598**	**25,417**
2019-20	7,211	2,065	2,097	2,485	**13,859**	**27,783**
2020-21	7,976	2,201	2,254	2,692	**15,123**	**30,152**
2021-22	8,821	2,347	2,423	2,915	**16,506**	**32,728**
2022-23	9,756	2,501	2,605	3,157	**18,020**	**35,529**
2023-24	10,791	2,667	2,800	3,419	**19,676**	**38,576**
2024-25	11,934	2,843	3,010	3,703	**21,490**	**41,891**
2025-26	13,050	2,988	3,191	3,973	**23,202**	**44,983**
2026-27	14,270	3,140	3,382	4,263	**25,056**	**48,311**

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- 259.500 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	5,738	1,767	1,765	2,080	**11,350**	**23,044**
2018-19	6,347	1,884	1,897	2,243	**12,370**	**24,954**
2019-20	7,019	2,008	2,039	2,418	**13,484**	**27,028**
2020-21	7,693	2,120	2,172	2,594	**14,579**	**29,062**
2021-22	8,432	2,239	2,313	2,783	**15,767**	**31,254**
2022-23	9,241	2,365	2,463	2,987	**17,056**	**33,617**
2023-24	10,128	2,497	2,623	3,205	**18,453**	**36,164**
2024-25	11,101	2,637	2,794	3,439	**19,970**	**38,911**
2025-26	12,028	2,745	2,933	3,655	**21,361**	**41,394**
2026-27	13,032	2,857	3,080	3,885	**22,855**	**44,043**

Traffic projections for Most Likely scenario are given as under

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- 259.500 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	5,764	1,775	1,773	2,090	**11,402**	**23,150**
2018-19	6,404	1,901	1,915	2,263	**12,484**	**25,185**
2019-20	7,115	2,036	2,068	2,451	**13,670**	**27,404**
2020-21	7,834	2,161	2,212	2,643	**14,849**	**29,603**
2021-22	8,625	2,292	2,367	2,849	**16,133**	**31,984**
2022-23	9,496	2,432	2,533	3,071	**17,532**	**34,562**
2023-24	10,455	2,581	2,710	3,310	**19,056**	**37,354**
2024-25	11,511	2,738	2,900	3,569	**20,718**	**40,377**
2025-26	12,530	2,864	3,060	3,811	**22,264**	**43,155**
2026-27	13,638	2,996	3,228	4,070	**23,932**	**46,133**

6.2 Modification in Concession Period

As discussed previously concession period may get extended by 5-6 years because of post award development of competing connectivity under provisions of clause 8.2.

It can be observed that in most likely case project traffic is expected to cross four lane capacity of 60000 PCU. In such event, authority may opt for capacity augmentation for which concessionaire will have option of matching the preferred bid.

Taking both the fact into consideration concession period of project has been taken as original. Accordingly, traffic projection and revenue is worked out up to year 2030-31.

CHAPTER 7
FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Namakkal - Karur section of NH-7 is based on old toll policy. As per the Toll Notification (Schedule G) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
   a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate based on WPI are done as per toll notification (Schedule G) as given under also.

$$\text{Base Fee X } \frac{\text{WPI-B}}{\text{WPI-A}} \text{ X length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule G of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates 1997

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per ScheduleG. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

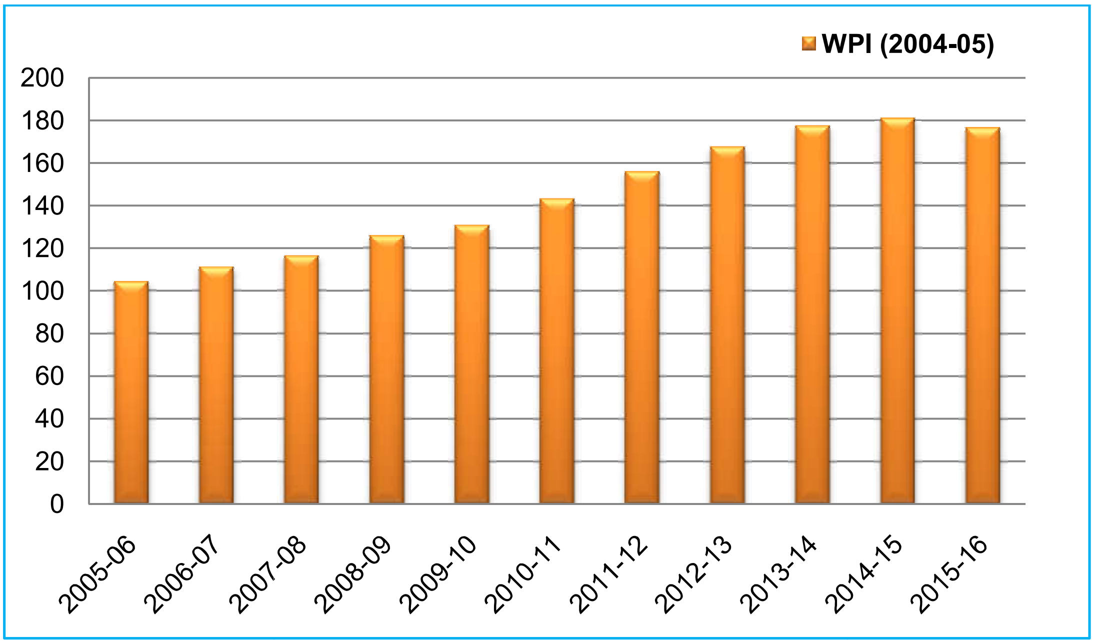


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. WPI increase in March 2017 is 5.7%. Taking future trend of economy into consideration following average WPI inflation is used for projections of toll rates

- Up to Year 2018 - 4.0%
- 2019-21 - 5.0%
- 2022-26 - 4.0%
- 2027-31 - 3.0%
- 2036-40 - 2.0%

Toll rates are calculated as per guidelines provided in schedule G for the concession period including expected extension and are given below.

Thus, worked out rates for various categories of vehicle and discounts are given as under. These rates are applicable from September 1st of the respective year.

Table 7-2 : Toll Rates for Single Journey @Toll Plaza 1- 259.500 KM

Year	Car/Jeep / Van	LCV	Truck / Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/ Bus -LTO
2017-18	45	75	155	245	15	15	25
2018-19	45	80	160	255	15	15	25
2019-20	50	85	165	270	15	15	25
2020-21	50	90	175	280	15	15	25
2021-22	55	90	185	295	15	15	25
2022-23	55	95	190	310	15	15	25
2023-24	55	100	200	320	15	15	25
2024-25	60	105	205	335	15	15	25
2025-26	60	110	215	345	15	15	25
2026-27	65	110	225	360	15	15	25

Table 7-3 : Toll Rates for Multiple Journeys @ Toll Plaza 1- 259.500 KM

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	65	115	230	370
2018-19	70	120	240	385
2019-20	70	125	250	405
2020-21	75	130	265	425
2021-22	80	140	275	445
2022-23	80	145	285	460
2023-24	85	150	300	480
2024-25	90	155	310	500
2025-26	90	160	325	520
2026-27	95	170	335	540

Table 7-4 : Toll Rates for Monthly Pass @Toll Plaza 1- 259.500 KM

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LT1	Car – LT2	School Bus
2017-18	1310	2295	4590	7375	150	300	1000
2018-19	1365	2385	4775	7670	150	300	1000
2019-20	1430	2505	5010	8055	150	300	1000
2020-21	1505	2630	5260	8455	150	300	1000
2021-22	1580	2765	5525	8880	150	300	1000
2022-23	1640	2875	5745	9235	150	300	1000
2023-24	1705	2990	5975	9605	150	300	1000
2024-25	1775	3110	6215	9990	150	300	1000
2025-26	1845	3230	6465	10390	150	300	1000
2026-27	1920	3360	6720	10805	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2030-31 (Expected End of Concession Period in including extension) starting from the year 2016-17 are shown in tables below.

Overloading of commercial vehicles is a known phenomenon on Indian roads. Currents project witnessed instances of overloading. These vehicles can be charge at extra higher rate as per contract to discourage overloading. A sample study done at Hosur Krishnagiri section of NH-7 by concessionaire shows that at present overloading charges can be translated to about 7% extra revenue. For next 2-3 years, this trend may continue at same % then it would gradually diminish over a period of say 8-10 years. Same phenomenon can be expected to occur at project stretch. Expected proportion of revenue from overloading is provided in following table.

Table 7-5 : Expected Overloading Revenue

Year	Expected Revenue from Overloading
2017-18	7%
2018-19	7%
2019-20	5%
2020-21	5%
2021-22	4%
2022-23	4%
2023-24	3%
2024-25	3%
2025-26	2%
2026-27	2%
2027-28	1%
2028-29	1%

Toll revenue projections, excluding revenue from overloading, are given in following tables.

Table 7-6 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Toll at Plaza 259.500
2017-18	37.0
2018-19	42.3

2019-20	48.5
2020-21	54.9
2021-22	62.7
2022-23	70.9
2023-24	79.8
2024-25	90.1
2025-26	100.4
2026-27	36.5

Table 7-7 : Toll Revenue Pessimistic Scenario (Rs. Crores)

Year	Toll at Plaza 259.500
2017-18	36.7
2018-19	41.6
2019-20	47.1
2020-21	52.9
2021-22	59.8
2022-23	67.1
2023-24	74.8
2024-25	83.7
2025-26	92.4
2026-27	33.3

Table 7-8 : Toll Revenue Most Likely Scenario (Rs. Crores)

Year	Toll at Plaza 259.500
2017-18	36.8
2018-19	41.9
2019-20	47.8
2020-21	53.9
2021-22	61.2
2022-23	69.0
2023-24	77.2
2024-25	86.9
2025-26	96.3
2026-27	34.9

CHAPTER 8

OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed. It is defined in contract that major maintenance including overlay of wearing course would be taken once in 5 year. Same is considered while developing cost of major maintenance & repair.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	41.37	KM
Main Carriageway	Paved Area	742680.75	SQM
Service Road	Paved Area	78785	SQM
Bus bays	Paved Area	735	SQM
Truck Lay bye	Paved Area	0	SQM
Structure		**23211**	SQM
Major Bridge	Area	18029.75	SQM
Minor Bridge	Area	943.68	SQM
Flyover	Area	4237.5	SQM
RCC Crash Barrier	Length	4496.8	RMT
Metal Beam Crash Barrier	Length	8274	RMT
Guard Post	Nos	16548	No.
Kerb Detail	Length	82740	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Namakkal to Karur section on NH-7 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance** – This will be done on periodic basis every 5 yearsmentioned in conditions of contract. It will consist of overlaying of wearing course and painting and marking. Ministry in its Specifications for Road & Bridge Works (5th Revision) has included Micro Surfacing as surface sealing and renewal treatment. NHAI has also issued instruction to use Micro Surfacing for periodic renewal course vide letter dated 15th November 2016. In light of above, Micro Surfacing is considered as overlay course in 45% of the project stretch. For balance 55% normal asphalt course is considered. Also, from practicality of construction and traffic operation on project road, Major Maintenance and Repair (MMR) work is spread over a period of 2 years without escalation. Toll operation on project road commenced in year 2009-10. Considering 5 years MMR cycle, next cycle of MMR is expected in year 2021-22.

Cost for above operations is taken on prevailing rates.

Following table provides year wise details of operation and maintenance cost.

Table 8-2 : Year wise Details of Regular Operation & Maintenance Cost

Year	Total Regular O & M Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Regular O & M Expenditure (Rs. Crores) with escalation
2017-18	6.31	1.00	6.31
2018-19	6.31	1.05	6.63
2019-20	6.31	1.10	6.96
2020-21	6.31	1.15	7.31
2021-22	6.31	1.19	7.60
2022-23	6.31	1.23	7.90
2023-24	6.31	1.27	8.22
2024-25	6.31	1.31	8.55
2025-26	6.31	1.35	8.89
2026-27*	6.31	1.37	9.05

* Considered for the whole year.

Table 8-3 : Year wise Details of Major Maintenance & Repair (MMR) Cost

Year	Total Length of Project Road (Km)	No. of Lanes	Total Lane Km	Normal Overlay Lane Km Length (55% of the total)	Micro Surfacing Lane Km Length (45% of the total)	Rate of Normal Overlay Per Km Per Lane (Rs. Cr.)	Rate of Micro Surfacing Overlay Per Km Per Lane (Rs. Cr.)	Total Cost of Major Maintenance & Repair Current Price Rs. Cr.)	Escalation Factor	Total Cost of Major Maintenance & Repair at Escalated Price Rs. Cr.)
2017-18	41.38	4	165.50							
2018-19	41.38	4	165.50							
2019-20	41.38	4	165.50							
2020-21	41.38	4	165.50							
2021-22	41.38	4	165.50	45.51	37.24	0.16	0.05	9.14	1.26	11.54
2022-23	41.38	4	165.50	45.51	37.24	0.16	0.05	9.14	1.26	11.54
2023-24	41.38	4	165.50							
2024-25	41.38	4	165.50							
2025-26	41.38	4	165.50							
2026-27	41.38	4	165.50							
2027-28	41.38	4	165.50							

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

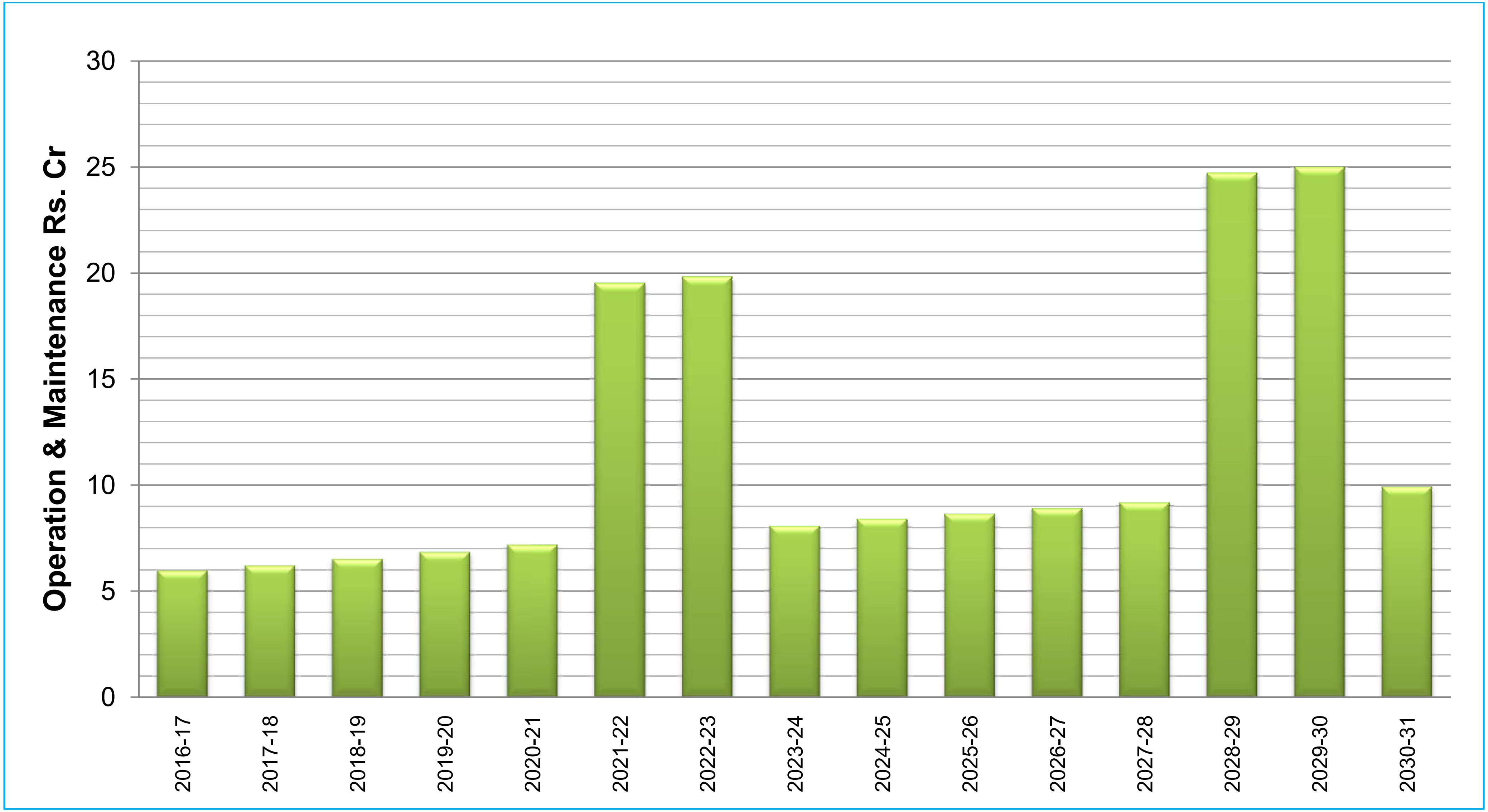


Figure 8-1 : Yearwise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Namakkal to Karur section of NH-7 in state of Tamil Nadu from km 248.625 to km 292.600 is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. The project corridor is a part of critical North – South connectivity via national highway NH-7. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ about 8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage on account of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

RELIANCE

SALEM – ULUNDURPET (KM 0.313 to KM 136.670) SECTION OF NH-68 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

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SALEM – ULUNDURPET (KM 0.313 to KM 136.670) SECTION OF NH-68 IN THE STATE OF TAMIL NADU

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CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AADT	-	Annual Average Daily Traffic
BOT	-	Build Operate Transfer
CAGR	-	Compound Annual Growth Rate
CTV	-	Classified traffic volume
DBFOT	-	Design, Build, Finance, Operate & Transfer
EME	-	Earth Moving Equipment
GDP	-	Gross Domestic Product
GSDP	-	Gross State Domestic Product
HCM	-	Heavy Construction Machinery
HCV	-	Heavy Commercial Vehicle
HTMS	-	Highway Traffic Management System
IRC	-	Indian Road Congress
IRR	-	Internal Rate of Return
LCV	-	Light Commercial Vehicle
LHS	-	Left Hand Side
LGV	-	Light Goods Vehicle
MAV	-	Multi Axle Vehicle
MORTH	-	Ministry of Road Transport and Highways
NH	-	National Highway
PCC	-	Plain Cement Concrete
CR	-	Coarse Rubble
NHAI	-	National Highway Authority of India
NHDP	-	National Highways Development Project
NSDP	-	Net State Domestic Product
O&M	-	Operation & Maintenance
PCDP	-	Per Capita Domestic Product
PCI	-	Per Capita Income
PCU	-	Passenger Car Unit
PSC	-	Pre-stressed Concrete
RCC	-	Reinforced cement concrete
RHS	-	Right Hand Side
SH	-	State Highway
TP	-	Toll Plaza
WPI	-	Wholesale Price Index
SIR	-	Special Investment Region
c.	-	Circa
ROB	-	Railway Over Bridge
MDR	-	Major District Road
ODR	-	Other District Road
CA	-	Concession Agreement
RMT	-	Running Meter

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India has approved 4 laning of 4000 Kms length of National Highways on BOT basis under NHDP Phase IIIA and entrusted implementation of the programme to the NHAI.

The project under consideration, Salem - Ulundurpet Section of NH-68 from Km 0.313 to Km 136.670 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. Project has concession period of 25 years.The concession period commenced on January 15, 2008 and the collection of toll started on project from 26th July 2012. The Project has been commissioned and is currently in the operation / maintenance phase. Project also include approximately 38 Km of bypass length, which will be converted to a four lane road after 8 years and before 11 years from the COD pursuant to the concession agreement.

1.2 Objective of the Study

M/s Reliance Infrastructure InvIT Fund has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost ProjectionReport***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth

b) Toll Rate Growth

c) Revenue Forecasting

d) Operation and Maintenance Cost Projections

Origin Destination survey data (including trip frequency, trip length distribution, major traffic generators and their contribution, commodity analysis, etc.) has been sourced from a

third party study, we relied upon the survey outcome after necessary cross verification with the three year historical data available with the toll collection plazas. The Concessionaire has provided basic traffic data and other project details based on which the above analysis has been carried out.

CHAPTER 2
PROJECT DETAILS

2.1 Project Corridor

The project corridor is a segment of NH - 68 from Salem (Km 0.313) to Ulundurpet (Km 136.670) and lies in state of Tamil Nadu.This Project on the NH 68 was the first project of over 100 km to be awarded by the NHAI on a BOT basis. It connects the important city of Salem to Ulundurpetand is major part of east – west connectivity in state of Tamil Nadu.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

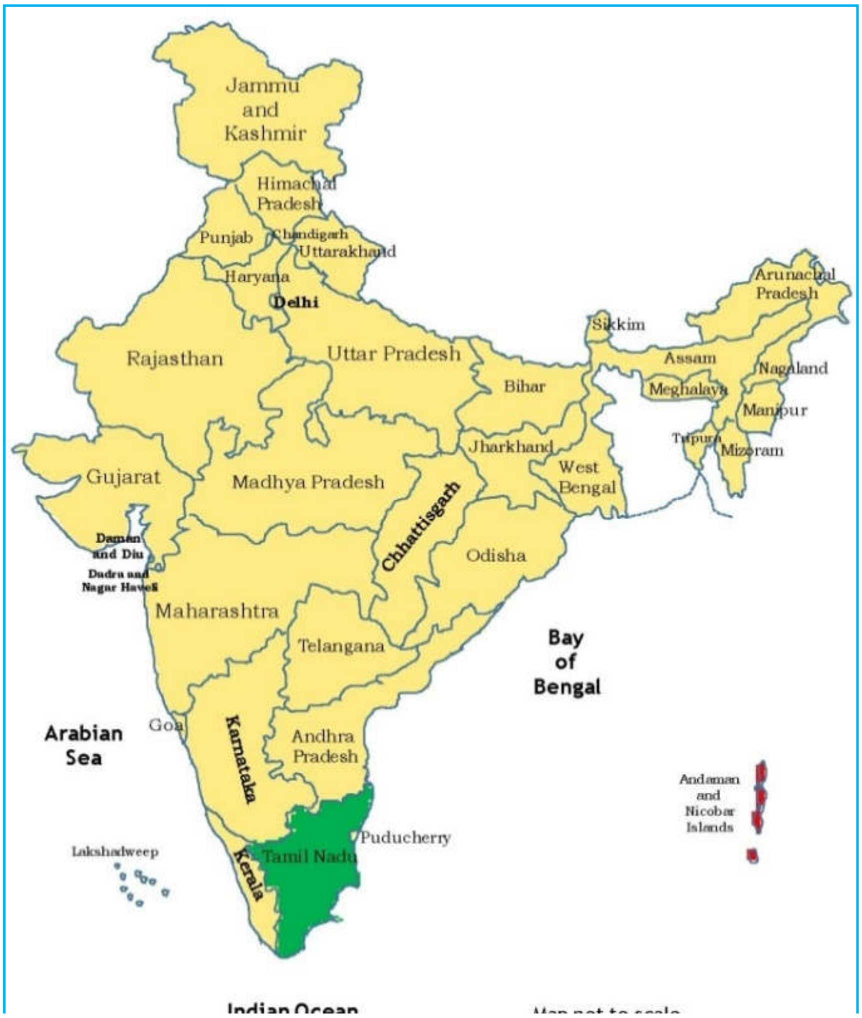


Figure 2-1: Index Map of Project Highway - Country Level

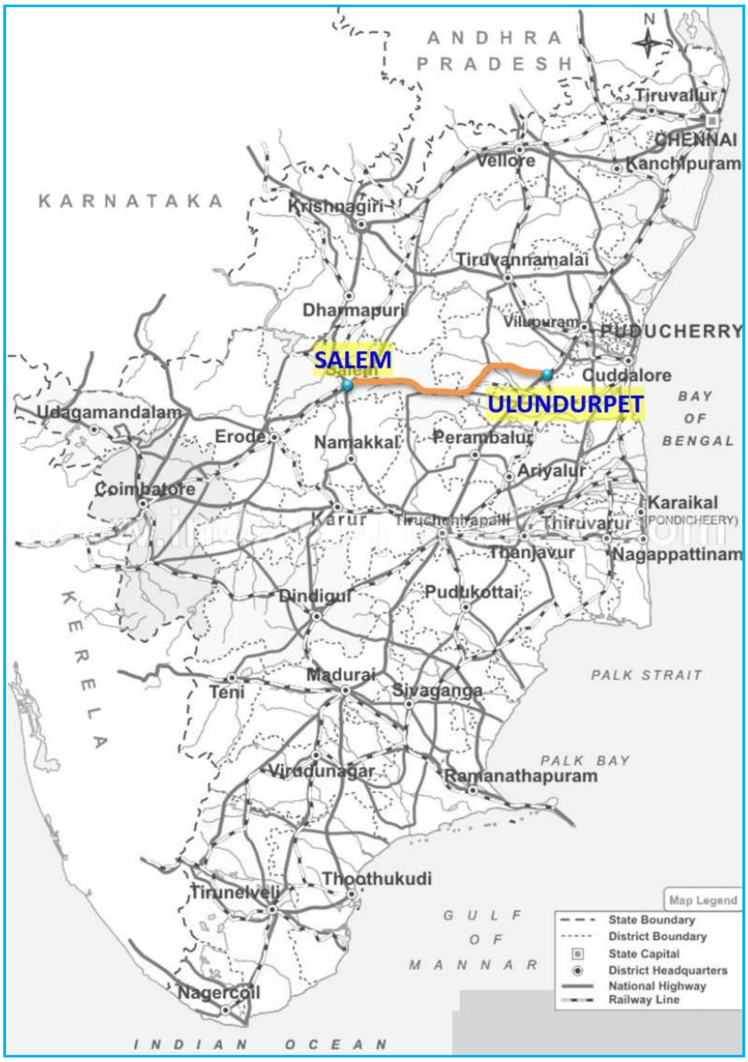


Figure 2-2: Index Map of Project Highway - State Level

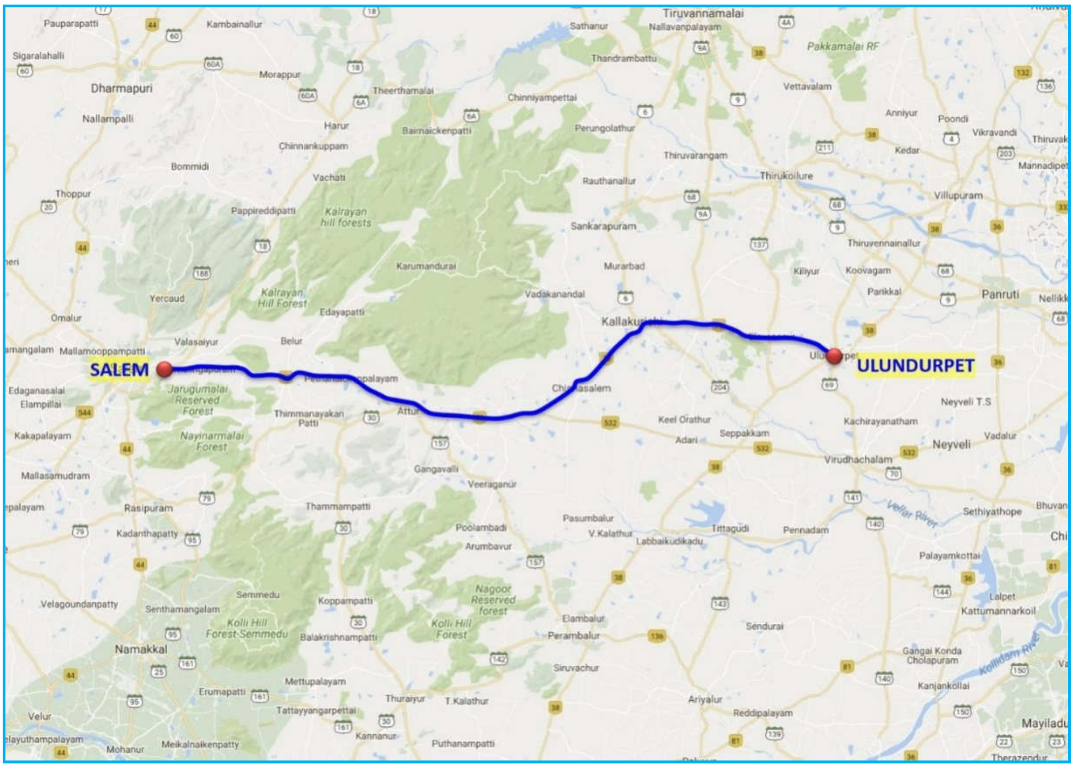


Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

NH-68 is entirely within the state of Tamil Nadu. The Project corridor starts at Km 0.313 of NH68, in outskirts of Salem city and ends at Km 136.670 of NH68 at Ulundurpet, thus providing connectivity with NH-45which is a major north south arterial in Tamil Nadu State. The corridor lies partly in Salem district and partly in Villupuram district of Tamil Nadu.

It connects with NH 7 and NH 47 at Salem. It connects NH-45 and SH-69 at Ulundurpet.

The entire length of project corridor runs through the plain terrain except from Km 389.400 to Km 389.600 near Vadamadurai. It originates from Salem and traversesthrough major settlements of Attur. China Salem and Kallakurichu before ending at Ulundurpet.

Starting section of land falls in urban area for initial 10 km thereafter most of the land in project corridor is predominantly Agricultural. There are isolated built up section in between. The end section of corridor traverses through reserved forest area.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Total Length of Project = 136.357 Kms
- Major Bridges = 05 Nos.
- Minor Bridges = 27 Nos.
- Flyovers & ROB's= 04 Nos.
- Culverts = 260 Nos.
- Vehicular Underpass = 17 Nos.
- Pedestrian Under passes = 10 Nos.
- Major Intersections = 10 Nos.
- Service Road = 47.645 Kms.
- Bus Bays = 54 Nos.
- Truck Lay Byes = 01 Nos.
- Toll Plaza Complex = 03 Nos.

The details of the structures are given below.

2.3.1 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-1 : List of Major Bridges

Sr. No.	Chainage (km)	Span Arrangement (m)	Name of River	Total width of super structure	Type of Super structure	Type of Sub Structure and foundation
1	49.994	6 x 20.5 + 1 x 11.0	Vashishtra River	10.25	RCC T-Girder + Solid Slab	RCC Circular pier with open foundation
2	55.614	6 x 20.5	Vashishtra River	10.25	RCC T-Girder + Solid Slab	RCC Circular pier with open foundation
4	70.462	9 x 21.50 (30 deg Skew)	Vellar / Vashishtra River	10.25	RCC T-Girder	RCC Circular pier with open foundation
5	102.087	4 x 20.5 (13 deg Skew)	Gomukhi River	10.25	RCC T-Girder	RCC Circular pier with open foundation
7	108.487	4 x 18.7	Manimuthar River	10.25	RCC T-Girder	RCC Circular pier with open foundation

2.3.2 Flyovers& ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-2 : List of Flyovers& ROB's along Project Corridor

Sr. No.	Chainage (km)	Span Arrangement (m)	Total width of super Structure	Type of Super Structure	Type of Sub Structure and Foundation
1	31.500	2 x 45	10.25 m total width for each carriageways & 7.5 m carriageway with 1.5 m footpath	PSC Post Tensioned T-Girder	RCC Abutment Open foundation & Reinforced earth wall
2	68.073	1 x 12.5 + 1 x 45 + 1 x 12.5	10.25 m total width for each carriageways & 7.55 m carriageway with 1.5 m footpath	RCC Solid Slab + PSC Post Tensioned T-Girder + RCC Solid Slab	RCC Abutment Open foundation & Reinforced earth wall
3	83.250	1 x 12.5 + 1 x 45 + 1 x 12.5	10.25 m total width for each carriageways & 7.55 m carriageway with 1.5 m footpath	RCC Solid Slab + PSC Post Tensioned T-Girder + RCC Solid Slab	RCC Abutment Open foundation & Reinforced earth wall
4	8.293	2 x 45	10.25	PSC T-Girder	RCC Circular pier with open foundation

2.3.3 Minor Bridges

The list of Minor Bridges along the project corridor is as given below

Table 2-3 : List of Minor Bridges along Project Corridor

Sr. No.	Chainage(Km)	SpanArrangement	DetailsofStructuralComponents
1	8+315.6	1(25.0)	RCC&PCC
2	15+376.0	2(7.40 x 2.02)	RCC&PCC
3	16+837.0	1(7 x2.70)	RCC&PCC
4	18+087.0	2(3.5x 2.22)	RCC&PCC
5	21+463.0	2(6.2x1.9)	RCC&PCC
6	24+430.0	4(8.35 x 2.6)	RCC&PCC
7	28+557.0	2(25.00)	RCC&PCC
8	30+233.0	2(25.00)	RCC&PCC
9	31+125.0	1(15.10)	RCC&PCC
10	34+040.0	3(17.30)	RCC&PCC
11	34+383.0	2(11.6x6.5)	RCC&PCC
12	35+946.0	2(2.25x3.5)	RCC&PCC
13	60+695.0	3(6.75 x 3.4)	RCC&PCC
14	72+130.0	1(6.80)	RCC&PCC
15	79+220.0	3(8.75 x4.80)	RCC&PCC
16	82+469.0	1(8.60)	RCC&PCC
17	84+826.0	1(21.5)	RCC&PCC
18	87+186.0	1(9x9.5)	RCC&PCC
19	88+937.771	4(8.7x5.6)	RCC&PCC
20	90+377.641	3(8.75x4.4)	RCC&PCC
21	95+832.275	(3x6.70)	RCC&PCC
22	107+385.710	1(9x2.50)	RCC&PCC
23	109+447.598	1(9 x1.9)	RCC&PCC
24	110+333.922	1(8x3.55)	RCC&PCC
25	129+864.116	3(5.7x2.34)	RCC&PCC
26	135+342.970	1(7.5x3.15)	RCC&PCC
27	136+106.799	1(12.2x3.15)	RCC&PCC

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

During the course of study work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic data has been collected for project.

- Classified traffic volume counts at toll plaza locations on Salem - Ulundurpet section of NH-68for base year 2016-17
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into following homogenous sections from traffic point of view.

Project road from Salem to Ulundurpet can be taken as single homogeneous section as there is no major traffic diversion along alignment.

Table 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic DataDetails

Sr. No.	Location	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 21.750 Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017
2	Km 73.760 Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017
3	Km 105.000 Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1: Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

<table>
<tr><th colspan="2">Vehicle Type</th></tr>
<tr><td colspan="2">Auto Rickshaw</td></tr>
<tr><td>Passenger Car</td><td>Car, Jeep, Taxi & Van (Old / new technology)</td></tr>
<tr><td rowspan="2">Bus</td><td>Mini Bus</td></tr>
<tr><td>Standard Bus</td></tr>
<tr><td rowspan="5">Truck</td><td>Light Goods Vehicle (LCV)</td></tr>
<tr><td>2 – Axle Truck</td></tr>
<tr><td>3 Axle Truck (HCV)</td></tr>
<tr><td>Multi Axle Truck (4-6 Axle)</td></tr>
<tr><td>Oversized Vehicles (7 or more axles)</td></tr>
<tr><td>Other Vehicles</td><td>Agriculture Tractor, Tractor & Trailer</td></tr>
</table>

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle (MAV)
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2016-17 as under at the toll plaza locations-

Table 3-3 : Traffic Data at Toll Plaza at Km 21.750

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	7,450
2	LCV	1,177
3	Truck/Bus	2,114
4	Multi Axle	1,248
	Total	**11,990**

Table 3-4 : Traffic Data at Toll Plaza at Km 73.760

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	5,914
2	LCV	1,127
3	Truck/Bus	2,038
4	Multi Axle	1,201
	Total	**10,280**

Table 3-5 : Traffic Data at Toll Plaza at Km 105.000

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	4,302
2	LCV	910
3	Truck/Bus	1,548
4	Multi Axle	715
	Total	**7,475**

*Excluding exempt

This data was then bifurcated to various components like through local, monthly, return journey etc. category. Same is discussed in detail in following section.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-6 : Historical Tollable Traffic

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [1]	1,717,405	1,899,737	2,013,961	8%
LCV [2]	323,087	354,921	366,396	6%
Bus/Truck [3]	685,671	678,147	649,830	-3%
Multi-axle [4]	372,784	360,114	360,652	-2%
Total	**3,098,947**	**3,292,919**	**3,390,839**	**5%**

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 17,941 PCUs in 2017 from 16,265 PCUs in 2015, representing a CAGR of 5%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-7 : Historical AADT

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [1]	4,705	5,428	5,889	12%
LCV [2]	885	1,014	1,071	10%
Bus/Truck [3]	1,879	1,937	1,900	1%
Multi-axle [4]	1,021	1,029	1,055	2%
Total	8,490	9,408	9,915	8%

Total PCUs	**16,265**	**17,392**	**17,941**	**5%**

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

On average for the three financial years ended 2015, 2016 and 2017 cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the SU Project's total traffic mix, 58%, 11%,20% and 11% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 59%, 11%, 19%, and 11% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of SU's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the SU Project's by category of vehicles for the financial year 2015, 2016 and 2017:

Table 3-8 : Historical Toll Revenue

Category	(in Rs. Millions) For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [(1)]	197.7	227.4	240.6	10%
LCV [(2)]	68.9	79.0	80.6	8%
Bus/Truck [(3)]	240.7	250.0	237.9	-1%
Multi-axle [(4)]	265.3	268.2	267.8	0%
Total	**772.6**	**824.6**	**826.9**	**3%**

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days from Nov 9 to Dec 2, 2016 due to demonetization.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented in table below:

Table 3-9 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-10 : Traffic in PCU at Project Stretch

Toll Plaza Location	Traffic No	PCU	PCU Index
Mettupatti (Km 21.750)	11,990	21,175	**1.77**

Nathakkari (Km 73.760)	10,280	19123	**1.86**
Viracholapuram (Km 105.000)	7,475	13527	**1.81**

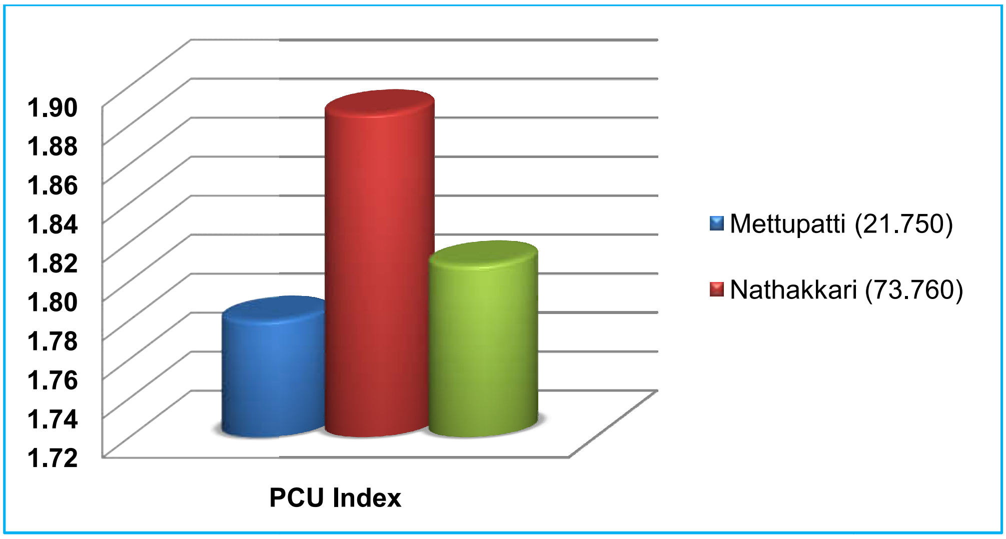


Figure 3-2: Comparison of PCU Index

It can be observed from above that at all toll plaza locations project traffic has PCU index more than 1.5 which is a fair indicator of mix being split between commercial and urban traffic. Commercial traffic is more at toll plaza location at Km 73.760. Other two toll plazas are at end of stretch and have urban traffic dominance.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

Following graphs show modal split at all three toll plazas

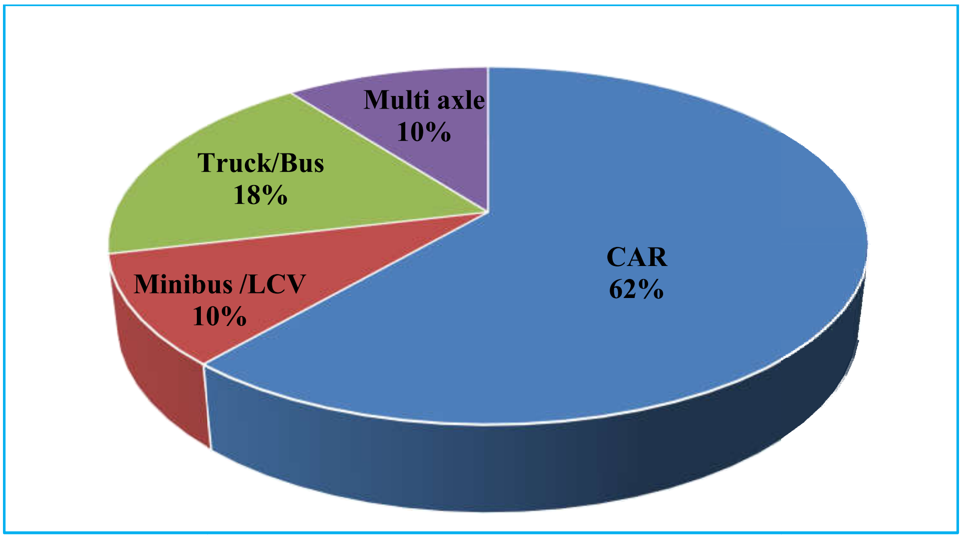


Figure 3-3: Modal Split of Traffic at Toll Plaza Km 21.750

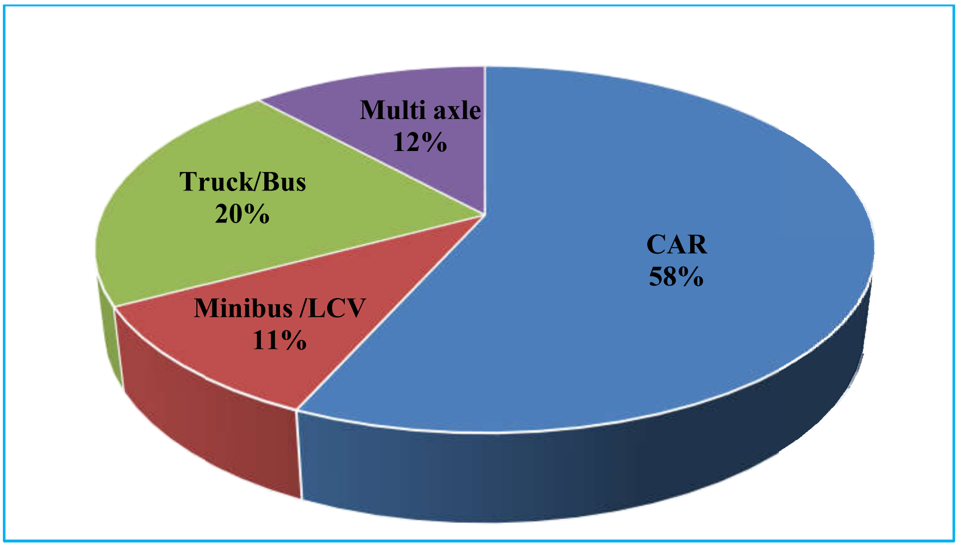


Figure 3-4: Modal Split of Traffic at Toll Plaza Km 73.760

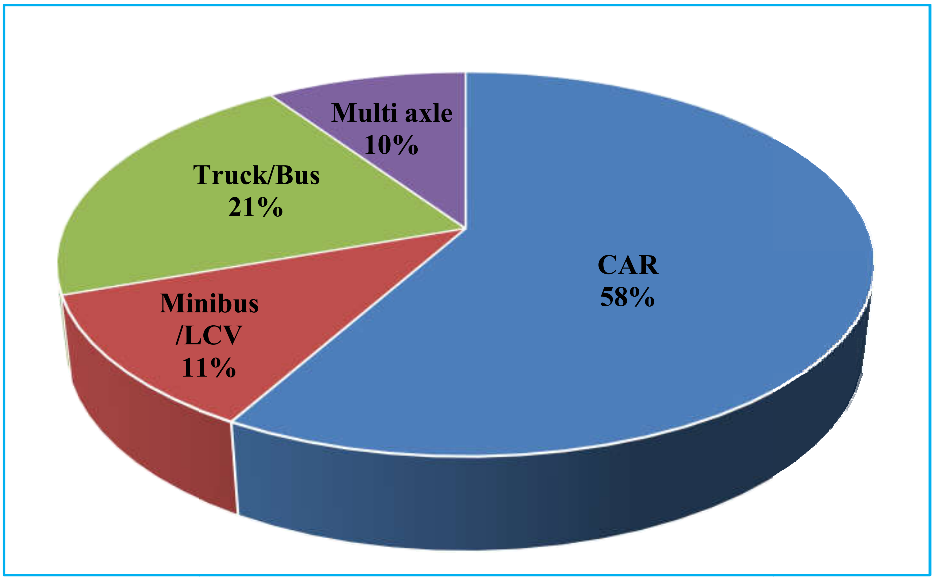


Figure 3-5: Modal Split of Traffic at Toll Plaza Km 105.000

It is observed that share of car traffic varies from 58% to 62% of total traffic. It is expectedly high at Toll Plaza @ Km 21.750 which is near to Salem. Share of LCV and is constant at about 10-11%. Share of multi axle is 10% to 12%. Higher percentage of urban traffic is due to the project corridor being under influence zone of urban development of Salem and Ulundurpet on both ends.

Another important bifurcation of traffic is components of traffic with respectto various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16

Table 3-11 : Journey Type Bifurcation of Traffic at Toll PlazaKm21.750

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	40.5%	56.4%	0.3%	2.8%	**100.0%**
Minibus /LCV	60.4%	36.4%	0.0%	3.2%	**100.0%**
Truck/Bus	35.5%	31.2%	0.0%	33.3%	**100.0%**
Multi axle	81.9%	17.6%	0.0%	0.5%	**100.0%**

Table 3-12 : Journey Type Bifurcation of Traffic at Toll Plaza Km 73.760

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	46.6%	51.8%	0.2%	1.4%	**100.0%**
Minibus /LCV	65.3%	34.2%	0.0%	0.5%	**100.0%**
Truck/Bus	37.9%	33.4%	0.0%	28.7%	**100.0%**
Multi axle	73.1%	26.9%	0.0%	0.1%	**100.0%**

Table 3-13 : Journey Type Bifurcation of Traffic at Toll Plaza Km 105.000

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	52.3%	44.8%	0.3%	2.6%	**100.0%**
Minibus /LCV	70.6%	28.6%	0.0%	0.8%	**100.0%**
Truck/Bus	38.8%	28.2%	0.0%	33.0%	**100.0%**
Multi axle	82.3%	17.7%	0.0%	0.0%	**100.0%**

Following figure illustrate component of each type of journey in graphics for better understanding.

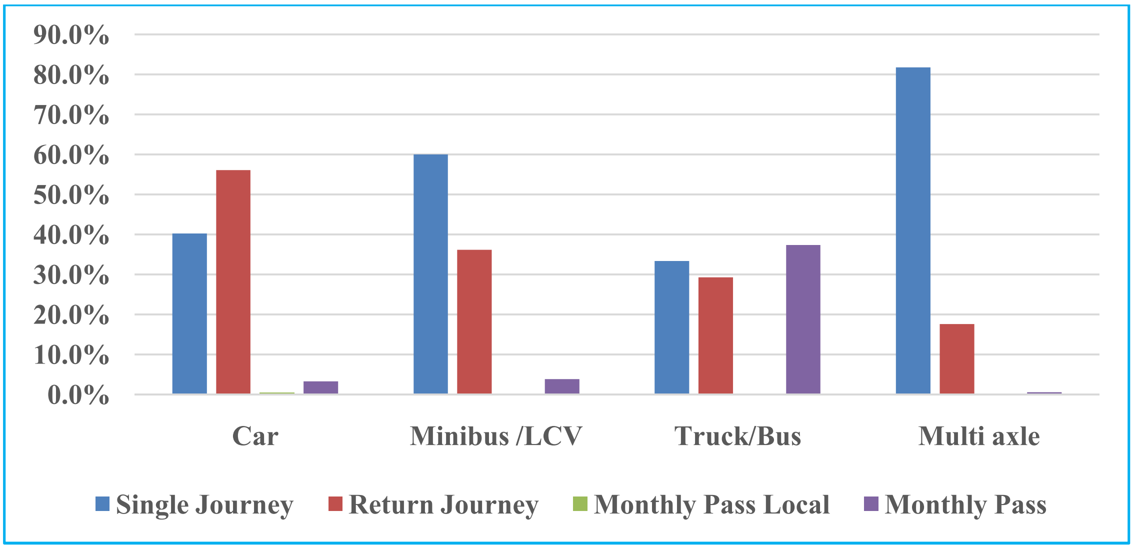


Figure 3-6: Journey TypeBifurcation at Toll Plaza Km 21.750

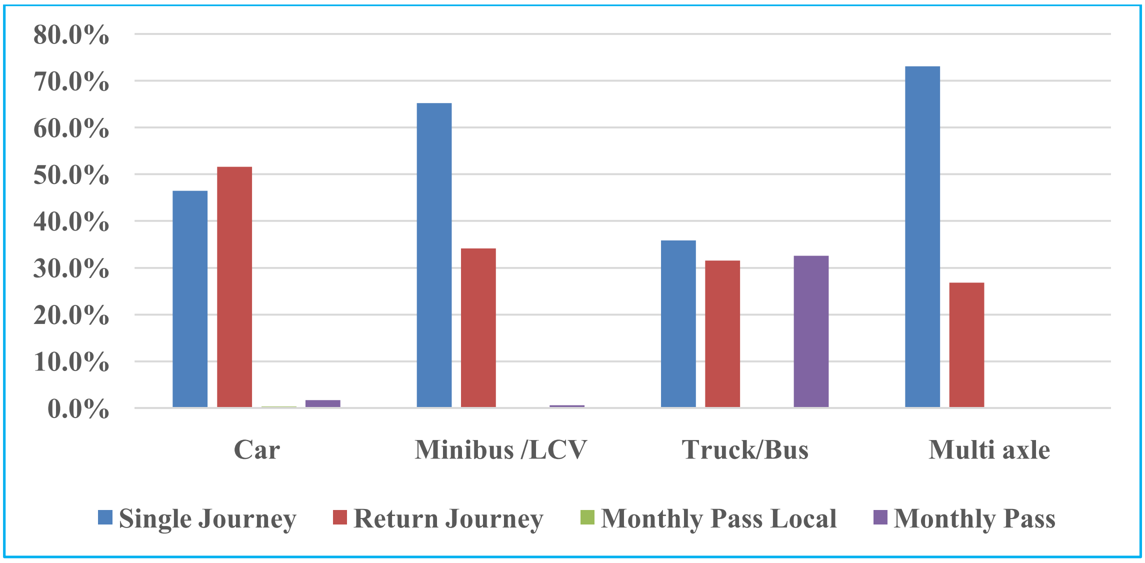


Figure 3-7: Journey Type Bifurcation at Toll Plaza Km 73.760

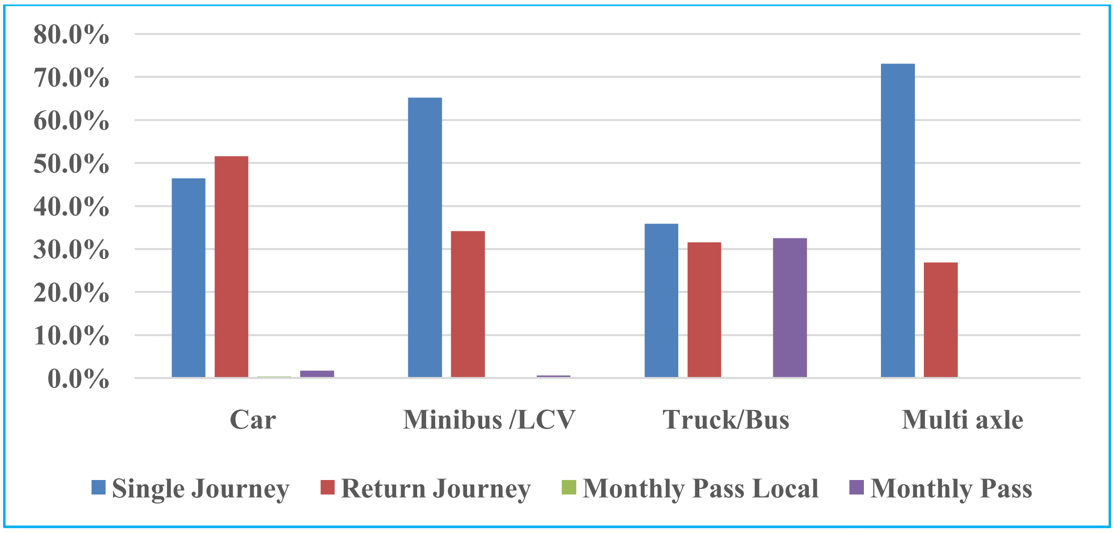


Figure 3-8: Journey Type Bifurcation at Toll Plaza Km 105.000

It can be observed that local passes are negligible. Return journey component for cars is higher than single journey at all toll plazas, maximum being at toll plaza near Salem. Over all return journeys represent about 35% of the total traffic. This reflects presence of strong local urban traffic. Buses also have high share of monthly passes at all locations, which confirm the same. In case of LCVs and multi axle share of single journey is predictably higher than return journey. The variation in modal split from financial year 2015-16 and 2016-17 is negligible and hence the split has not been changed.

3.4.3 Seasonal Variation in Traffic

Traffic on highway does not remain uniform throughout the year. Festivals, rains etc. are factors for such variation. Seasonal variation of traffic was worked out from the data available. Following figure depict monthly variation of AADT at toll plaza near Salem.

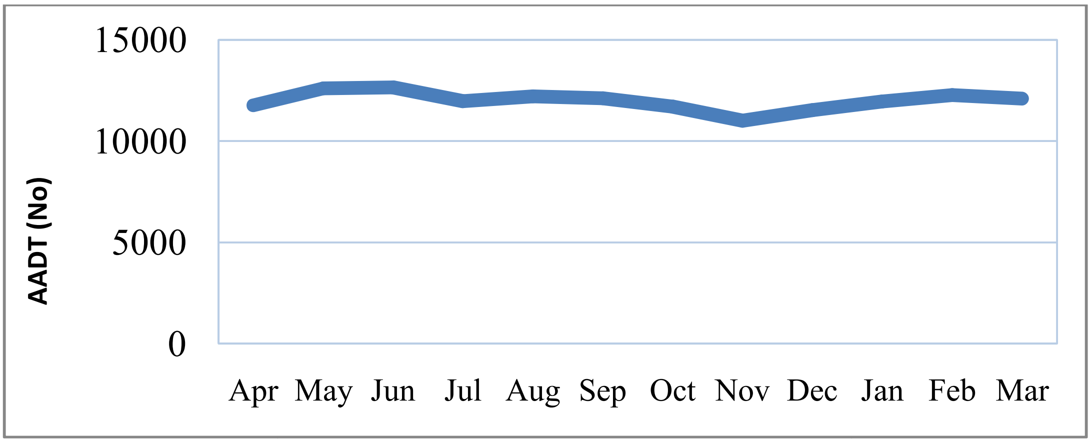


Figure 3-9: Seasonal Variation of Traffic at Project Highway at Toll Plaza at Km 21.750

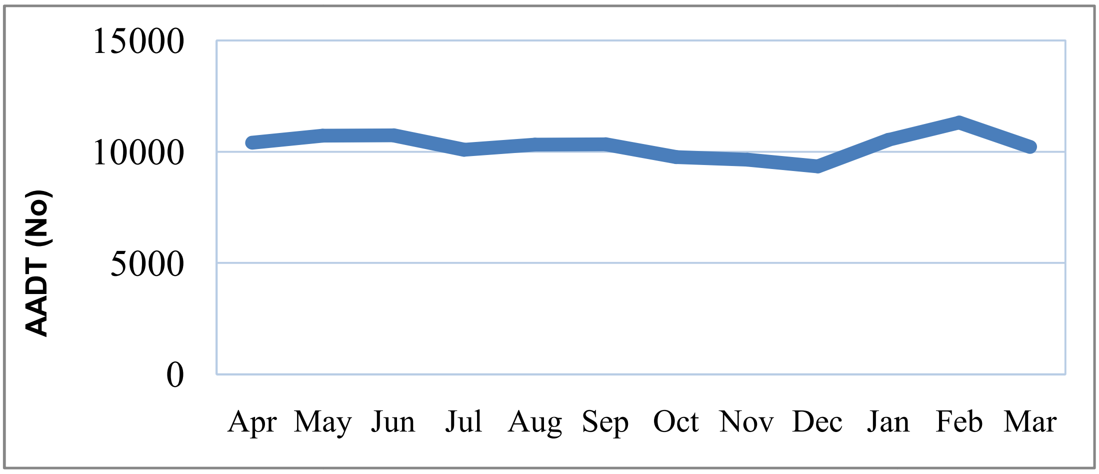


Figure 3-10: Seasonal Variation of Traffic at Project Highway at Toll Plaza at Km 73.760

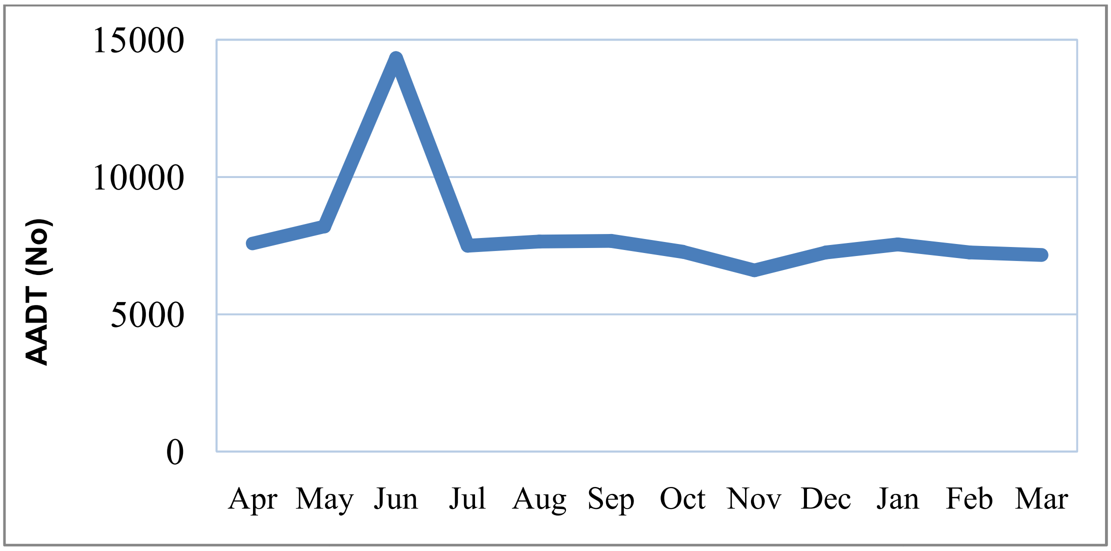


Figure 3-11: Seasonal Variation of Traffic at Project Highway at Toll Plaza at Km 105.000

It is observed that traffic volume reduces in the rainy season from August to November and then picks up after November during the harvest season. Maximum Season correction factor varies between 0.92 to 1.07.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern

- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
    a) GDP
    b) NSDP
    c) Population Growth
    d) Per Capita Income growth
    e) Industrial Growth
    f) Special Industry Potential
    g) Regional and National development vision / plan
    h) Any other relevant data

3. Competing road network.

The regression analysis have been done for a longer time span of five to eight years, using authentic data pairs for a common period sourced from the governmental publications, and exclusion of data pertaining to later years will have no significant impact on the outcome of this study. We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flows on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time,
- Geometric deficiencies,
- Configuration of road,
- Riding comfort,
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Salem to Valappadi
- Valappadi to Chinnasalem
- Chinnasalem to Ulundurpet

Following figures depict competing road network of above pair of origin & destinations

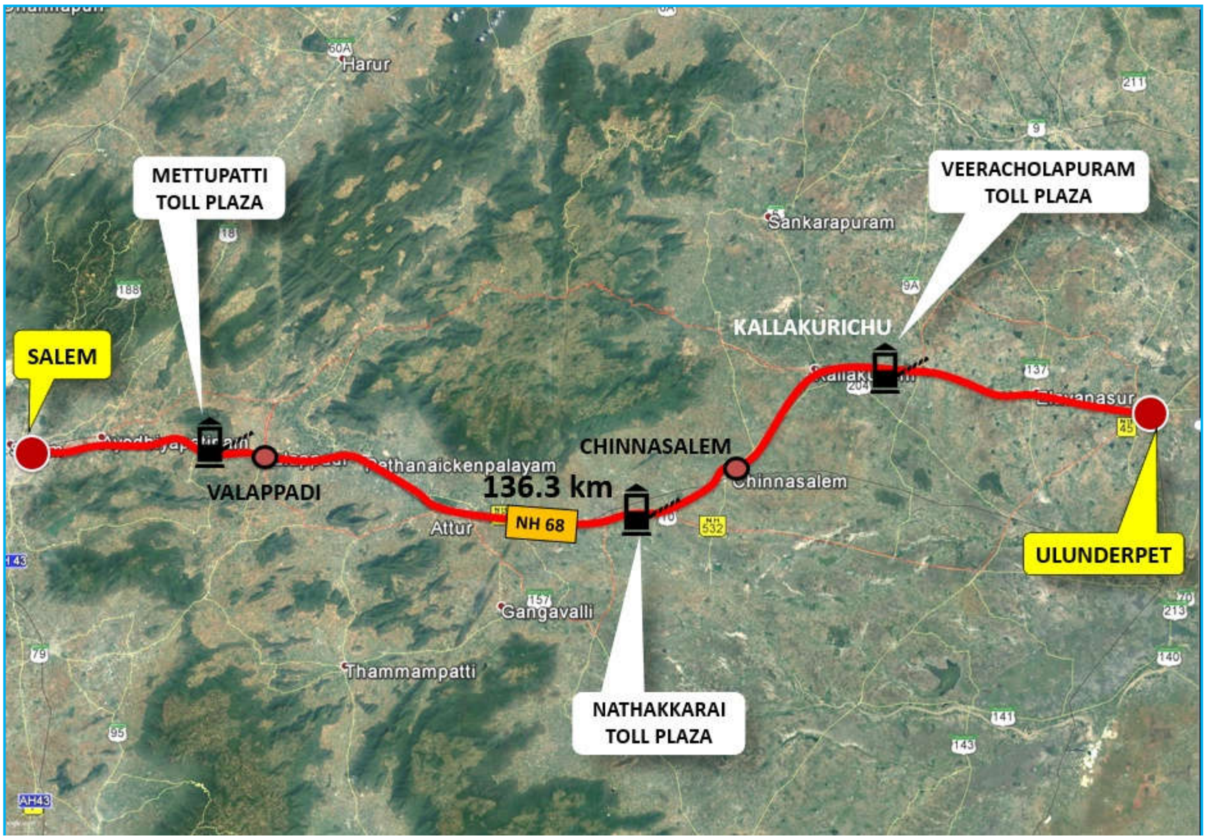


Figure 4-1: Project Alignment Salem to Ulundurpet

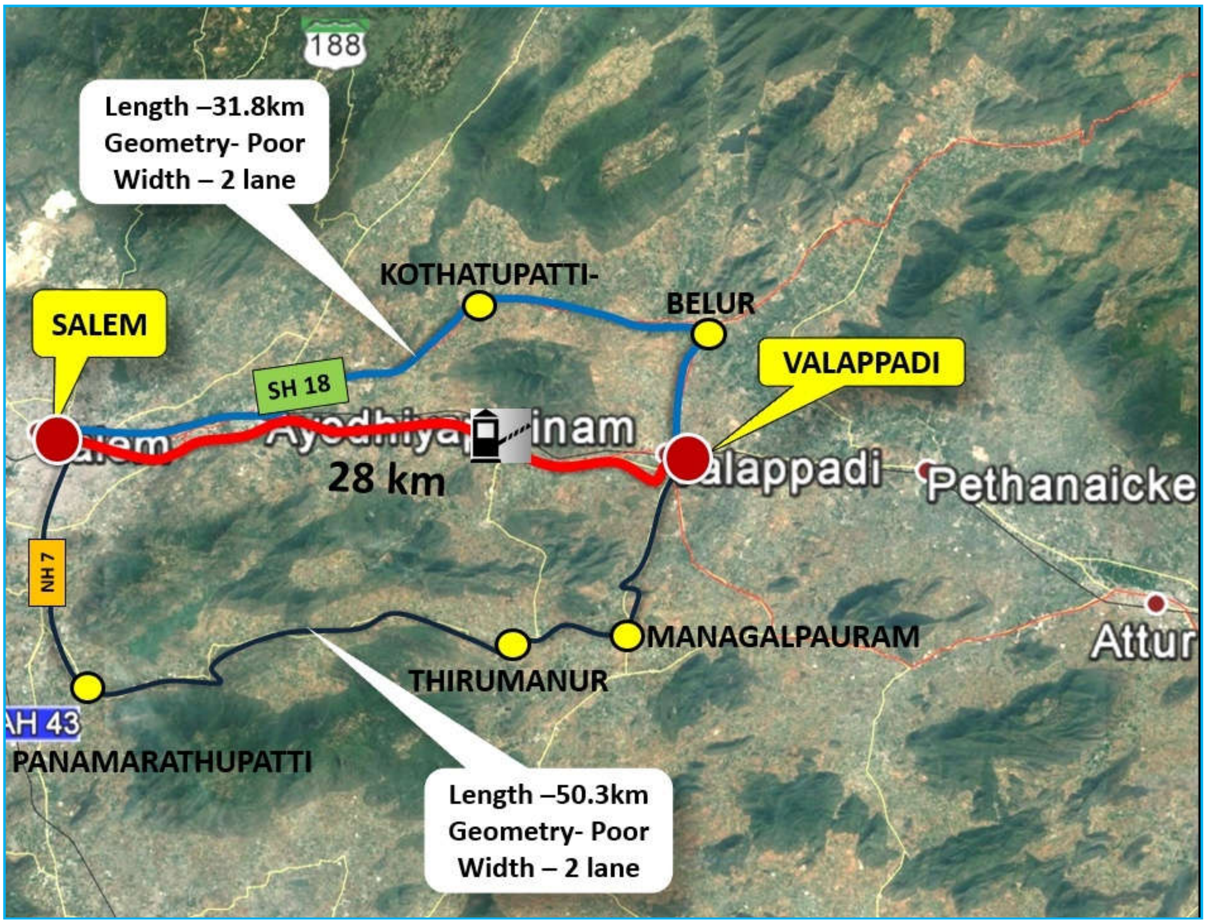


Figure 4-2: Competing Roads Salem to Valappadi

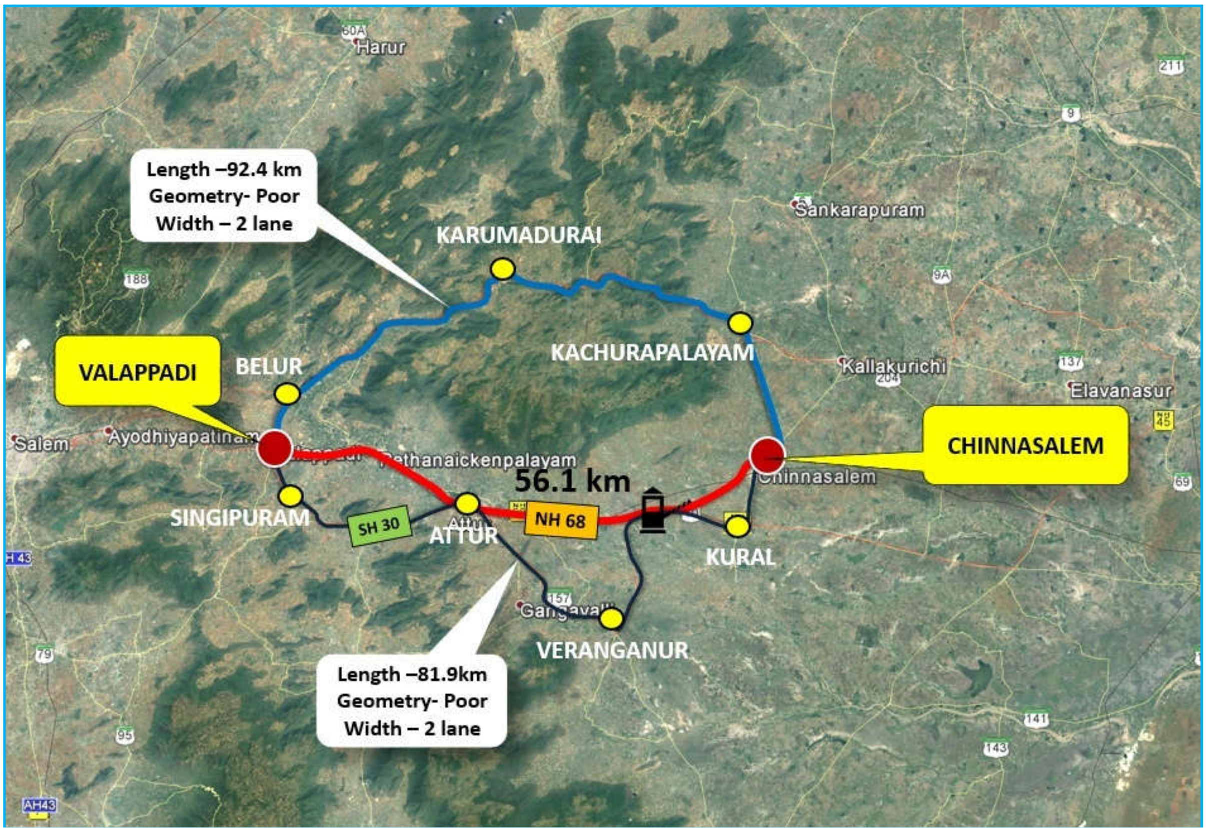


Figure 4-3: Competing RoadsValappadi toChinnasalem

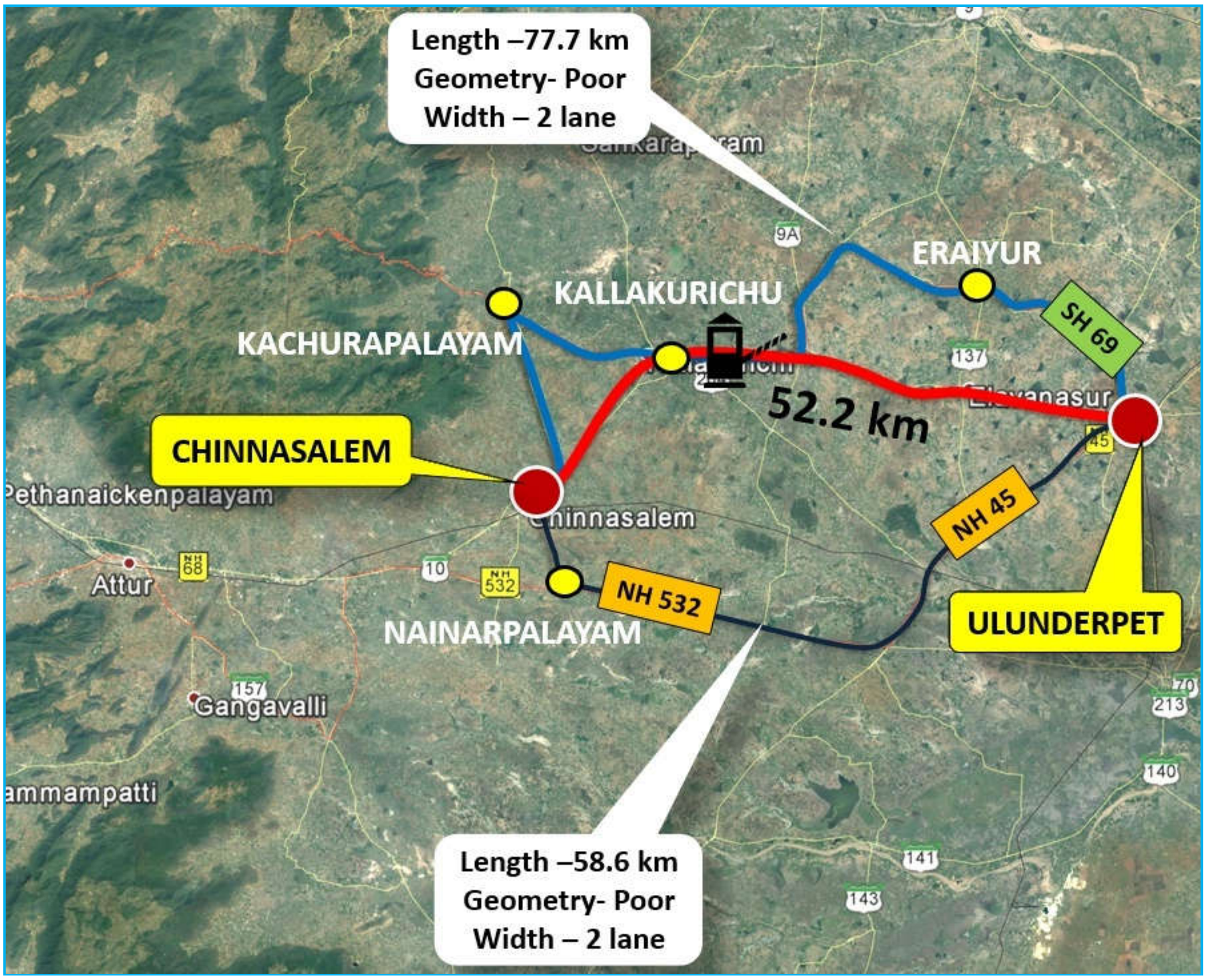


Figure 4-4: Competing Roads Chinnasalem to Ulundurpet

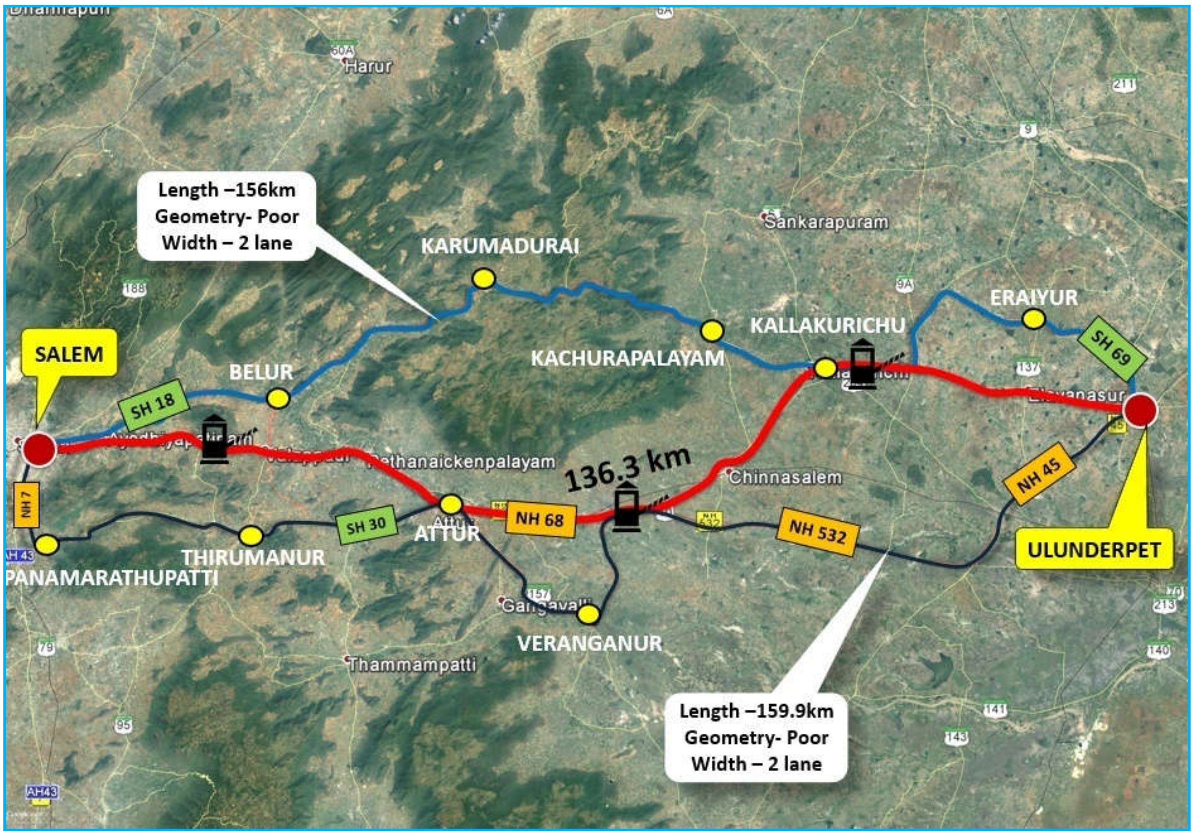


Figure 4-5: Competing Roads Salem to Ulundurpet

It can be observed that the project highway is the spine of the corridor between Salem to Ulundurpet. The entire length of the NH 68, between Salem and Ulundurpet primarily carries intra-state traffic in addition to east bound traffic to the Chennai Cuddalore Port and the tourist city of Pondicherry and west bound traffic to Coimbatore and the major cities of Palakkad and Thrissur in Kerala.

There are several local roads and state highways which if integrated can form a competing road network. However most of these roads run across project corridor covering much longer distances for the same pairs of origin and destination as compared to project highway. Moreover, the geometry and quality of road is inferior as compared to project section of NH-68, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches of damaged pavement. The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
	Salem to Valappadi competing road (SH-18- Kothatupatti- Belur Road) on North side	Competing Road	31.8	40	48	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-68 not expected
1	**Salem to Valappadi via Project Road NH-68**	**Project Road**	**28**	**70**	**24**	
	Salem to Valappadi competing road (Panamarathupatti- Managalpauram Road) on South side	Competing Road	50.3	40	75	
Sr. No	**Route Details**	**Designation**	**Length (Km)**	**Avg. Speed (KMPH)**	**Time Taken (Min)**	**Observations**
	Valappadi to Chinnasalem competing road (Belur- Karumadurai- Kachurapalayam Road) on North side	Competing Road	92.4	40	139	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-68 not expected
2	**Valappadi to Chinnasalem via Project Road NH-68**	**Project Road**	**56.1**	**70**	**48**	
	Valappadi to Chinnasalem competing road (SH-30 - SH-157 - Kural Road) on South side	Competing Road	81.9	40	123	
	Chinnasalem to Ulundurpet via competing road (Kachurapalayam- Kallakurichu- Eraiyur Road) on North side	Competing Road	77.7	40	117	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-68 not expected
3	**Chinnasalem to Ulundurpet via Project Road NH-68**	**Project Road**	**52.2**	**70**	**45**	
	Chinnasalem to Ulundurpet via competing road (Nainarpalayam- NH-532- NH-45) on South side	Competing Road	58.6	40	88	
4	Salem to Ulundurpet competing road (SH-18- Belur- Karumadurai- Kallakurichu- Eraiyur-SH- 69) on North side	Competing Road	156	40	234	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from
	Salem to Ulundurpet via Project Road NH-68	**Project Road**	**136.3**	**70**	**117**	

	Salem to Ulundurpet competing road (Panamarathupatti- Thirumanur- Attur- Veranganur- NH-532- NH-45) on South side	Competing Road	159.9	40	240	NH-68 not expected

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. Under these circumstances, it is not envisaged that commercial or passenger traffic would switch to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have several uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Salem - Ulundurpet section of NH-68 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method, past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on several economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

Log (P) = k x Log (EI) + A

Where,

P =Number of Vehicles (Mode wise)

EI =Economic Indicator

A =Regression constant

k = Elasticity coefficient (Regression coefficient)

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

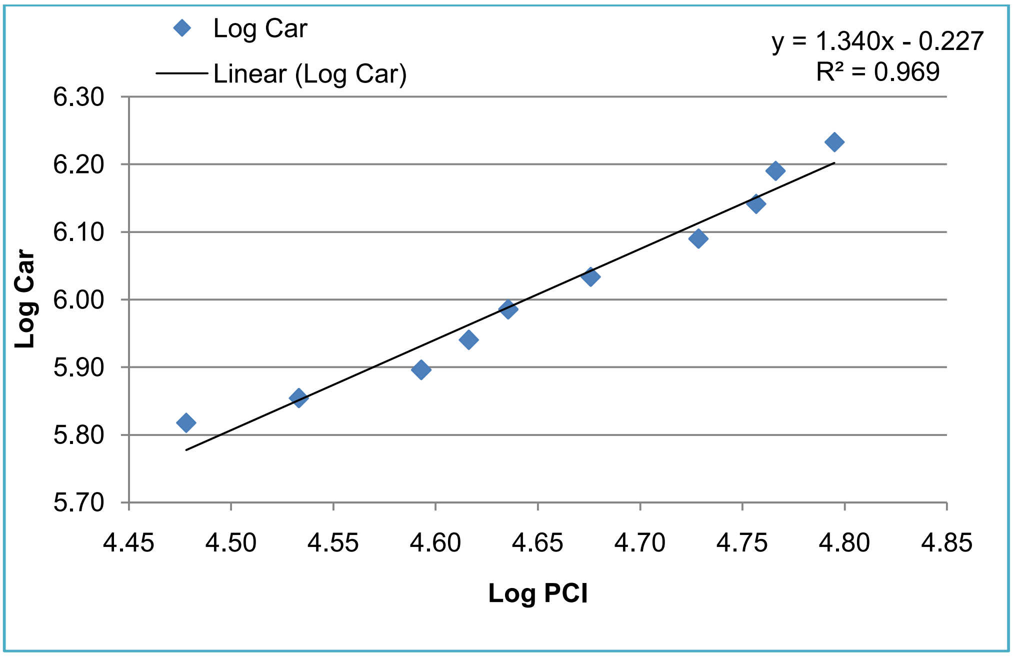


Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	0.8%	
2006	65135000	42999	7.81	4.63	0.8%	
2007	65629000	47765	7.82	4.68	0.8%	
2008	66106000	52617	7.82	4.72	0.7%	
2009	66566000	56338	7.82	4.75	0.7%	
2010	67012000	59240	7.83	4.77	0.7%	
2011	67444000	62725	7.83	4.80	0.6%	
2012	67862000	68096	7.83	4.83	0.6%	
2013	68265000	84488	7.83	4.93	0.6%	0.70%

Regression analysis of same is given in figure below

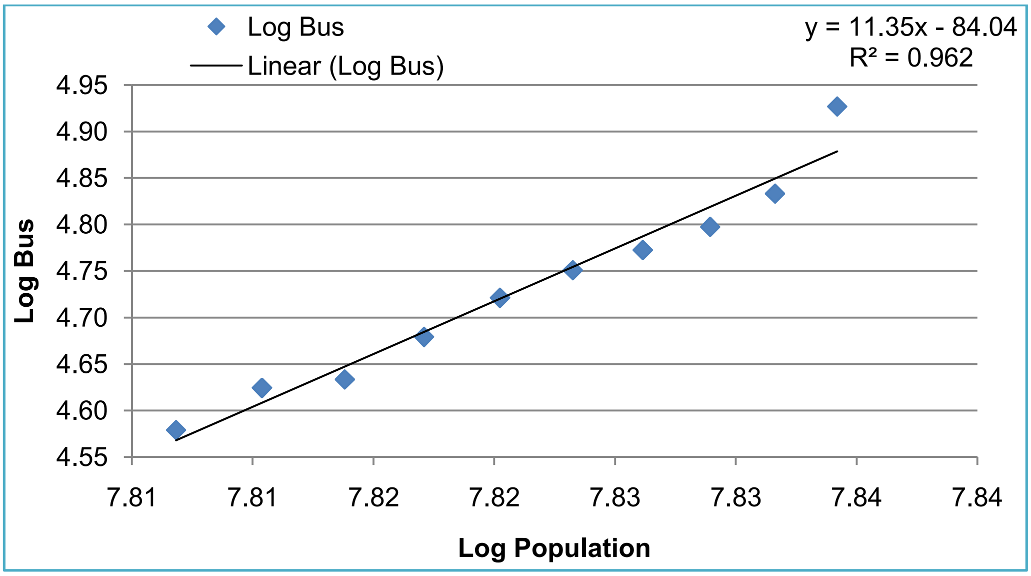


Figure 5-2: Regression and Elasticity Population vs. Bus -Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

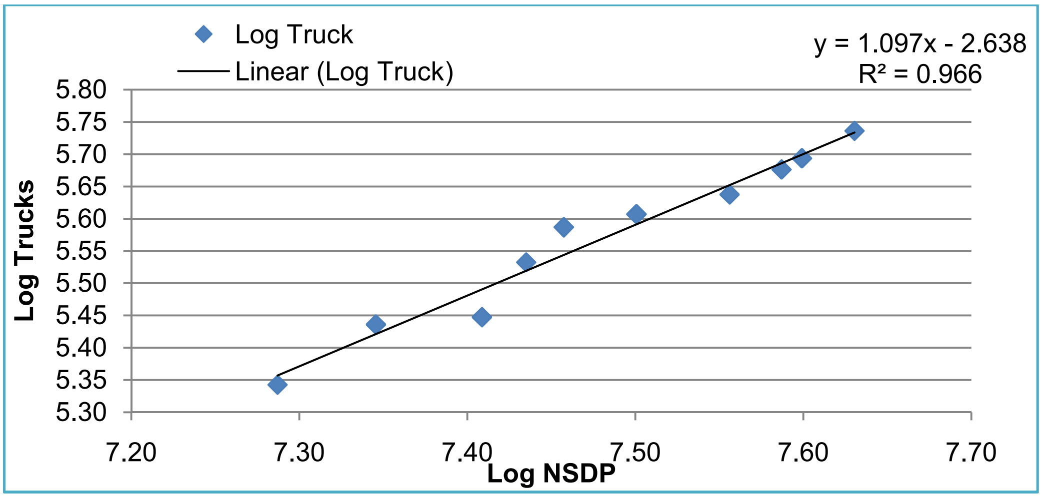


Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic - extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamil Nadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R^2 = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - -84.0434	R^2 = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R^2 = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

Concessionaire has carried out a sample survey to analyze the share of vehicles from various states in the traffic on project road. The study was conducted recently in March 2016 at toll plaza locations and both side traffic was covered in it. Survey covered over 90% of the vehicles. Following table provides summary of the same at all three toll plaza locations.

Table 5-5 : Component Share of Various States in Project Traffic at Toll Plaza @ 21.750 Km

State / Vehicle	Car	Truck/Bus	LCV	MAV
Tamil Nadu	92.30%	92.18%	91.50%	87.13%
Kerala	0.93%	0.72%	1.09%	1.34%
Karnataka	1.94%	1.47%	2.18%	5.38%
Puducherry	2.31%	3.65%	0.88%	1.02%
Andhra Pradesh	0.10%	0.00%	0.20%	0.51%
Rest of India	2.4%	1.98%	4.15%	4.62%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 5-6 : Component Share of Various States in Project Traffic at Toll Plaza @ 73.760 Km

State / Vehicle	Car	Bus	LCV	Truck	MAV
Tamil Nadu	90.00%	89.87%	94.34%	89.83%	89.50%
Kerala	1.48%	0.29%	2.01%	2.00%	1.33%
Karnataka	1.99%	0.36%	1.55%	1.22%	4.36%
Puducherry	4.38%	8.76%	0.64%	0.78%	0.96%
Andhra Pradesh	0.09%	0.07%	0.46%	0.18%	0.96%
Rest of India	2.06%	0.65%	1.00%	5.99%	2.89%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Table 5-7 : Component Share of Various States in Project Traffic at Toll Plaza @ 105.760 Km

State / Vehicle	Car	Bus	LCV	Truck	MAV
Tamil Nadu	88.91%	89.29%	93.35%	86.69%	86.39%
Kerala	1.54%	0.26%	2.22%	3.08%	2.12%
Karnataka	1.13%	0.35%	1.06%	1.79%	4.37%
Puducherry	6.46%	9.24%	1.06%	0.97%	1.62%
Andhra Pradesh	0.07%	0.09%	0.51%	0.16%	1.37%
Rest of India	1.89%	0.77%	1.80%	7.31%	4.13%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

It can be observed from above distribution of state share in traffic volume that all toll plaza locations local state (Tamil Nadu) traffic is predominating. Other states have very little share in it. Hence in economic model of growth projection, only Tamil Nadu model is considered.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Salem to Ulundurpet has been commissioned and it is under tolled operation since July 2012. Thus only 2-3 years' historic reliable data is available. Following tables provide trend of historic growth at toll plaza locations.

Table 5-8 : Past Traffic Trends at toll plaza @ Km 21.750

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth % (CAGR)
Car	5787	7450	13.46%
LCV	994	1177	8.80%
Bus/Truck	2064	2114	1.20%
MAV	1222	1248	1.05%

Table 5-9 : Past Traffic Trends at toll plaza @ Km 73.760

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth % (CAGR)
Car	4763	5914	11.43%
LCV	925	1127	10.38%
Bus/Truck	2072	2038	-0.82%
MAV	1174	1201	1.15%

Table 5-10 : Past Traffic Trends at toll plaza @ Km 105.000

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth % (CAGR)
Car	3565	4302	9.84%
LCV	736	910	11.18%
Bus/Truck	1499	1548	1.60%
MAV	668	715	3.44%

It can be noted that except at toll plaza at Km 21.750, traffic has registered impressive growth for all categories of vehicles. At toll plaza at Km 21.750 MAV has shown marginal negative growth. Since historic data is available for past 2-3 years only, it would be taken in consideration appropriately while working out growth projections of traffic on project corridor.

As recommended by **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways** "*This (historic growth) for short term projects but for longterm projections it would be erroneous for assume that the past rate of growth would prevail for long time in future. Economic conditions are bound to change over long period and it would be necessary to modify the rate of growth accordingly*".

It is thus clear that while developing a futuristic growth projections for highway projects, long terms factors like growth of economy and upcoming developments in area have greater impact than past trends. Considering above, both historic trend and economic factors (elasticity) have been considered suitably to work out recommended growth rate of traffic on project corridor.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

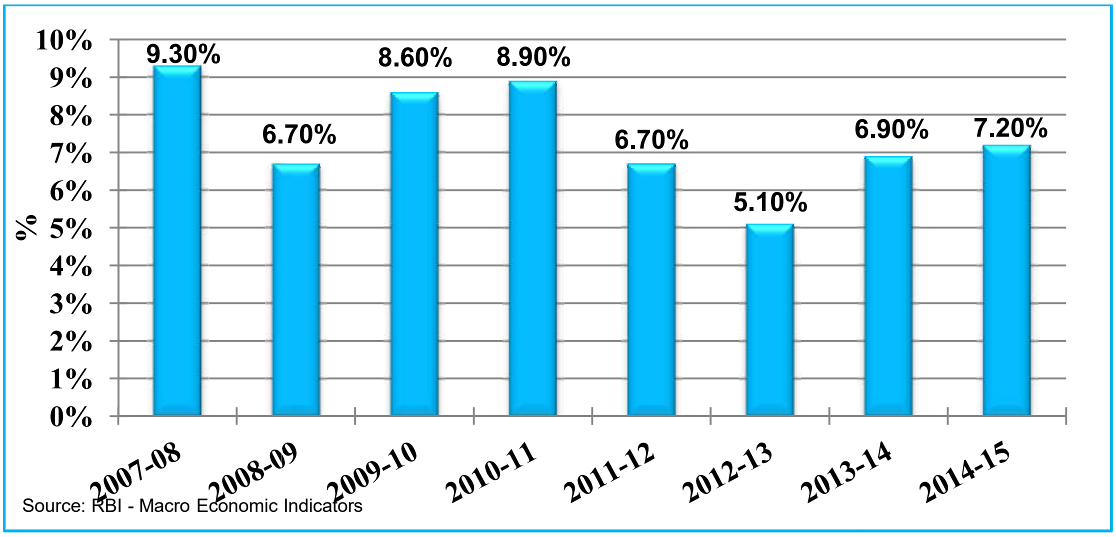


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Salem Area

Salem is the sixth largest city in Tamil Nadu by population. As a district, Salem has its significance in various aspects; it is known for mango cultivation, silver ornaments, textile, sago industries and steel production.

- **The Salem handloom industry** - is one of the most ancient cottage industries producing quality sari, dothi and angavasthram (traditional Indian garments) out of silk and cotton yarns. In the recent past, home furnishing items are also woven, mainly for export purposes. More than 75,000 handlooms are working and the total value of cloth produced per annum is estimated at Rs. 5,000 crores. With more than 125 spinning mills, with modern weaving units and garment units Salem has established itself as one of the major textile center in Tamil Nadu.
- **Sago Industries**- The Salem region houses the Tamil Nadu largest number of Sago industries which are engaged in the production Sago Foods and Starch. In Salem District alone, 34000 hectares of land is under tapioca cultivation which is the raw material for the sago industries and there are 650 units engaged in tapioca processing. In and around Salem the yield of tapioca is about 25-30 T/ha, highest in the World. National average is 19 T/ha and World average production stands at 10 T/ha. Hence it is called land of sago. In 1981, Salem Starch and Sago Manufacturers Service Industrial Co-operative Society Ltd (popularly called as SAGOSERVE) was established to promote the growth of sago industries. Nearly 80% of the national demand for Sago and Starch is being met by the Sagoserv.
- The region around Salem is rich in mineral ores. Salem has one of the largest magnesite, bauxite and iron ore deposits in India. It has many magnesite factories operated by private and public sectors such as Burn Standard & Co, Dalmia Magnesites, Tata Refractories and SAIL Refractories.
- The Leigh Bazaar is the region's largest market for agricultural products, and Narasus Coffee, Nandhi Dall Mills (an old flour mill) and BSP Refineries (Usha Refined Sunflower Oil) are in Salem.
- Being one of the fastest growing tier II cities, the Tamil Nadu government and ELCOT are planning to establish an IT park in Salem covering about 160 acres (0.65 sq.km).
- There is an exclusive Electrical and Electronics Industrial Estate in the Suramangalam area of Salem town.

5.6.2 Developments around Ulundurpet Area

Ulundurpet is located in the southern region of Villupuram district in the state of Tamil Nadu. The town of Ulundurpet is the taluka headquarters.

- The town is well connected by NH 45 (Chennai - Tambaram - Chengalpattu - Madurantakam - Tindivanam - Viluppuram - Ulundurpet - Trichy - Manapparai - Dindigul - Theni) and SH 69 (Virudhachalam - Ulundurpet).
- Ulundurpet has a bus stand, which is used by TNSTC and private operators. This is situated inside the town on Chennai-Trichy main road (NH 45).
- As it is one of the busiest roadways in Tamil Nadu, frequently bus services are available to major places like Chennai, Trichy, Salem, Pondicherry, Cuddalore, Villupuram, Virudhachalam, Kallakurichu etc. For every 6-10 mins in the peak hours, buses are frequently available to the places like Virudhachalam, Villupuram, Kallakurichu, Trichy, Chennai and Salem. It is the major advantage of this town.

Some of the big projects around the project corridor are detailed below

5.6.3 Salem Steel Plant & Steel SEZ by Steel Authority of India Ltd.

Salem Steel Plant, a special steel unit of Steel Authority of India Ltd has their plant located in Salem which produces cold rolled stainless steel and hot rolled stainless steel/carbon steel. The plant can produce austenitic, ferritic, martensitic and low-nickel stainless steel in the form of coils and sheets with an installed capacity of 70,000 tonnes/year in cold rolling mill and 1,86,000 tonnes/year in hot rolling mill. In addition, the plant has country's first top-of-the-line stainless steel blanking facility with a capacity of 3,600 tonnes/year of coin blanks and utility blanks/circles. Expansion and modernisation of Salem Steel Plant is ongoing. The plan envisages installation of steel melting and continuous casting facilities to produce 1,80,000 tonnes of slabs along with expansion of the cold rolling mill complex, enhancing the capacity of Cold Rolled Stainless Steel Products from 65,000 TPA to 1,46,000 TPA and an additional roll grinding machine for the hot rolling mill to increase production to 3,64,000 TPA. The total project area is 1130 acres and cost of the project is 1780 crores.

SAIL is planning a Steel SEZ inside the Salem Steel plant covering about 250 acres.

5.6.4 The Salem Plant by Southern Iron & Steel Co. Ltd (JV with JSW Steel)

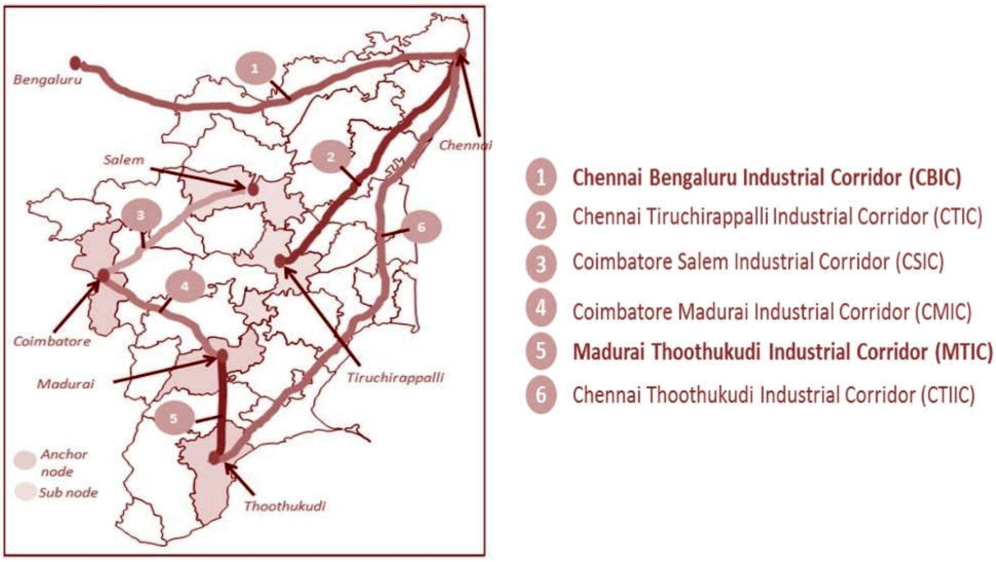
It is the first integrated steel plant of India at a cost of 2,235 Crores, located near Salem for the production of TMT corrosion resistant bars/alloy steels. The Salem plant is the largest special steel plant in India aims to develop the Kanjamalai, Kavuthimalai and Vediappanmalai iron ore mines in Tamil Nadu on receipt of requisite approvals to improve raw material security. This will facilitate expansion of production capacity to 2 MTPA. It will also allow the unit to diversify into the production of value-added products such as annealed, drawn and peeled steel. The plant is continuously working to develop special grades for critical automotive applications

5.6.5 Power Plant by The Madras Aluminum Company Ltd (MALCO)

MALCO is part of Vedanta Resources Plc, MALCO has a state-of-the-art, coal-based Captive Power Plant at the same location which was commissioned in the year 1999. In the year 2004 MALCO augmented its smelter capacity from earlier 25,000TPA to 40,000TPA. It generates 100 MW power from 4 units of 25MW each through power plant located at Mettur, Tamil Nadu. Around 90% of the entire power generated is exported; the rest is used internally.

5.6.6 Coimbatore - Salem Industrial Corridor

Coimbatore - Salem Industrial Corridor is expected to attract an investment of about Rs 14,700 crore to create further infrastructure. This in turn is expected to create investment opportunities to the tune of about Rs 43,000 crore. Sources are predicting creation of jobs for approximately 18 lakh white and blue collar personnel. This has already translated into residential developers planning to expand their offerings.



5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, overall growth rates are recommended for each category of vehicle. Rate of growth is moderated considering overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years.

Impact of other important factors affecting growth, as discussed, is taken as under.

- Historical data of project stretch is consistent MAV at toll plaza location Km21.750. Since historic data is of 2-3 year only, 20% and 80% weightage is assigned for historical and future growth trends (elastic model) respectively. For MAV at toll plaza 21.750 km, weightage for historical trend is assigned as 10% since the past growth is abnormally low.

- Only Tamil Nadu elastic model of economic growth in considered since traffic from other state is minimal.

- Further to make growth projections more representative growth of car and LCV category is reduced by 1% for toll plaza at Km 21.750 and Km 73.760. The same is reduced by 1.5% for toll plaza at Km 105.00.

- Due to technological advances in logistic industry greater preference is now given to Multi Axle (MAV) over conventional 2/3 Axle truck. To accommodate this in growth projection growth rate of MAV is stepped down in future year by lesser offset as compared to that of Car, LCV and Bus truck. Additionally, the analyzed growth is jacked up by 0.75% and 0.5% for toll plaza at Km 21.750 and Km 73.760.

Potential traffic growth would also be driven by reopening of Puducherry Port and opening of Nagapattinam Port.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case. Toll plaza wise recommended growth rates are given as under.

Table 5-11 : Recommended Growth RatesOptimistic at Toll Plaza Km 21.750

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.40%	10.40%	9.15%	7.65%	6.15%
Mini Bus /LCV	7.60%	6.60%	5.10%	3.60%	2.10%
Truck / Bus	7.40%	6.40%	4.90%	3.40%	1.90%
Multi Axle	8.70%	8.20%	7.20%	6.20%	5.20%

Table 5-12 : Recommended Growth Rates Pessimistic at Toll Plaza Km 21.750

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.40%	9.40%	8.15%	6.65%	5.15%
Mini Bus /LCV	6.60%	5.60%	4.10%	2.60%	1.10%
Truck / Bus	6.40%	5.40%	3.90%	2.40%	0.90%
Multi Axle	7.70%	7.20%	6.20%	5.20%	4.20%

Table 5-13 : Recommended Growth Rates Most Likely at Toll Plaza Km 21.750

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.90%	9.90%	8.65%	7.15%	5.65%
Mini Bus /LCV	7.10%	6.10%	4.60%	3.10%	1.60%
Truck / Bus	6.90%	5.90%	4.40%	2.90%	1.40%
Multi Axle	8.20%	7.70%	6.70%	5.70%	4.70%

Similarly, growth rates for toll plaza at Km 73.760 and Km 105.000 are given in following tables.

Table 5-14 : Recommended Growth Rates Optimistic at Toll Plaza Km 73.760

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.20%	10.20%	8.95%	7.45%	5.95%
Mini Bus /LCV	7.70%	6.70%	5.20%	3.70%	2.20%
Truck / Bus	7.80%	6.80%	5.30%	3.80%	2.30%
Multi Axle	8.60%	8.10%	7.10%	6.10%	5.10%

Table 5-15 : Recommended Growth Rates Pessimistic at Toll Plaza Km 73.760

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.20%	9.20%	7.95%	6.45%	4.95%
Mini Bus /LCV	6.70%	5.70%	4.20%	2.70%	1.20%
Truck / Bus	6.80%	5.80%	4.30%	2.80%	1.30%
Multi Axle	7.60%	7.10%	6.10%	5.10%	4.10%

Table 5-16 : Recommended Growth Rates Most Likely at Toll Plaza Km 73.760

Year/ Vehicle Type	Up to2020	2020-25	2025-30	2030-35	2035-40
CAR	10.70%	9.70%	8.45%	6.95%	5.45%
Mini Bus /LCV	7.20%	6.20%	4.70%	3.20%	1.70%
Truck / Bus	7.30%	6.30%	4.80%	3.30%	1.80%
Multi Axle	8.10%	7.60%	6.60%	5.60%	4.60%

Recommended growth rates for traffic at toll plaza at Km 105.000 are given as under

Table 5-17 : Recommended Growth Rates Optimistic at Toll Plaza Km 105.000

Year/ Vehicle Type	Up to2020	2020-25	2025-30	2030-35	2035-40
CAR	11.50%	10.50%	9.25%	7.75%	6.25%
Mini Bus /LCV	8.20%	7.20%	5.70%	4.20%	2.70%
Truck / Bus	8.20%	7.20%	5.70%	4.20%	2.70%
Multi Axle	8.90%	8.40%	7.40%	6.40%	5.40%

Table 5-18 : Recommended Growth Rates Pessimistic at Toll Plaza Km 105.000

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.50%	9.50%	8.25%	6.75%	5.25%
Mini Bus /LCV	7.20%	6.20%	4.70%	3.20%	1.70%
Truck / Bus	7.20%	6.20%	4.70%	3.20%	1.70%

Multi Axle	7.90%	7.40%	6.40%	5.40%	4.40%

Table 5-19 : Recommended Growth Rates Most Likely at Toll Plaza Km 105.000

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.00%	10.00%	8.75%	7.25%	5.75%
Mini Bus /LCV	7.70%	6.70%	5.20%	3.70%	2.20%
Truck / Bus	7.70%	6.70%	5.20%	3.70%	2.20%
Multi Axle	8.40%	7.90%	6.90%	5.90%	4.90%

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total TollableTraffic at Toll Plaza Km 21.750 (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	8,299	1,266	2,271	1,357	**13,193**	**23,116**
2018-19	9,246	1,363	2,439	1,475	**14,522**	**25,242**
2019-20	10,299	1,466	2,620	1,603	**15,988**	**27,570**
202\0-21	11,371	1,563	2,787	1,734	**17,455**	**29,881**
2021-22	12,553	1,666	2,966	1,877	**19,061**	**32,393**
2022-23	13,859	1,776	3,155	2,030	**20,821**	**35,126**
2023-24	15,300	1,893	3,357	2,197	**22,748**	**38,098**
2024-25	16,891	2,018	3,572	2,377	**24,859**	**41,332**
2025-26	18,437	2,121	3,747	2,548	**26,853**	**44,327**
2026-27	20,124	2,229	3,931	2,732	**29,016**	**47,553**
2027-28	21,965	2,343	4,123	2,928	**31,360**	**51,027**
2028-29	23,975	2,463	4,325	3,139	**33,902**	**54,771**
2029-30	26,169	2,588	4,537	3,365	**36,659**	**58,806**
2030-31	28,170	2,681	4,692	3,574	**39,117**	**62,350**
2031-32	30,326	2,778	4,851	3,795	**41,750**	**66,125**
2032-33	32,645	2,878	5,016	4,031	**44,570**	**70,149**

Table 6-2 : Total Tollable Traffic at Toll Plaza Km 73.760 (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	6,577	1,214	2,197	1,304	**11,291**	**20,857**
2018-19	7,313	1,307	2,368	1,416	**12,405**	**22,752**
2019-20	8,132	1,408	2,553	1,538	**13,631**	**24,825**
2020-21	8,962	1,502	2,727	1,663	**14,853**	**26,877**
2021-22	9,876	1,603	2,912	1,797	**16,188**	**29,105**
2022-23	10,883	1,710	3,110	1,943	**17,646**	**31,522**
2023-24	11,994	1,824	3,322	2,100	**19,240**	**34,147**
2024-25	13,217	1,947	3,547	2,271	**20,982**	**36,997**
2025-26	14,400	2,048	3,735	2,432	**22,615**	**39,621**
2026-27	15,689	2,154	3,933	2,604	**24,381**	**42,440**
2027-28	17,093	2,266	4,142	2,789	**26,290**	**45,470**
2028-29	18,622	2,384	4,361	2,987	**28,356**	**48,726**
2029-30	20,289	2,508	4,593	3,200	**30,589**	**52,227**
2030-31	21,801	2,601	4,767	3,395	**32,564**	**55,280**
2031-32	23,425	2,697	4,948	3,602	**34,672**	**58,523**
2032-33	25,170	2,797	5,136	3,822	**36,925**	**61,971**

Table 6-3 : Total Tollable Traffic at Toll Plaza Km 105.000 (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,797	985	1,675	778	8,235	14,801
2018-19	5,348	1,066	1,812	848	9,074	16,197
2019-20	5,963	1,153	1,961	923	10,000	17,728
2020-21	6,589	1,236	2,102	1,001	10,928	19,251
2021-22	7,281	1,325	2,253	1,085	11,944	20,909
2022-23	8,046	1,420	2,415	1,176	13,057	22,713
2023-24	8,891	1,523	2,589	1,274	14,277	24,678
2024-25	9,824	1,632	2,776	1,381	15,614	26,817
2025-26	10,733	1,725	2,934	1,484	16,876	28,800
2026-27	11,726	1,824	3,101	1,594	18,244	30,936
2027-28	12,810	1,928	3,278	1,711	19,727	33,237
2028-29	13,995	2,038	3,465	1,838	21,336	35,717
2029-30	15,290	2,154	3,662	1,974	23,080	38,391
2030-31	16,475	2,244	3,816	2,100	24,636	40,741
2031-32	17,752	2,338	3,976	2,235	26,301	43,245
2032-33	19,127	2,437	4,143	2,378	28,085	45,913

Table 6-4 : Total TollableTraffic at Toll Plaza Km21.750 (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	8,225	1,255	2,250	1,344	**13,073**	**22,905**
2018-19	9,080	1,337	2,394	1,448	**14,259**	**24,782**
2019-20	10,025	1,426	2,547	1,559	**15,556**	**26,820**
2020-21	10,967	1,506	2,685	1,671	**16,828**	**28,800**
2021-22	11,998	1,590	2,830	1,792	**18,209**	**30,933**
2022-23	13,126	1,679	2,982	1,921	**19,707**	**33,234**
2023-24	14,359	1,773	3,143	2,059	**21,335**	**35,714**
2024-25	15,709	1,872	3,313	2,207	**23,102**	**38,389**
2025-26	16,990	1,949	3,442	2,344	**24,725**	**40,788**
2026-27	18,374	2,029	3,577	2,489	**26,469**	**43,349**
2027-28	19,872	2,112	3,716	2,644	**28,343**	**46,084**
2028-29	21,491	2,199	3,861	2,808	**30,358**	**49,006**
2029-30	23,243	2,289	4,012	2,982	**32,525**	**52,128**
2030-31	24,788	2,348	4,108	3,137	**34,381**	**54,749**
2031-32	26,437	2,409	4,206	3,300	**36,352**	**57,519**
2032-33	28,195	2,472	4,307	3,471	**38,446**	**60,446**

Table 6-5 : Total Tollable Traffic at Toll Plaza Km 73.760
(Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	6,518	1,202	2,177	1,292	**11,189**	**6,518**
2018-19	7,182	1,283	2,325	1,390	**12,180**	**7,182**
2019-20	7,915	1,369	2,483	1,496	**13,262**	**7,915**
2020-21	8,643	1,447	2,627	1,602	**14,319**	**8,643**
2021-22	9,438	1,529	2,779	1,716	**15,463**	**9,438**
2022-23	10,307	1,616	2,940	1,838	**16,701**	**10,307**
2023-24	11,255	1,709	3,111	1,968	**18,042**	**11,255**
2024-25	12,290	1,806	3,291	2,108	**19,495**	**12,290**
2025-26	13,267	1,882	3,433	2,237	**20,819**	**13,267**
2026-27	14,322	1,961	3,580	2,373	**22,236**	**14,322**
2027-28	15,461	2,043	3,734	2,518	**23,756**	**15,461**
2028-29	16,690	2,129	3,895	2,672	**25,385**	**16,690**
2029-30	18,017	2,218	4,062	2,835	**27,132**	**18,017**
2030-31	19,179	2,278	4,176	2,979	**28,612**	**19,179**
2031-32	20,416	2,340	4,293	3,131	**30,180**	**20,416**
2032-33	21,733	2,403	4,413	3,291	**31,839**	**21,733**

Table 6-6 : Total Tollable Traffic at Toll Plaza Km 105.000 (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,754	976	1,659	771	**8,160**	**14,665**
2018-19	5,253	1,046	1,779	832	**8,910**	**15,902**
2019-20	5,804	1,121	1,907	898	9,730	17,247
2020-21	6,356	1,191	2,025	964	**10,536**	**18,556**
2021-22	6,959	1,265	2,151	1,036	**11,410**	**19,968**
2022-23	7,621	1,343	2,284	1,112	**12,360**	**21,492**
2023-24	8,345	1,426	2,425	1,195	**13,391**	**23,136**
2024-25	9,137	1,515	2,576	1,283	**14,511**	**24,910**
2025-26	9,891	1,586	2,697	1,365	**15,539**	**26,504**
2026-27	10,707	1,661	2,824	1,452	**16,644**	**28,205**
2027-28	11,591	1,739	2,956	1,545	**17,831**	**30,022**
2028-29	12,547	1,820	3,095	1,644	**19,107**	**31,963**
2029-30	13,582	1,906	3,241	1,749	**20,478**	**34,036**
2030-31	14,499	1,967	3,345	1,844	**21,654**	**35,780**
2031-32	15,477	2,030	3,452	1,944	**22,902**	**37,623**
2032-33	16,522	2,095	3,562	2,048	**24,227**	**39,568**

Traffic projections for Most Likely scenario are given as under

Table 6-7 : Total Tollable Traffic at Toll Plaza Km 21.750
(Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	8,262	1,261	2,260	1,350	13,133	**23,011**
2018-19	9,163	1,350	2,416	1,461	14,390	**25,012**
2019-20	10,161	1,446	2,583	1,581	15,771	**27,193**
2020-21	11,167	1,534	2,735	1,703	17,140	**29,337**
2021-22	12,273	1,628	2,897	1,834	18,631	**31,657**
2022-23	13,488	1,727	3,068	1,975	20,258	**34,169**
2023-24	14,823	1,832	3,249	2,127	22,031	36,889
2024-25	16,291	1,944	3,440	2,291	23,966	**39,837**
2025-26	17,700	2,034	3,592	2,444	25,770	**42,525**
2026-27	19,231	2,127	3,750	2,608	27,716	**45,407**
2027-28	20,895	2,225	3,915	2,783	29,817	**48,499**
2028-29	22,702	2,327	4,087	2,969	32,085	**51,815**
2029-30	24,666	2,434	4,267	3,168	34,535	**55,374**
2030-31	26,429	2,510	4,391	3,349	36,678	**58,435**
2031-32	28,319	2,588	4,518	3,539	38,964	**61,682**
2032-33	30,344	2,668	4,649	3,741	41,402	**65,128**

Table 6-8 : Total Tollable Traffic at Toll Plaza Km 73.760
(Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	6,547	1,208	2,187	1,298	**11,240**	**20,761**
2018-19	7,248	1,295	2,346	1,403	**12,292**	**22,544**
2019-20	8,023	1,388	2,518	1,517	**13,446**	**24,485**
2020-21	8,801	1,474	2,676	1,632	**14,584**	**26,387**
2021-22	9,655	1,566	2,845	1,756	**15,822**	**28,442**
2022-23	10,592	1,663	3,024	1,890	**17,168**	**30,662**
2023-24	11,619	1,766	3,215	2,034	**18,633**	**33,062**
2024-25	12,746	1,875	3,417	2,188	**20,227**	**35,657**
2025-26	13,823	1,963	3,581	2,332	**21,700**	**38,008**
2026-27	14,991	2,056	3,753	2,486	**23,286**	**40,523**
2027-28	16,258	2,152	3,933	2,651	**24,994**	**43,213**
2028-29	17,632	2,253	4,122	2,825	**26,833**	**46,092**
2029-30	19,122	2,359	4,320	3,012	**28,813**	**49,174**
2030-31	20,451	2,435	4,462	3,181	**30,529**	**51,803**
2031-32	21,872	2,513	4,610	3,359	**32,353**	**54,584**
2032-33	23,392	2,593	4,762	3,547	**34,294**	**57,528**

Table 6-9 : Total Tollable Traffic at Toll Plaza Km 105.000 (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,775	980	1,667	775	**8,197**	**14,733**
2018-19	5,300	1,056	1,795	840	**8,991**	**16,049**
2019-20	5,883	1,137	1,934	910	**9,865**	**17,486**
2020-21	6,472	1,213	2,063	982	**10,731**	**18,901**
2021-22	7,119	1,295	2,201	1,060	**11,675**	**20,434**
2022-23	7,831	1,381	2,349	1,144	**12,705**	**22,096**
2023-24	8,614	1,474	2,506	1,234	**13,828**	**23,896**
2024-25	9,475	1,573	2,674	1,331	**15,054**	**25,848**
2025-26	10,304	1,654	2,813	1,423	**16,195**	**27,630**
2026-27	11,206	1,740	2,959	1,521	**17,428**	**29,542**
2027-28	12,187	1,831	3,113	1,626	**18,757**	**31,592**
2028-29	13,253	1,926	3,275	1,739	**20,193**	**33,792**
2029-30	14,413	2,026	3,446	1,859	**21,743**	**36,153**
2030-31	15,457	2,101	3,573	1,968	**23,100**	**38,186**
2031-32	16,578	2,179	3,705	2,084	**24,547**	**40,343**
2032-33	17,780	2,260	3,842	2,207	**26,090**	**42,630**

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Salem - Ulundurpet section of NH-68 is based on old toll policy. As per the Toll Notification (Schedule G) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
   a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate based on WPI are done as per toll notification (Schedule G) as given under.

$$\text{Base Fee} \times \frac{\text{WPI-B}}{\text{WPI-A}} \times \text{length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule G of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates 1997-98

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule G. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

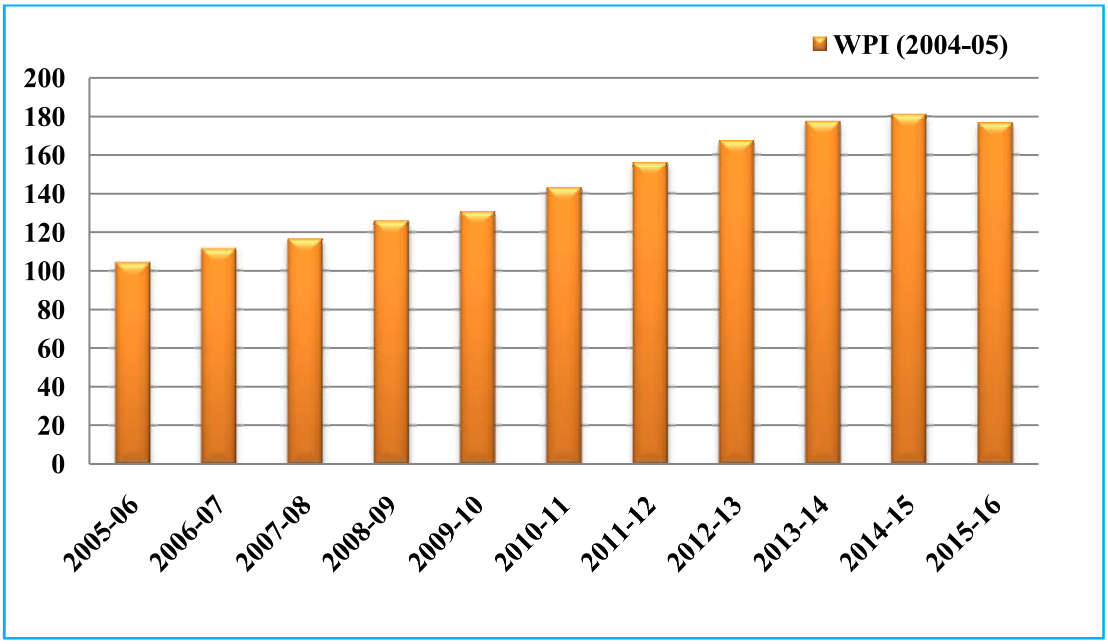


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. WPI growth for March 2017 is 5.7%. Taking future trends of economy into account following average WPI inflation is used for projections of toll rates

- Up to Year 2018 - 4.0%

- 2019-21 - 5.0%
- 2022-26 - 4.0%
- 2027-31 - 3.0%
- 2032-40 - 2.0%

Toll rates are calculated as per guidelines provided in schedule G for the concession period and are given below.

Total project length as per agreement is 136.37 Km. Total project length of 136.37 Km is equally divided for tollable length at all three Toll Plazas. Thus, tollable length at each Toll Plaza is 45.452 Km. In such case toll rates at all three Toll Plazas would be equal.

Thus, worked out rates for various categories of vehicle and discounts are given as under. These rates are applicable from September 1st of the respective year.

Table 7-2 : Toll Rates for Single Journey at Toll Plaza 1,2&3 (21.750 Km, 73.760 Km & 105.000 Km)

Year	Car/Jeep /Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car – LCO	LCV - LTO	Truck/ Bus - LTO
2017-18	50	85	165	270	15	15	25
2018-19	50	85	175	280	15	15	25
2019-20	50	90	180	290	15	15	25
2020-21	55	95	190	305	15	15	25
2021-22	55	100	200	320	15	15	25
2022-23	60	105	210	335	15	15	25
2023-24	60	110	215	350	15	15	25
2024-25	65	115	225	365	15	15	25
2025-26	65	115	235	375	15	15	25
2026-27	70	120	245	390	15	15	25
2027-28	70	125	250	405	15	15	25
2028-29	75	130	260	415	15	15	25
2029-30	75	135	265	430	15	15	25
2030-31	80	135	275	440	15	15	25

2031-32	80	140	285	455	15	15	25
2032-33	80	145	290	465	15	15	25

Table 7-3 : Toll Rates for Multiple Journeys at Toll Plaza 1, 2&3 (21.750 Km, 73.760 Km & 105.000 Km)

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	70	125	250	400
2018-19	75	130	260	415
2019-20	80	135	270	435
2020-21	80	145	285	460
2021-22	85	150	300	480
2022-23	90	155	310	500
2023-24	95	160	325	520
2024-25	95	170	335	540
2025-26	100	175	350	565
2026-27	105	185	365	585
2027-28	105	190	375	605
2028-29	110	195	385	620
2029-30	115	200	400	640
2030-31	115	205	410	660
2031-32	120	210	425	680
2032-33	125	215	430	695

Table 7-4 : Toll Rates for Monthly Pass at Toll Plaza 1, 2&3 (21.750 Km, 73.760 Km & 105.000 Km)

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LT1	Car - LT2	School Bus
2017-18	1375	2405	4805	7725	150	300	1000
2018-19	1425	2490	4985	8010	150	300	1000
2019-20	1480	2590	5185	8330	150	300	1000
2020-21	1555	2720	5440	8745	150	300	1000
2021-22	1635	2855	5715	9185	150	300	1000
2022-23	1715	3000	6000	9645	150	300	1000
2023-24	1785	3120	6240	10030	150	300	1000
2024-25	1855	3245	6490	10430	150	300	1000
2025-26	1930	3375	6750	10850	150	300	1000
2026-27	2005	3510	7020	11280	150	300	1000
2027-28	2085	3650	7300	11735	150	300	1000
2028-29	2150	3760	7520	12085	150	300	1000
2029-30	2215	3870	7745	12445	150	300	1000
2030-31	2280	3990	7975	12820	150	300	1000
2031-32	2350	4110	8215	13205	150	300	1000
2032-33	2420	4230	8465	13600	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under three scenarios at each of the toll plaza up to 2032-33 (Expected End of Concession Period) starting from the year 2016-17 are shown in tables below.

Overloading of commercial vehicles is a known phenomenon on Indian roads. Currents project witnessed instances of overloading. These vehicles can be charge at extra higher rate as per contract to discourage overloading. A sample study done at Hosur Krishnagiri section of NH-7 by concessionaire shows that at present overloading charges can be translated to about 7% extra revenue. For next 2-3 years, this trend may continue at same % then it would gradually diminish over a period of say 8-10 years.. Same phenomenon can be expected to occur at project stretch.

Table 7-5 : Expected Overloading Revenue

Year	Expected Revenue from Overloading
2017-18	7%
2018-19	7%
2019-20	5%
2020-21	5%
2021-22	4%
2022-23	4%
2023-24	3%
2024-25	3%
2025-26	2%
2026-27	2%
2027-28	1%
2028-29	1%

Toll revenue projections, excluding revenue from overloading, are given in following tables.

Table 7-6 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Mettupatti Toll Plaza Km 21.750	Nathakkari Toll Plaza Km 73.760	Viracholapuram Toll Plaza Km 105.000	Total
2017-18	38.2	34.9	24.8	98.0
2018-19	43.5	39.8	28.3	111.6
2019-20	49.8	45.4	32.4	127.6
2020-21	56.2	51.3	36.8	144.3
2021-22	63.8	58.2	41.9	163.9
2022-23	72.6	66.1	47.7	186.4
2023-24	82.2	74.7	54.0	211.0
2024-25	92.1	83.6	60.7	236.4
2025-26	102.4	92.9	67.6	262.8
2026-27	114.5	103.8	75.7	294.0
2027-28	126.9	114.9	84.1	325.9
2028-29	140.2	126.7	93.0	359.9
2029-30	155.3	140.1	103.2	398.5
2030-31	169.3	152.5	112.7	434.5
2031-32	184.9	166.3	123.1	474.3
2032-33	200.1	179.5	133.2	512.8

Table 7-7 : Toll Revenue Pessimistic Scenario (Rs. Crores)

Year	Mettupatti Toll Plaza Km 21.750	Nathakkari Toll Plaza Km 73.760	Viracholapuram Toll Plaza Km 105.000	Total
2017-18	37.9	34.6	24.6	97.1
2018-19	42.7	39.0	27.8	109.6
2019-20	48.4	44.1	31.5	124.1
2020-21	54.2	49.4	35.4	139.1
2021-22	61.0	55.6	40.0	156.5
2022-23	68.7	62.5	45.1	176.4
2023-24	77.1	70.0	50.7	197.8
2024-25	85.5	77.6	56.4	219.5
2025-26	94.2	85.4	62.2	241.8
2026-27	104.4	94.6	69.0	268.0
2027-28	114.6	103.7	75.9	294.3
2028-29	125.4	113.3	83.2	322.0
2029-30	137.7	124.1	91.4	353.2
2030-31	148.7	133.9	98.9	381.5
2031-32	160.8	144.6	107.1	412.5
2032-33	172.4	154.6	114.8	441.8

Table 7-8 : Toll Revenue Most Likely Scenario (Rs. Crores)

Year	Mettupatti Toll Plaza Km 21.750	Nathakkari Toll Plaza Km 73.760	Viracholapuram Toll Plaza Km 105.000	Total
2017-18	38.0	34.8	24.7	97.5
2018-19	43.1	39.4	28.1	110.6
2019-20	49.1	44.8	32.0	125.8
2020-21	55.2	50.3	36.1	141.7
2021-22	62.4	56.9	40.9	160.2
2022-23	70.6	64.3	46.4	181.3
2023-24	79.6	72.3	52.3	204.3
2024-25	88.8	80.6	58.5	227.8
2025-26	98.2	89.1	64.8	252.1
2026-27	109.4	99.1	72.3	280.7
2027-28	120.6	109.2	79.9	309.7
2028-29	132.6	119.8	88.0	340.4
2029-30	146.2	131.9	97.1	375.3
2030-31	158.7	142.9	105.6	407.2
2031-32	172.5	155.1	114.8	442.4
2032-33*	146.7	131.7	97.7	375.6

* Last year is up to the end of concession period.

CHAPTER 8

OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose, major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed. As per condition of contract periodic repair and maintenance on project road is to be done on every 5 years' interval. Same is considered while developing cots of operation and maintenance.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance. Project has about 17 Km of bypass length which will be converted to four lane in year 2022 as per condition of contract. Thus, area of main carriageway would be increased after widening of bypasses in year 2022.

Table 8-1 : Project Parameters for O & Mup toYear 2022

Item	Parameter	Quantity	Unit
Length of Road		136.357	KM
Main Carriageway	Paved Area	2157164	SQM
Service Road	Paved Area	311717	SQM
Bus Bays	Paved Area	38220	SQM
Truck Lay Bye	Paved Area	1462.5	SQM
Structure			
Major Bridge	Area	12664	SQM
Minor Bridge	Area	15178	SQM
Flyover+ROB	Area	3280	SQM
RCC Crash Barrier	Length	124489.8	RMT
Metal Beam Crash Barrier	Length	27271.4	RMT
Guard Post	Nos	54543	No.

Table 8-2 : Project Parameters for O & M after Year 2022

Item	Parameter	Quantity	Unit
Length of Road		136.357	KM
Main Carriageway	Paved Area	2434222	SQM
Service Road	Paved Area	311717	SQM
Bus Bays	Paved Area	38220	SQM
Truck Lay Bye	Paved Area	1462.5	SQM
Structure			
Major Bridge	Area	21014	SQM
Minor Bridge	Area	20394	SQM
Flyover+ROB	Area	7680	SQM
RCC Crash Barrier	Length	196352.8	RMT
Metal Beam Crash Barrier	Length	27271.4	RMT
Guard Post	Nos	54543	No.

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.). The same is considered appropriately for working out year wise operation maintenance cost.

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Salem to Ulundurpet on NH-68 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. Ministry in its Specifications for Road & Bridge Works (5th Revision) has included Micro Surfacing as surface sealing and renewal treatment. NHAI has also issued instruction to use Micro Surfacing for periodic renewal course vide letter dated 15th November 2016. In light of above, Micro Surfacing is considered as overlay course in 45% of the project stretch. For balance 55% normal asphalt course is considered. Also, from practicality of construction and traffic operation on project road, Major Maintenance and Repair (MMR) work is spread over a period of 2 years without escalation. Toll operation on project road commenced in year 2012-13. Taking 5 year for each cycle next cycle of MMR is expected in year 2018-19.

Cost for above operations is taken on prevailing rates.

Following tables provides year cost of Regular Operation and Maintenance and Major Maintenance and Repair

Table 8-3 : Year wise Details of Regular Operation & Maintenance Cost

Year	Total Regular O & M Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Regular O & M Expenditure (Rs. Crores) with escalation
2017-18	13.63	1.00	13.63
2018-19	13.63	1.05	14.32
2019-20	13.63	1.10	15.03
2020-21	13.63	1.16	15.78
2021-22	13.63	1.20	16.41
2022-23	13.63	1.25	17.07
2023-24	13.63	1.30	17.75
2024-25	13.63	1.35	18.46
2025-26	13.63	1.41	19.20
2026-27	13.63	1.45	19.78
2027-28	13.63	1.49	20.37
2028-29	13.63	1.54	20.98
2029-30	13.63	1.59	21.61
2030-31	13.63	1.63	22.26
2031-32	13.63	1.67	22.71
2032-33	13.63	1.34	23.13

Table 8-4 : Year wise Details of Major Maintenance & Repair (MMR) Cost

Year	Total Length of Project Road (Km)	No. of Lanes	Total Lane Km	Normal Overlay Lane Km Length (55% of the total)	Micro Surfacing Lane Km Length (45% of the total)	Rate of Normal Overlay Per km Per Lane (Rs. Cr.)	Rate of Micro Surfacing Overlay Per km Per Lane (Rs. Cr.)	Total Cost of Major Maintenance & Repair Current Price	Escalation Factor	Total Cost of Major Maintenance & Repair at Escalated Price
2017-18	136.36	42 km 2lane & 94 Km 4 Lane	461.44							
2018-19	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.09	27.98
2019-20	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.09	27.98
2020-21	136.36		461.44							
2021-22	136.36		461.44							
2022-23	136.36		461.44							
2023-24	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.35	34.71
2024-25	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.35	34.71
2025-26	136.36		461.44							
2026-27	136.36		461.44							
2027-28	136.36		461.44							
2028-29	136.36		461.44							
2029-30	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.64	42.25
2030-31	136.36		461.44	126.90	103.82	0.16	0.05	25.71	1.64	42.25
2031-32	136.36		461.44							
2032-33	136.36		461.44							

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

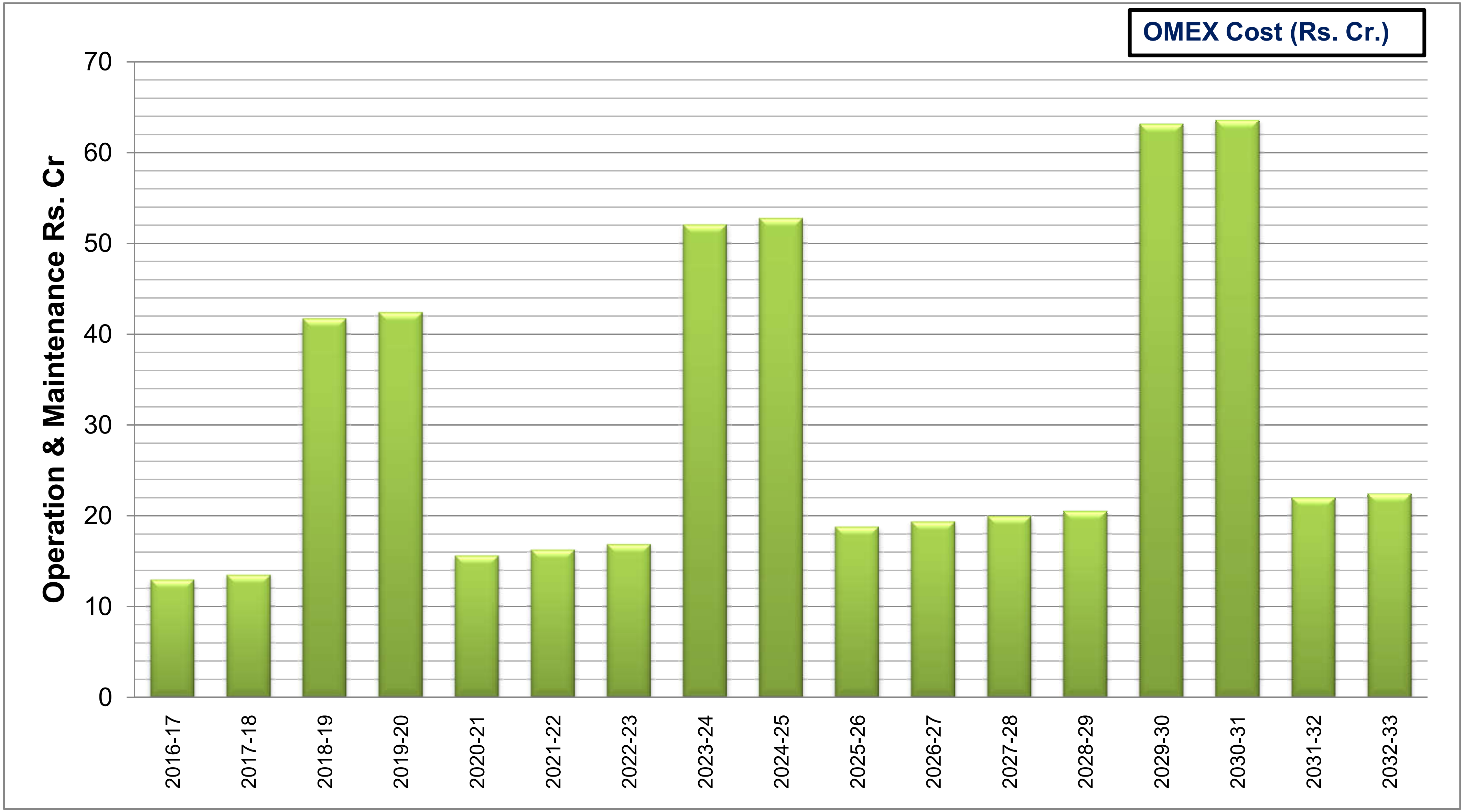


Figure 8-1 : Yearwise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Salem to Ulundurpet section of NH-68 in state of Tamil Nadu from km 0.313 to km 136.670 is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

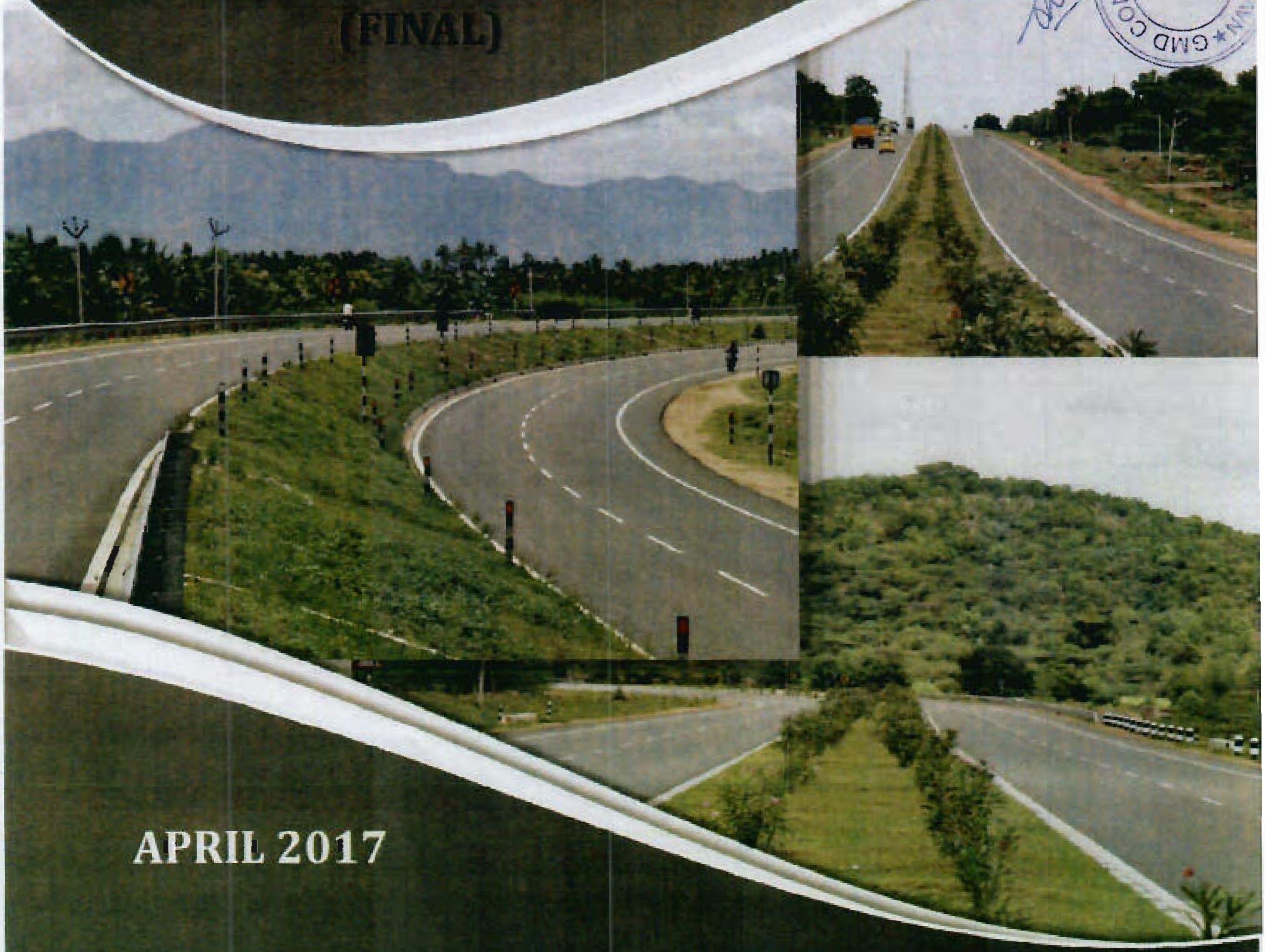
d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

RELIANCE

TRICHY TO DINDIGUL (KM 333+000 TO KM 421.273) SECTION OF NH-45 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)



APRIL 2017

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TRICHY TO DINDIGUL (KM 333+000 TO KM 421.273)

SECTION OF NH-45 IN THE STATE OF

TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AADT	-	Annual Average Daily Traffic	**NHAI**	-	National Highway Authority of India
BOT	-	Build Operate Transfer	**NHDP**	-	National Highways Development Project
CAGR	-	Compound Annual Growth Rate	**NSDP**	-	Net State Domestic Product
CTV	-	Classified traffic volume	**O&M**	-	Operation & Maintenance
DBFOT	-	Design, Build, Finance, Operate & Transfer	**PCDP**	-	Per Capita Domestic Product
EME	-	Earth Moving Equipment	**PCI**	-	Per Capita Income
GDP	-	Gross Domestic Product	**PCU**	-	Passenger Car Unit
GSDP	-	Gross State Domestic Product	**PSC**	-	Pre-stressed Concrete
HCM	-	Heavy Construction Machinery	**RCC**	-	Reinforced cement concrete
HCV	-	Heavy Commercial Vehicle	**RHS**	-	Right Hand Side
HTMS	-	Highway Traffic Management System	**SH**	-	State Highway
IRC	-	Indian Road Congress	**TP**	-	Toll Plaza
IRR	-	Internal Rate of Return	**WPI**	-	Wholesale Price Index
LCV	-	Light Commercial Vehicle	**SIR**	-	Special Investment Region
LHS	-	Left Hand Side	**c.**	-	Circa
LGV	-	Light Goods Vehicle	**ROB**	-	Railway Over Bridge
MAV	-	Multi Axle Vehicle	**MDR**	-	Major District Road
MORTH	-	Ministry of Road Transport and Highways	**ODR**	-	Other District Road
NH	-	National Highway	**CA**	-	Concession Agreement
PCC	-	Plain Cement Concrete	**RMT**	-	Running Meter
CR	-	Coarse Rubble			

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India has approved 4 laning of 4000 Kms length of National Highways on BOT basis under NHDP Phase IIIA and entrusted implementation of the programme to the NHAI.

The project under consideration, Trichy - Dindigul Section of NH-45 from Km 333.000 to Km 421.60 is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. The project was engaged for strengthening and maintenance of the existing NH 45 carriageway and has concession period of 30 years. The concession period commenced on January 15, 2008 and is expected to expire on January 14, 2038. Toll operation started on project from 10th January 2012. The Project has been commissioned and is currently in the operation / maintenance phase. A capex grant of Rs. 107.46 crores and opex grant of Rs. 118.8 crores has been provided towards the project of which Rs. 28.73 crores of the opex grant is still to be received by the project.

1.2 Objective of the Study

M/s Reliance Infrastructure InvIT Fund has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost ProjectionReport***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth
b) Toll Rate Growth
c) Revenue Forecasting
d) Operation and Maintenance Cost Projections

Origin Destination survey data (including trip frequency, trip length distribution, major traffic generators and their contribution, commodity analysis, etc.) has been sourced from a

third party study, we relied upon the survey outcome after necessary cross verification with the three year historical data available with the toll collection plazas. The Concessionaire has provided basic traffic data and other project details based on which the above analysis has been carried out.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

The project corridor is a segment of NH - 45 from Trichy (Km 333.000) to Dindigul (Km 421.273) and lies in state of Tamil Nadu. It connects the important city of Trichy to Dindigul which is located on North - South corridor and passes through places such as Manaparai, Vaiyampatti, Ayyalur and Vadamadurai. Project stretch on NH-45 is one the busiest section in Tamil Nadu connecting southern Tamil Nadu to Eastern Coastal Regions of the State.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

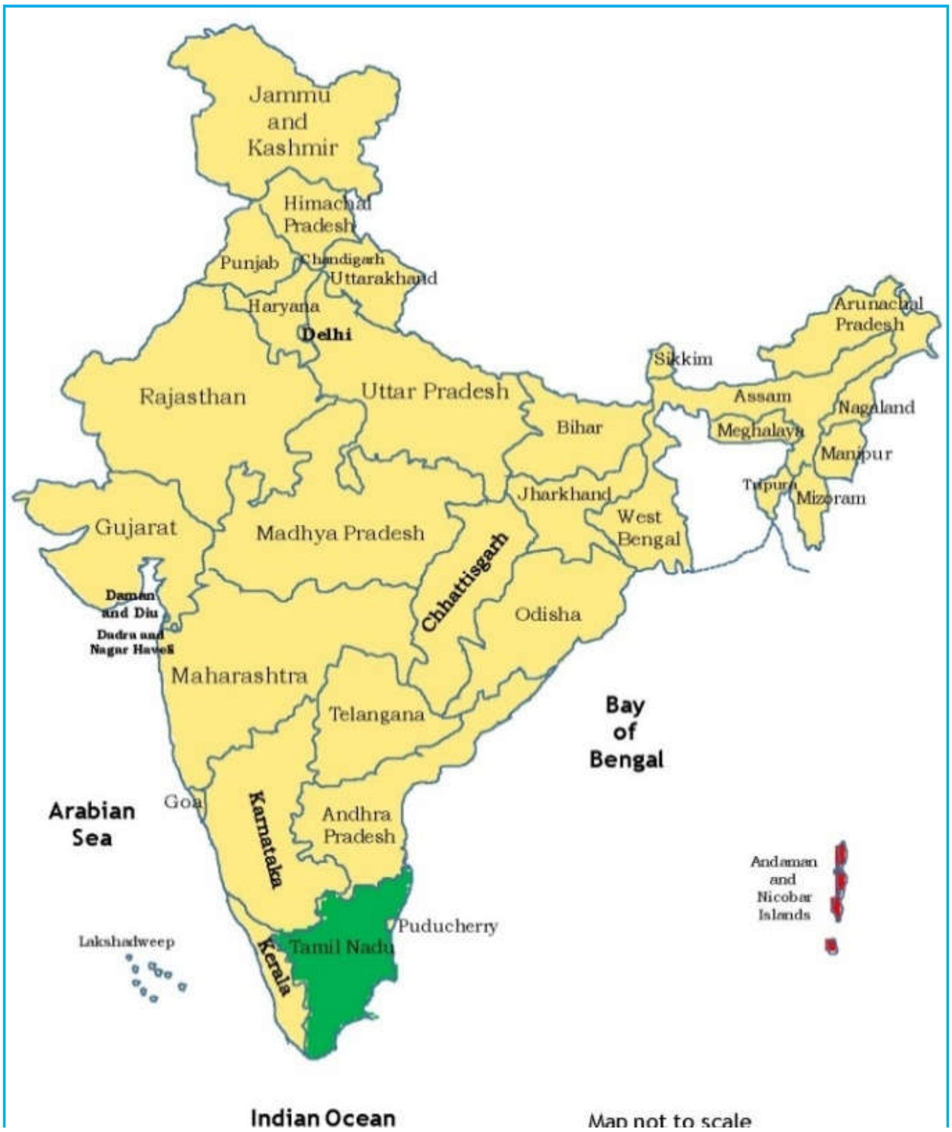


Figure 2-1: Index Map of Project Highway - Country Level

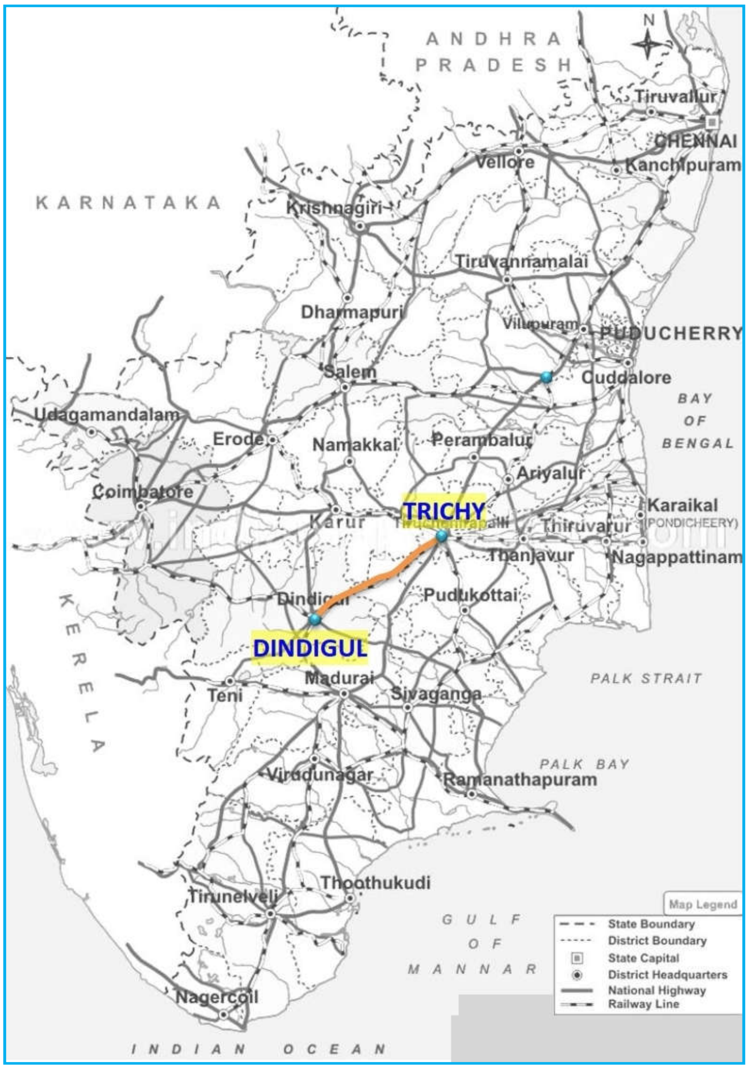


Figure 2-2: Index Map of Project Highway - State Level

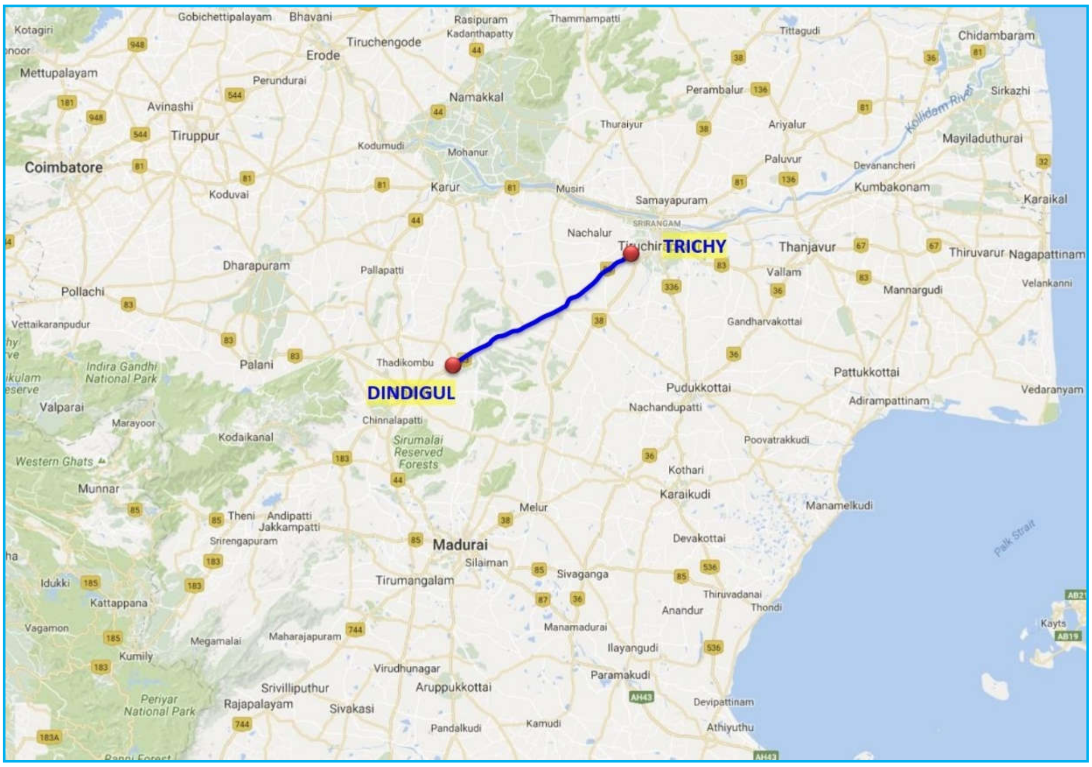


Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

The Project corridor starts at Km 333.000 of NH45, in outskirts of Trichy city and ends at Km 421.273 of NH45 at Dindigul, where it meets with NH 7 (Km 347.600) on North - South corridor. The corridor lies partly in Trichy district about 59 km (Km 333.000 to 392.000) and the remaining stretch lies in the Dindigul district of Tamil Nadu.

The entire length of project corridor runs through the plain terrain except from Km 389.400 to Km 389.600 near Vadamadurai.

Abutting land along the project corridor is predominantly Agricultural. Residential, barren, rural, semi urban, urban and urban commercial are other land usage found along the Project corridor. There are many settlements and ribbon developments found along the Project corridor.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Total Length of Project = 87.273 Kms
- Major Bridges = 05 Nos.
- Minor Bridges = 10 Nos.
- Road Under Bridge (RUB)= 01 Nos.
- Culverts = 183 Nos.
- Vehicular Underpass = 04 Nos.
- Pedestrian Under passes = 02 Nos.
- Animal Under passes = 02 Nos.
- Major Intersections = 10 Nos.
- Service Road = 12.562 Kms.
- Bus Bays = 23 Nos.
- Truck Lay Byes = 01 Nos.
- Toll Plaza Complex = 01 Nos.

The details of the structures are given below.

2.3.1 Major & Minor Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-1 : List of Major & Minor Bridges

Sr. No.	Chainage (km)	Span Arrangement (m)	Total Width of Super Structure (m)	Name of River Crossing
1	335.621	3 x 4.5	21	New Kattalal canal
2	350.678	5 x 26.5	21	Ariyaru
3	360.782	3 x 26.16	21	Mamundi
4	363.177	2 x 19	21	Manaparal Korai River
5	364.077	1 x 11.6	21	Siru Odal
6	367.454	5 x 13.2	21	Dompatchi
7	382.149	1 x 8.7	21	Palapatti Odal
8	386.383	1 x 16.5 (Skew 37 degree)	21	Chetty Odal
9	387.841	1 x 7.8 (Skew 27 degree)	21	Kalpatti Odal -1
10	388.366	1 x 16.3	21	Kalpatti Odal -2
11	397.587	2 x 20.2 (Skew 32 degree)	21	Mallatar River
12	397.747	1 x 9 (Skew 15 degree)	21	Malyadipatti Odal -1
13	398.645	1 x 13.4	21	Malyadipatti Odal -2
14	411.030	3 x 20.6	21	Kallar
15	414.080	4 x 18	21	Sandhana Varthini

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

During the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic datahas been collected for project.

- Classified traffic volume counts at toll plaza location on Trichy - Dindigul section of NH-45for base year 2016-17
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into following homogenous sections from traffic point of view.

These sections can be

- Trichy – Manapparai
- Manapparai - Dindigul

Table 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic DataDetails

Sr. No.	Location	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 382.850 Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017

The locations of each of the traffic survey are illustrated in Figure 3-1.

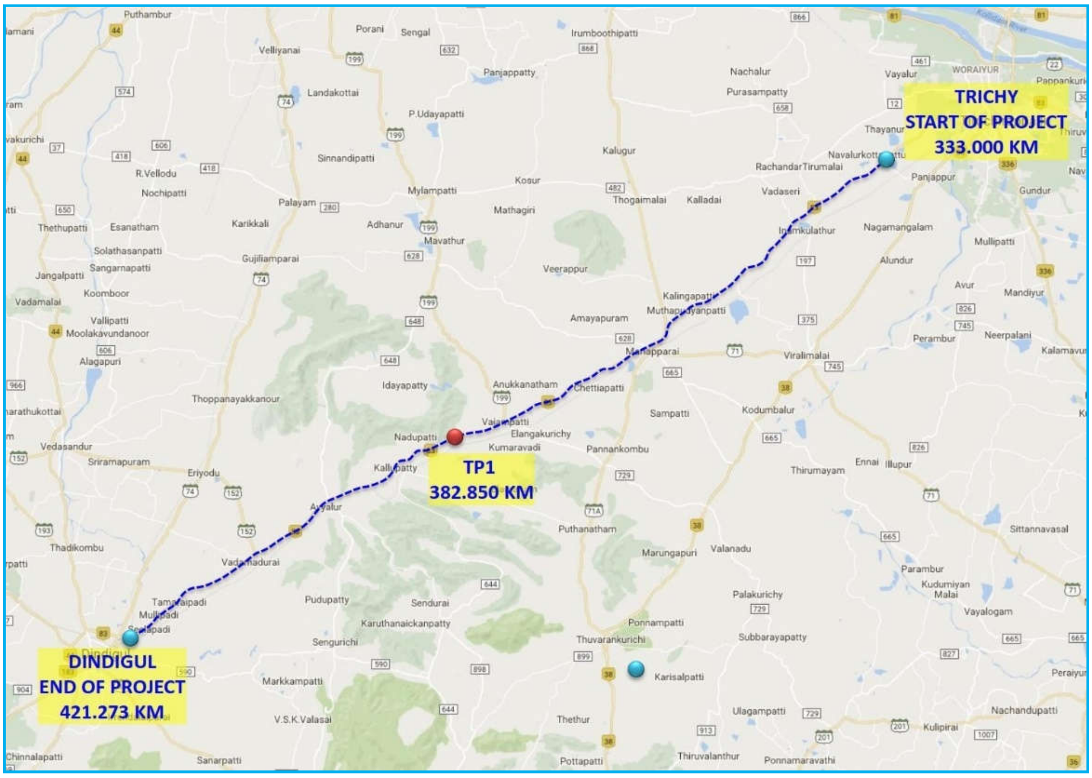


Figure 3-1: Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in ***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle (MAV)
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2016-17 as under at the toll plaza-

Table 3-3 : Traffic Data at Toll Plaza at Km 382.850

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	3476
2	LCV	859
3	Truck/Bus	1218
4	Multi Axle	480
	Total	**6033**

* excluding exempt

Volume of oversize vehicle was negligible

This data was then bifurcated to various components like through local, monthly, return journey etc. category. Same is discussed in detail in following section.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015 2016 and 2017:

Table 3-4 : Historical Tollable Traffic at Toll Plaza at Km 382.850

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	1,048,648	1,104,140	1,188,797	6%
LCV (2)	312,700	301,490	293,704	-3%
Bus/Truck (3)	416,655	410,502	416,580	0%
Multi-axle (4)	155,760	139,508	164,267	3%
Total	1933,763	1,955,640	2,063,348	3%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from November 9, 2016 to December 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 10,580 PCUs in 2017 from 9,503 PCUs in 2015, representing a CAGR of 6%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015 2016 and 2017:

Table 3-5 : Historical AADT at Toll Plaza at Km 382.850

Category	**For the FY ended March 31**			**CAGR FY15 –FY17 (%)**
	2015	**2016***	**2017****	
Car (1)	2,873	3,155	3,476	10%
LCV (2)	857	861	859	0%
Bus/Truck (3)	1,142	1,173	1,218	3%
Multi-axle (4)	427	399	480	6%
Total	5,299	5,588	6,033	7%
Total PCUs	**9,503**	**9,759**	**10,580**	**6%**

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from November 9, 2016 to December 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.
(2) LCV comprises light commercial vehicles and minibuses.
(3) Bus/Truck comprises trucks with two axles and buses.
(4) Multi-axle comprises vehicles with more than two axles.

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the TD Project's total traffic mix, 56%,15%,21% and 8% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 58%,14%,20%, and 8% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

Substantially all of TD's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the TD Project's by category of vehicles for the financial year 2015, 2016 and 2017:

Table 3-6 : Historical Toll Revenue at Toll Plaza at Km 382.850

Category	(in Rs. Millions) For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	81.1	86.4	95.3	8%
LCV (2)	40.0	40.1	38.7	-2%
Bus/Truck (3)	95.4	98.4	100.4	3%
Multi-axle (4)	69.2	65.1	72.7	2%
Total	285.7	290.0	307.1	4%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from November 9, 2016 to December 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in “IRC-64-1990: Guidelines for Capacity of Roads in Rural areas”. The adopted passenger car unit values (PCU) are presented in table below

Table 3-7 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under

Table 3-8 : Traffic in PCU at Project Stretch

Toll Plaza Location	Traffic No	PCU	PCU Index
382.850	6033	10,580	**1.75**

It can be observed from above that project traffic has PCU index more than 1.5 which is a fair indicator of mix being split between commercial and urban traffic with urban traffic dominance.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

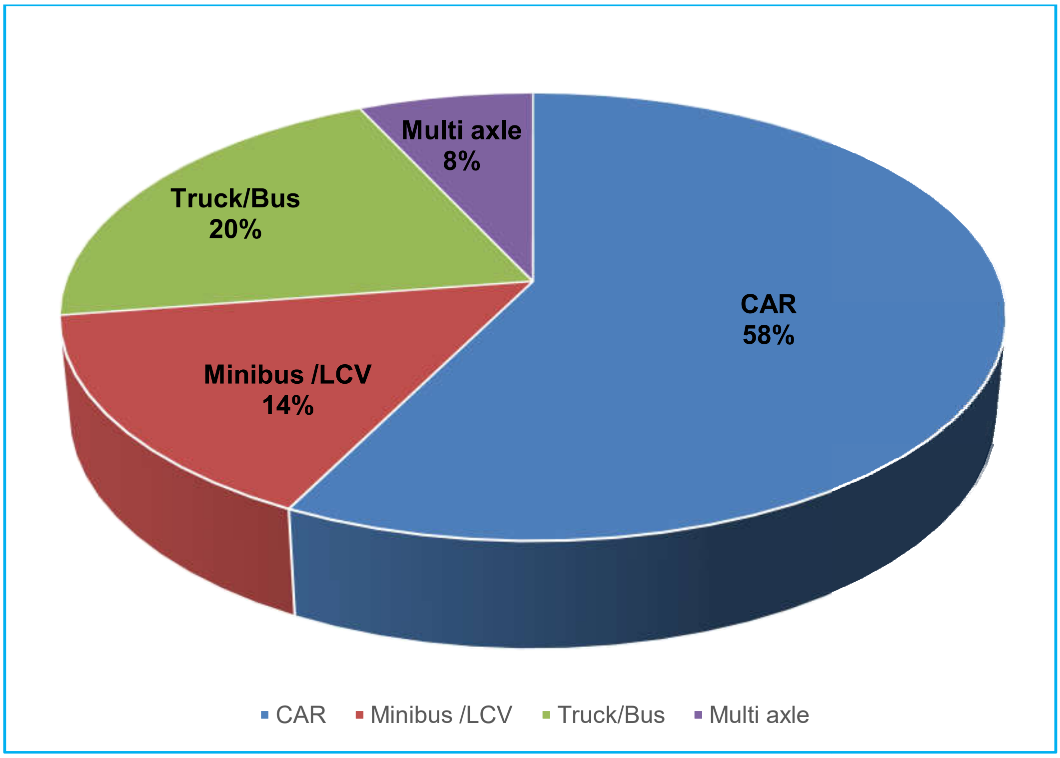


Figure 3-2: Modal Split of Traffic at Toll Plaza 382.850

It is observed that car traffic forms 58% of total traffic at toll plaza location Km 382.850. Share of LCV and bus / truck was 14% and 20% respectively. Multi axle consists of 8% of total traffic. Over all about 42% of traffic is commercial in nature. Higher percentage of urban traffic is due to the project corridor being under influence zone of urban development of Trichy and Dindigul on both ends.

Another important bifurcation of traffic is components of traffic with respectto various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16

Table 3-9 : Journey Type Bifurcation of Traffic at KM 382.850

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	57.7%	41.1%	0.2%	1.0%	**100.0%**
Minibus /LCV	41.2%	56.8%	0.0%	2.0%	**100.0%**
Truck/Bus	34.0%	42.3%	0.0%	23.7%	**100.0%**
Multi axle	69.8%	29.4%	0.0%	0.8%	**100.0%**

Following figure illustrate component of each type of journey in graphics for better understanding.

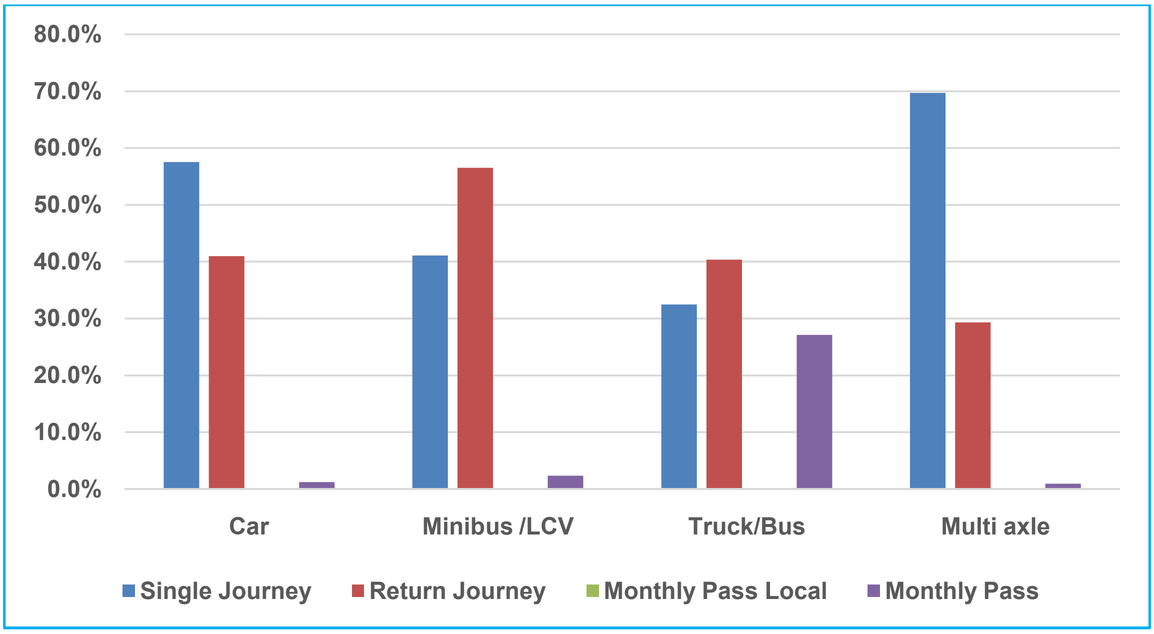


Figure 3-3: Journey Type Bifurcation at Toll Plaza 382.850

It can be observed that car has higher single journey component. Bus and LCV have higher share of return journey as compared to single journey. Multi axle have higher share of single journey. The distribution of journey type indicates good mix of local and long distance travel pattern for cars. LCV and buses are predominantly local with high return journey component. Over all return journeys represent about 44% of the total traffic on project road. This high share of return journey reflects location of project road between two major urban centers on either side. Characteristic of Multi axle and trucks are typical of rural highways which have larger share of single journey. The variation in modal split from financial year 2015-16 and 2016-17 is negligible and hence the split has not been changed.

3.4.3 Seasonal Variation in Traffic

Traffic on highway does not remain uniform throughout the year. Festivals, rains etc. are factors for such variation. Seasonal variation of traffic was worked out from the data available. Following figure depict monthly variation of AADT.

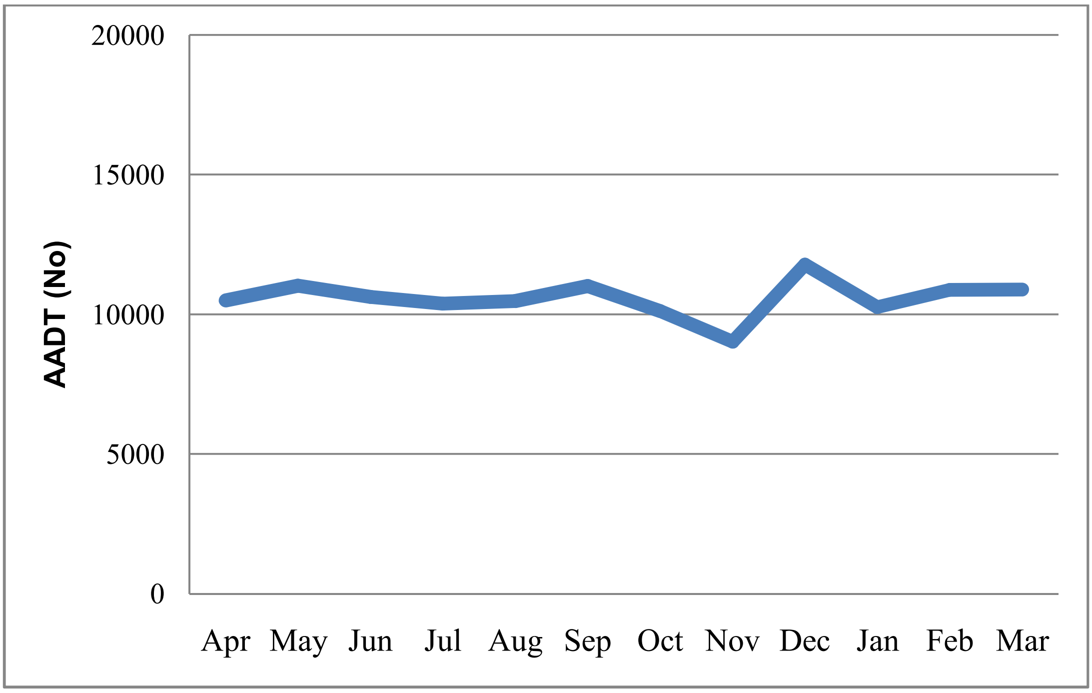


Figure 3-4: Seasonal Variation of Traffic at Project Highway

It is observed that traffic volume reduces in the rainy season from August to November and then picks up after November during the harvest season. Maximum Season correction factor varies between 0.90 to 1.18.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
    a) GDP
    b) NSDP
    c) Population Growth
    d) Per Capita Income growth
    e) Industrial Growth
    f) Special Industry Potential
    g) Regional and National development vision / plan
    h) Any other relevant data
3. Competing road network.

The regression analysis have been done for a longer time span of five to eight years, using authentic data pairs for a common period sourced from the governmental publications, and exclusion of data pertaining to later years will have no significant impact on the outcome of this study. We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flows on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time,
- Geometric deficiencies,
- Configuration of road,
- Riding comfort,
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Trichy to Manapparai
- Manapparai to Dindigul

Following figures depict competing road network of above pair of origin & destinations

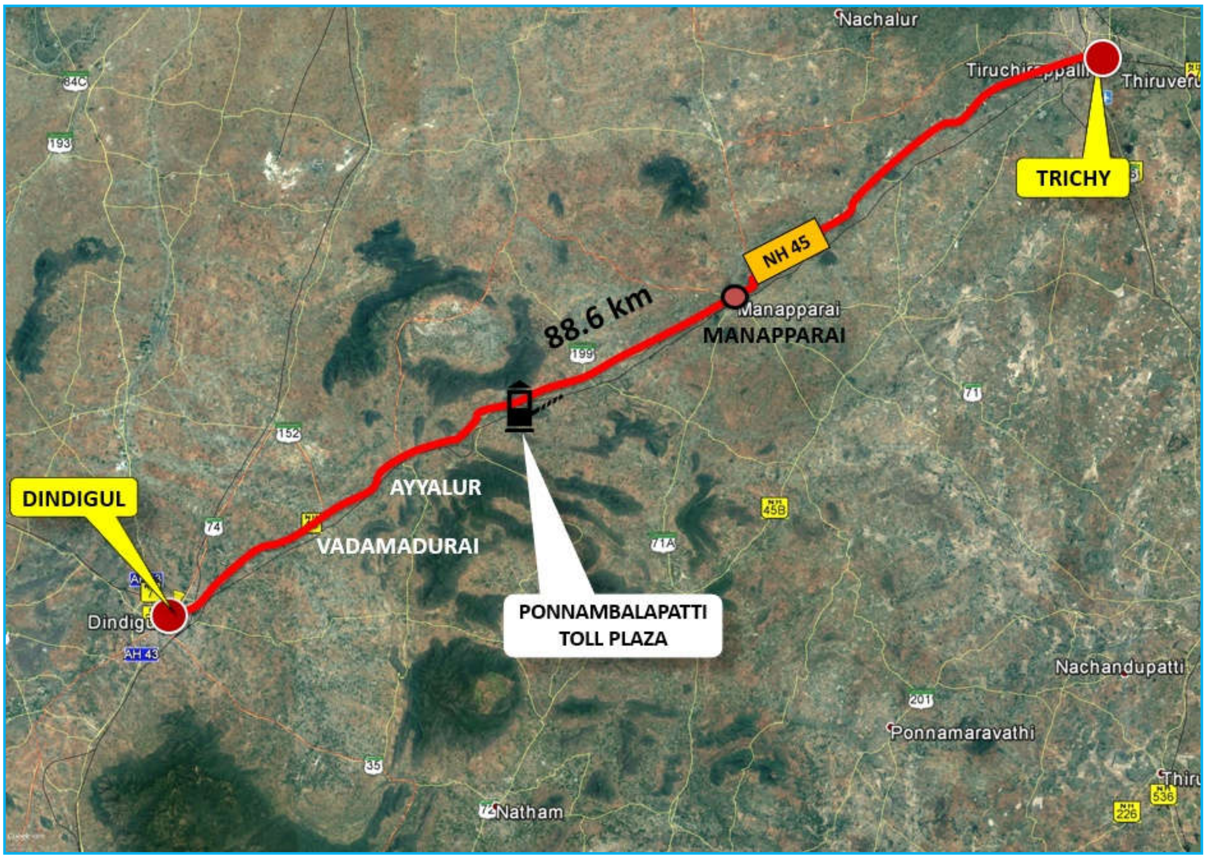


Figure 4-1: Project Alignment Trichy to Dindigul

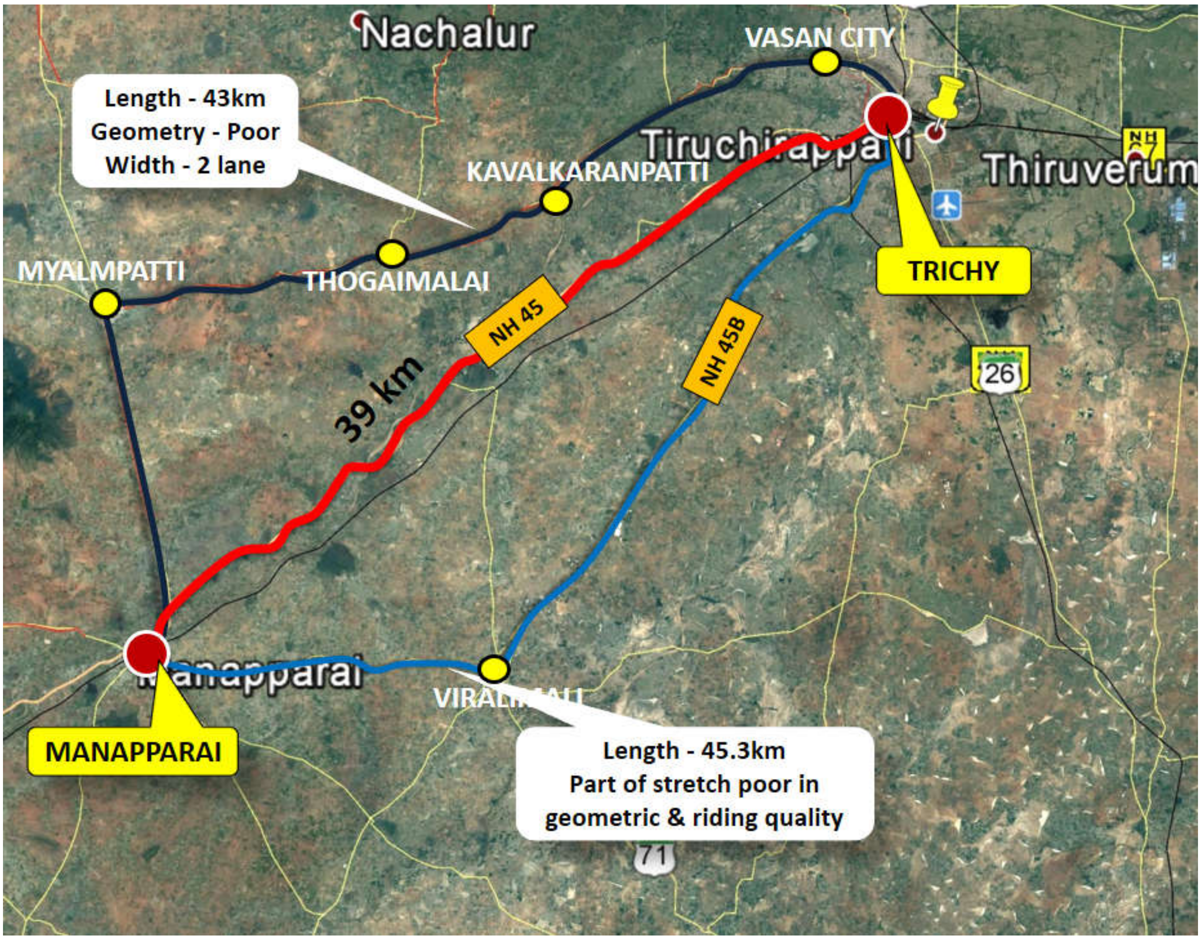


Figure 4-2: Competing Roads Trichy to Manapparai

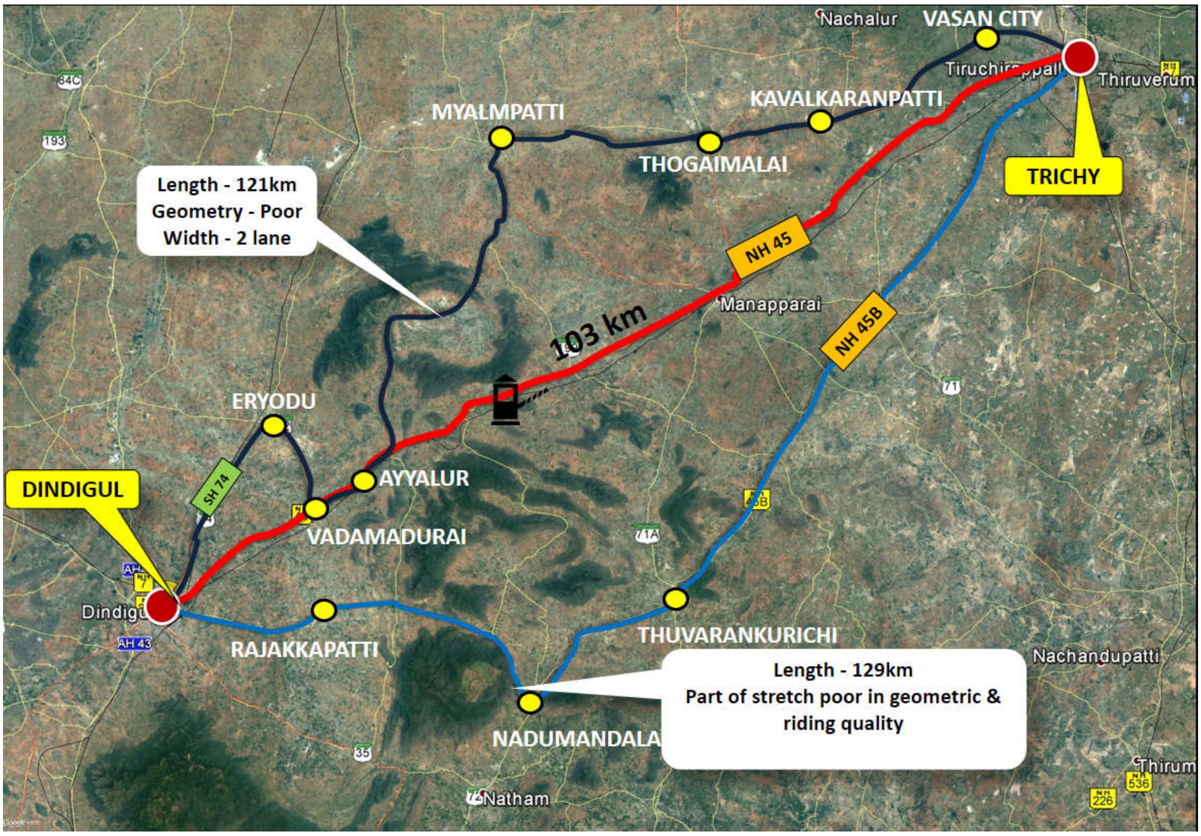


Figure 4-3: Competing RoadsTrichy to Dindigul

It can be observed that the project highway is the spine of the corridor between Trichy to Dindigul. Pilgrims also use this road to access Vaishnavite temple in Srirangam, the Sabrimala Temple in Kerala and the historical monument of Rock Fort in Dindigul. Tourist traffic primarily consists of traffic from Trichy towards Kodiakanal. There are several local roads and state highways which if integrated can form a competing road network. However most of these roads run across project corridor covering much longer distances for the same pairs of origin and destination as compared to project highway. Moreover, the geometry and quality of road is inferior as compared to project section of NH-45, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches of damaged pavement. The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Trichy to Manapparai competing road (NH-45B- Viralimali Road) on East side	Competing Road	45.3	40	68	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-45 not expected
	Trichy to Manapparai via Project Road NH-45	**Project Road**	**39**	**70**	**33**	
	Trichy to Manapparai competing road (Vasan city-Kavalkaranpatti-Thogaimalai-Myalmpatti Road) on West side	Competing Road	43	40	65	
2	Trichy to Dindigul competing road (NH-45B- Thuvarankurichi-Nadumandalam-Rajakkapatti Road) on East side	Competing Road	129	60	129	NH-45B which is part of competing road on east is four lane. Balance part of competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-45 not expected
	Trichy to Dindigul via Project Road NH-45	**Project Road**	**103**	**70**	**88**	
	Trichy to Dindigul competing road (Vasan city-Thogaimalai-Myalmpatti- Ayyalur-Vadamadurai- Eryodu-SH-74 Road) on West side	Competing Road	121	40	182	

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. NH-45B is good road for Trichy Madurai traffic. This road is also tolled and stabilization of traffic is expected to have been achieved by now. Under these circumstances, it is not envisaged that commercial or passenger traffic would switch any more to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5

GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have several uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Trichy - Dindigul section of NH-45 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method, past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on several economic parameters. The most important and direct parameters are given as under

- Per Capita Income

- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log\ (P) = k \times Log\ (EI) + A$$

Where,

P =*Number of Vehicles (Mode wise)*

EI =*Economic Indicator*

A =*Regression constant*

k = *Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

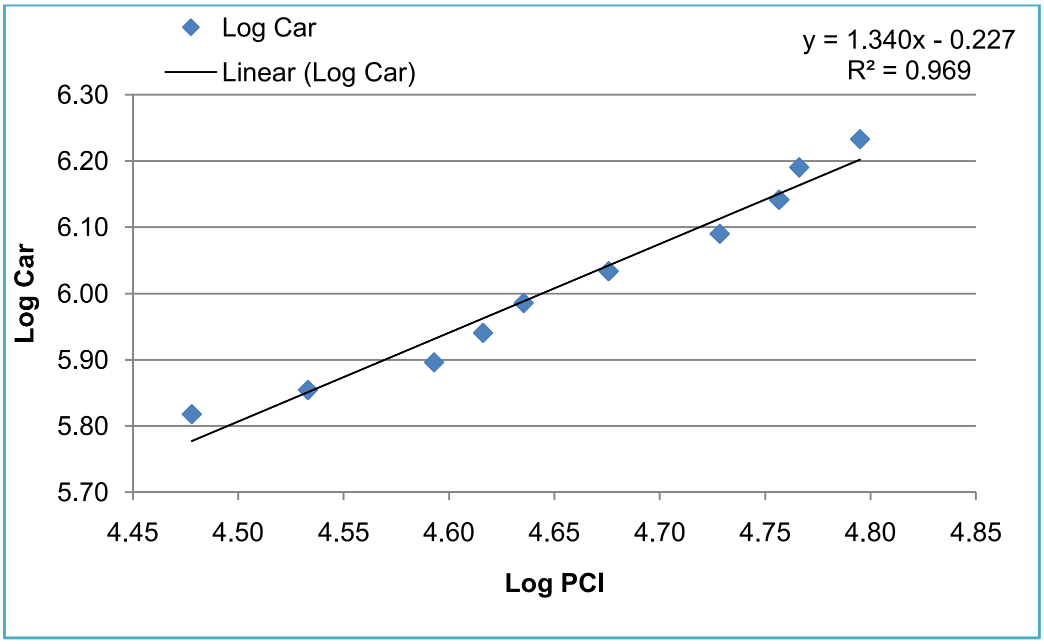


Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	0.8%	
2006	65135000	42999	7.81	4.63	0.8%	
2007	65629000	47765	7.82	4.68	0.8%	
2008	66106000	52617	7.82	4.72	0.7%	
2009	66566000	56338	7.82	4.75	0.7%	
2010	67012000	59240	7.83	4.77	0.7%	
2011	67444000	62725	7.83	4.80	0.6%	
2012	67862000	68096	7.83	4.83	0.6%	
2013	68265000	84488	7.83	4.93	0.6%	0.70%

Regression analysis of same is given in figure below

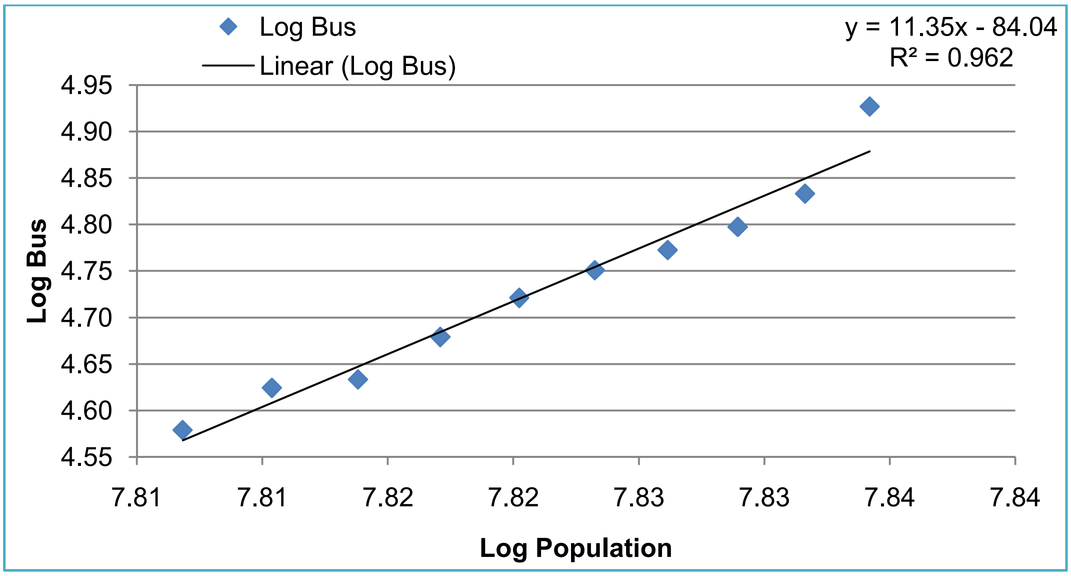


Figure 5-2: Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

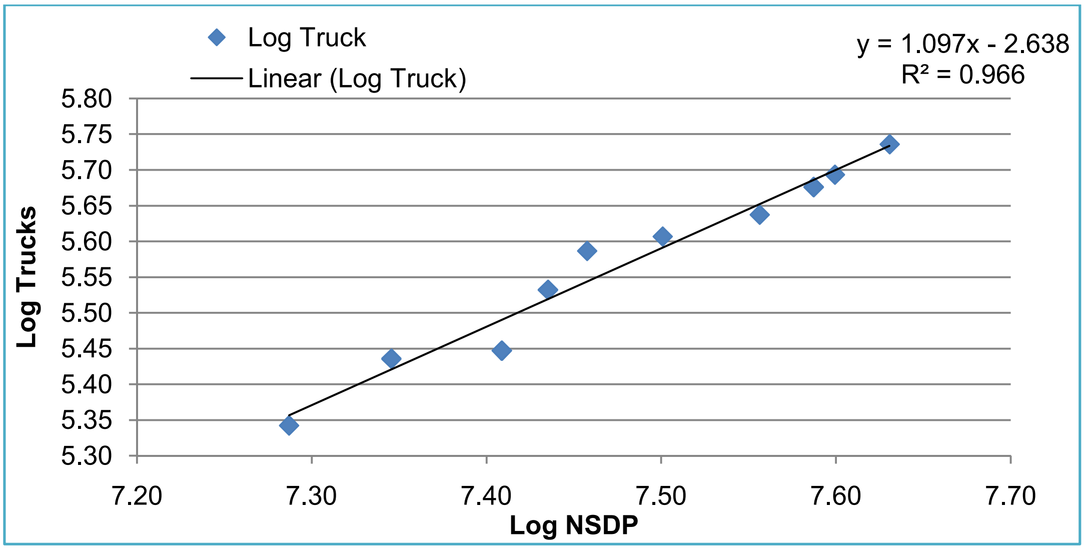


Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamil Nadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R^2 = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - - 84.0434	R^2 = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R^2 = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

Concessionaire has carried out a sample survey of component of share of various states in traffic on project road. The study was done recently in March-16 at toll plaza. Survey was done for both side traffic and approximate sample size was about 90% of the total volume. Following table provides summary of the same

Table 5-5 : Component Share of Various States in Project Traffic

State / Vehicle	Car	Bus	LCV	Truck	MAV
Tamil Nadu	92.0%	89.7%	95.2%	95.0%	95.2%
Kerala	2.8%	0.8%	2.6%	0.6%	2.3%
Karnataka	0.6%	0.5%	0.6%	0.3%	1.3%
Andhra Pradesh	0.2%	0.0%	0.5%	0.3%	0.7%
Puducherry	2.4%	8.1%	0.8%	0.3%	0.3%
Rest of India	2.0%	0.9%	0.2%	3.5%	0.2%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

It is observed from above that in all categories of vehicles, Tamil Nadu share isabout 90% traffic share. Other states have very little share in it. Hence in economic model of growth projection, only Tamil Nadu model is considered. Same is discussed in subsequent sections.

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Trichy to Dindigul has been commissioned and it under tolled operation January 2012. Following tables provide trend of historic growth at toll plaza locations.

Table 5-6 : Past Traffic Trends at toll plaza @ Km 382.850

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth %
Car	2873	3476	10%
LCV	857	859	0%
Bus/Truck	1142	1218	3%
MAV	427	480	6%

It can be observed that commercial traffic has shown positive growth in past 2-3 years. Negative growth in the past 2-3 years. SH-71A which connects Manapparai to NH-45B provides a good alternate connectivity for Madurai bound traffic. The section of SHA-71A was poor before and has been improved to two lane in 2013. Part of traffic which was using project road to reach Madurai may have been diverted to this route. SH-71A has poor geometry and passes through built up areas and has limited capacity to handle traffic. In such case, it is envisaged traffic has by now stabilized in network and further diversion is not anticipated.

As recommended by **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways** "*This (historic growth) for short term projects but for long term projections it would be erroneous for assume that the past rate of growth would prevail for long time in future. Economic conditions are bound to change over long period and it would be necessary to modify the rate of growth accordingly*".

It is thus clear that while developing a futuristic growth projections for highway projects, long terms factors like growth of economy and upcoming developments in area have greater impact than past trends. Considering above, both historic trend and economic factors (elasticity) have been considered suitably to work out recommended growth rate of traffic on project corridor.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

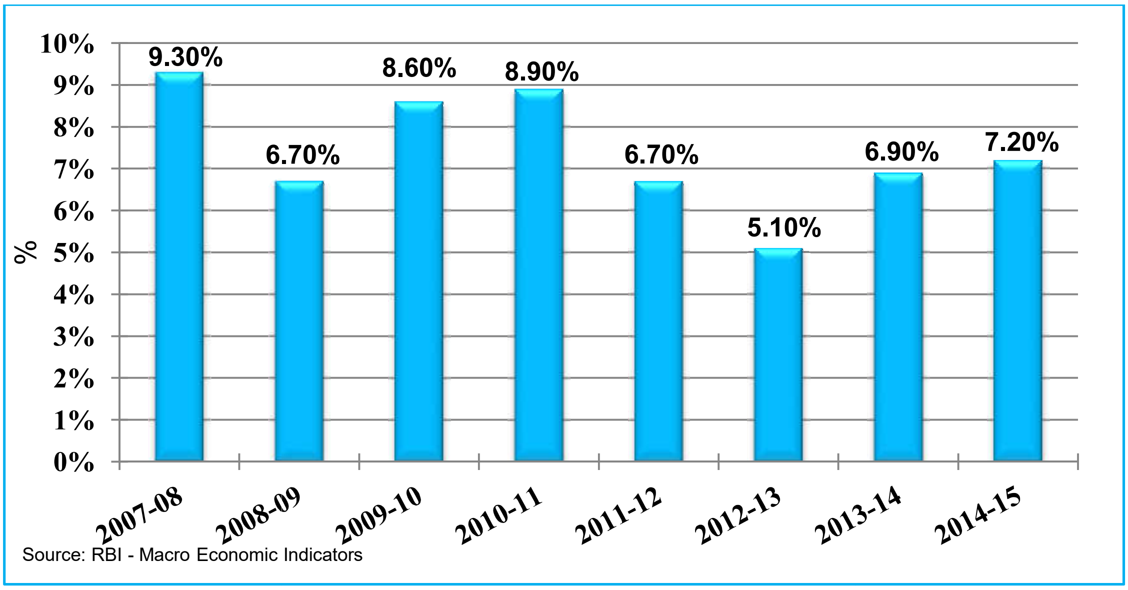


Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Trichy Area

- Tiruchirappalli District is located alongthe Kaveri River in TamilNadu, India. It is the fourth largest municipal corporation and the fourth largest urban agglomeration in the state. The main town in Tiruchirappalli District is the cityof Tiruchirappalli, also known as Trichy.The presence of a large number of energy equipment manufacturing units in and around the city has earned it the title of "Energy Equipment and Fabrication Capital of India". Major Industries in the district are as follows

- Bharat Heavy Electricals Limited, BHEL
- Boiler Manufacturing Industries
- Ordnance Factory Tiruchirappalli
- Cement Factories
- Light and heavy engineering
- Leather Tanneries (E. I. Leather)
- Food processing Industries
- Sugar Mills
- (Traditional) Cigar Making (village) Industries
- IT/BPO
- Manufacturing of Synthetic Stones for Jewelry

- Chinnalapatti, which is located 11 kilometers from Dindigul on the Madurai-Dindigul road is known for its hand loom industry.
- Trichy city is an important educational centre in the state of Tamil Nadu, and houses nationally recognised institutions such as the Indian Institute of Management (IIMT), Indian Institute of Information Technology (IIIT) and National Institute of Technology (NITT)
- Trichy is a major road and railway hub in the state, the city is served by an international airport which operates flights to Southeast Asia and the Middle East.
- **Bharat Heavy Electricals Limited (BHEL)** - A high-pressure boiler manufacturing plant (HPBP) was set up by Bharat Heavy Electricals Limited (BHEL), India's largest public sector engineering company, in May 1965. This was followed by a seamless steel tube plant (SSTP) and a boiler auxiliaries plant. In 2010, the Tiruchirappalli unit of the company contributed to nearly 30 per cent of its total sales, making it the largest of all units. As of 2011, the Tiruchirappalli division employed about 10,000 people, and is supported by a number of ancillary industries producing almost 250,000 tonnes (250,000,000 kg) of fabricated materials. These ancillary units together with BHEL contribute nearly 60 per cent of India's steel fabrication, earning the city the title, "Energy equipment and fabrication capital of India"

- **Golden Rock Railway Workshop** - is one of the three mechanical railway workshops serving the southern zone of the Indian Railways. It is called as Central Workshop, Golden Rock. This repair workshop is basically a "Mechanical Workshop" which comes under the control of the Mechanical Department of the Indian Railways. The total area of this workshop is around 200 acres (0.81 km^2), out of which 26 acres (110,000 m^2) is covered under roof. At present 6,091 employees are working in this workshop. This workshop is primarily engaged in the activities of DSL Loco POH, heritage steam locomotive POH, coaching stock maintenance and wagon manufacturing and other sundry activities.
- **Ordnance Factory Tiruchirappalli (OFT)** is a defence company based in Tiruchirappalli, Tamil Nadu, functioning under the Ordnance Factories Board of the Ministry of Defence, Government of India. OFT started its production with 9 mm carbines and now manufactures arms ranging from 5.56 mm rifles to rocket launchers, shell launchers, grenade launchers, aviation armament, naval armament, tank armament, anti-aircraft guns, autocannons, automatic rifles, sniper rifles. It also started Heavy Alloy Penetrator Project (HAPP) facility; the latter was set up in the late 1980s and comprises a flexible manufacturing system (FMS)—the first of its kind in India
- **Trichy Distilleries and Chemicals Limited (TDCL)** - was established at Senthaneerpuram in the former Golden Rock municipality in 1966 The Trichy Distilleries and Chemicals Limited manufactures rectified spirit, acetaldehyde, acetic acid, acetic anhydride and ethyl acetate. It is one of the biggest private sector distilleries in Tamil Nadu and produced 13.5 megalitres (3.0 million imperial gallons) of spirit alcohol between December 2005 and November 2006.
- **The ELCOT IT Park** -The city's first IT park—commissioned at a cost of ₹600 million (equivalent to ₹940 million or US$14 million in 2016) was inaugurated in December 2010. Set up by the Electronics Corporation of Tamil Nadu, the park occupies an area of 59.74 hectares (147.6 acres) and constitutes a Special Economic Zone. As of December 2010, the Tiruchirappalli region annually exports around ₹262.1 million (equivalent to ₹410 million or US$6.1 million in 2016) of software.

- **Synthetic Gem Industry** - From the late 1980s, a synthetic gem industry was developed in the city; the gemstones are cut and polished in Tiruchirappalli district and in Pudukottai district. In 1990, the Indian government launched a scheme to increase employment by boosting the production of American diamonds and training local artisans in semi-automated machinery and technology. The local gem industry was reportedly generating annual revenues of ₹100 million (equivalent to ₹420 million or US$6.2 million in 2016) by the mid-1990s.

5.6.2 Developments around Dindigul Area

- **Dindigul** is a city in the South Indian state of Tamil Nadu. It is the administrative headquarters of the Dindigul district. Dindigul has several historical monuments, the Rock Fort being the most prominent.Industries in Dindigul include Lock making, leather, textile spinning, administrative services, agricultural trading, banking, agricultural machinery and educational services.
- Locks and steel safes are manufactured in Dindigul and operated as a co-operative sector. Locks manufactured in Dindigul are sold in national and international markets. The Tamil Nadu State Council for Science and Technology, through its research officers wing, has filed geographical indication for Dindigul locks
- Silk, muslin and blanket manufacturing is common in Dindigul. The city has the second largest textile spindling capacity in the State.

Chinnalapatti silk, a brand of silk saree is produced out of Chinnalapatti located 11 km (6.8 mi) from the city.

- Dindigul was an important centre of trade in tobacco and manufacture of cigars. A favorite cigar of Winston Churchill called Churut, the 'Light of Asia', was produced in Dindigul. The tobacco industry is one of the main sources of employment for the inhabitants of Dindigul. The central government has a research center for tobacco in Vedasandur. This is one of the two centers in India. In modern times, it has the largest trading centre in the state for chewing tobacco and scented betel nuts. Well-known brands of scented chewing tobacco like Angu Vilas, Roja Supari etc. operate out of the city and sent to various places in the state and outside.
- Dindigul is also one of the leading leather producers and suppliers in the state.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, overall growth rates are recommended for each category of vehicle. Rate of growth is moderated considering overall regional trend. Growth of Multi-Axle is kept slightly higher as trend of technological advances in logistic industry favors multi-axle over 2/3 axle carriage. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years.

Impact of other important factors affecting growth, as discussed, is taken as under.

- Historical data of project stretch available for short duration only. It has also been discussed that the diversion of traffic due to alternate connectivity is stabilized. Considering above, 10% and 90% weightage is assigned for past trend economic model growth for working out growth projections.
- Only Tamil Nadu elastic model of economic growth in considered since traffic from other state is minimal.
- Due to technological advances in the logistics industry greater preference is now given to Multi Axle (MAV) over conventional 2/3 Axle truck. To accommodate this in the growth projections, growth rate of MAV is stepped down in future years by a lesser offset as compared to that of Car, LCV and

Bus truck. Additionally, the analyzed growth for MAV is boosted up by 1% to account for this phenomenon.

- Lifting of mining ban in Tamil Nadu by aSupreme Court Order in 2015 would also impact positively on traffic growth on corridor.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case.

Table 5-7 : Recommended Growth Rates Optimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.40%	10.40%	9.15%	7.65%	6.15%
Mini Bus /LCV	8.00%	7.00%	5.50%	4.00%	2.50%
Truck / Bus	7.10%	6.10%	4.60%	3.10%	1.60%
Multi Axle	8.40%	7.90%	6.90%	5.90%	4.90%

Table 5-8 : Recommended Growth Rates Pessimistic

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.40%	9.40%	8.15%	6.65%	5.15%
Mini Bus /LCV	7.00%	6.00%	4.50%	3.00%	1.50%
Truck / Bus	6.10%	5.10%	3.60%	2.10%	0.60%
Multi Axle	7.40%	6.90%	5.90%	4.90%	3.90%

Table 5-9 : Recommended Growth Rates Most Likely

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.90%	9.90%	8.65%	7.15%	5.65%
Mini Bus /LCV	7.50%	6.50%	5.00%	3.50%	2.00%
Truck / Bus	6.60%	5.60%	4.10%	2.60%	1.10%
Multi Axle	7.90%	7.40%	6.40%	5.40%	4.40%

CHAPTER 6

TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 6-1 : Total Tollable Traffic @ Toll Plaza 1- 382.850KM (Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	3,872	927	1,305	521	6,625	11,520
2018-19	4,314	1,002	1,397	564	7,277	12,548
2019-20	4,805	1,082	1,496	612	7,995	13,670
2020-21	5,305	1,158	1,588	660	8,711	14,775
2021-22	5,857	1,239	1,685	712	9,492	15,974
2022-23	6,466	1,325	1,787	769	10,347	17,274
2023-24	7,139	1,418	1,896	829	11,282	18,686
2024-25	7,881	1,517	2,012	895	12,305	20,219
2025-26	8,602	1,601	2,105	957	13,264	21,621
2026-27	9,389	1,689	2,201	1,023	14,302	23,128
2027-28	10,248	1,782	2,303	1,093	15,426	24,747
2028-29	11,186	1,880	2,408	1,169	16,643	26,489
2029-30	12,210	1,983	2,519	1,249	17,961	28,363
2030-31	13,144	2,062	2,597	1,323	19,126	29,982
2031-32	14,149	2,145	2,678	1,401	20,373	31,704
2032-33	15,232	2,231	2,761	1,484	21,707	33,536
2033-34	16,397	2,320	2,846	1,571	23,134	35,486
2034-35	17,651	2,413	2,935	1,664	24,662	37,561
2035-36	18,737	2,473	2,982	1,745	25,937	39,245
2036-37	19,889	2,535	3,029	1,831	27,284	41,018
2037-38	21,112	2,598	3,078	1,920	28,709	42,885

Table 6-2 : Total Tollable Traffic @ Toll Plaza 1- 382.850 KM (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	3837.5	918.9	1292.4	515.9	6564.6	11414.3
2018-19	4236.6	983.2	1371.2	554.0	7145.1	12318.2
2019-20	4677.2	1052.0	1454.9	595.0	7779.2	13297.5
2020-21	5116.9	1115.2	1529.0	636.1	8397.2	14239.2
2021-22	5597.9	1182.1	1607.0	680.0	9067.0	15252.0
2022-23	6124.1	1253.0	1689.0	726.9	9793.0	16341.6
2023-24	6699.7	1328.2	1775.1	777.0	10580.1	17514.1
2024-25	7329.5	1407.9	1865.7	830.7	11433.7	18776.3
2025-26	7926.9	1471.2	1932.8	879.7	12210.6	19890.7
2026-27	8572.9	1537.4	2002.4	931.6	13044.3	21078.4
2027-28	9271.6	1606.6	2074.5	986.5	13939.3	22344.4
2028-29	10027.2	1678.9	2149.2	1044.7	14900.1	23694.5
2029-30	10844.5	1754.5	2226.5	1106.4	15931.9	25134.5
2030-31	11565.6	1807.1	2273.3	1160.6	16806.6	26318.9
2031-32	12334.7	1861.3	2321.0	1217.5	17734.6	27568.4
2032-33	13155.0	1917.2	2369.8	1277.1	18719.0	28887.1
2033-34	14029.8	1974.7	2419.5	1339.7	19763.7	30279.1
2034-35	14962.8	2033.9	2470.4	1405.3	20872.4	31748.8
2035-36	15733.4	2064.4	2485.2	1460.2	21743.1	32856.2
2036-37	16543.6	2095.4	2500.1	1517.1	22656.2	34013.9
2037-38	17395.6	2126.8	2515.1	1576.3	23613.8	35224.3

Traffic projections for Most Likely scenario are given as under

Table 6-3 : Total Tollable Traffic @ Toll Plaza 1- 382.850 KM (Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU including Exempted
2017-18	3,855	923	1,298	518	6,595	11,467
2018-19	4,275	992	1,384	559	7,211	12,433
2019-20	4,741	1,067	1,476	603	7,887	13,483
2020-21	5,210	1,136	1,558	648	8,553	14,505
2021-22	5,726	1,210	1,645	696	9,278	15,609
2022-23	6,293	1,289	1,738	747	10,067	16,803
2023-24	6,916	1,372	1,835	803	10,926	18,092
2024-25	7,601	1,462	1,938	862	11,862	19,486
2025-26	8,258	1,535	2,017	917	12,728	20,740
2026-27	8,973	1,612	2,100	976	13,660	22,082
2027-28	9,749	1,692	2,186	1,039	14,665	23,518
2028-29	10,592	1,777	2,275	1,105	15,749	25,056
2029-30	11,508	1,866	2,369	1,176	16,918	26,704
2030-31	12,331	1,931	2,430	1,239	17,932	28,095
2031-32	13,213	1,998	2,494	1,306	19,011	29,569
2032-33	14,158	2,068	2,558	1,377	20,161	31,130
2033-34	15,170	2,141	2,625	1,451	21,387	32,785
2034-35	16,255	2,216	2,693	1,529	22,693	34,540
2035-36	17,173	2,260	2,723	1,597	23,752	35,916
2036-37	18,143	2,305	2,753	1,667	24,868	37,360
2037-38	19,168	2,351	2,783	1,740	26,043	38,875

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Trichy - Dindigul section of NH-45 is based on old toll policy. As per the Toll Notification (Schedule G) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
   a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate based on WPI are done as per toll notification (Schedule G) as given under.

$$\text{Base Fee X } \frac{\text{WPI-B}}{\text{WPI-A}} \text{ X length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule G of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates 1997-98

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule G. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

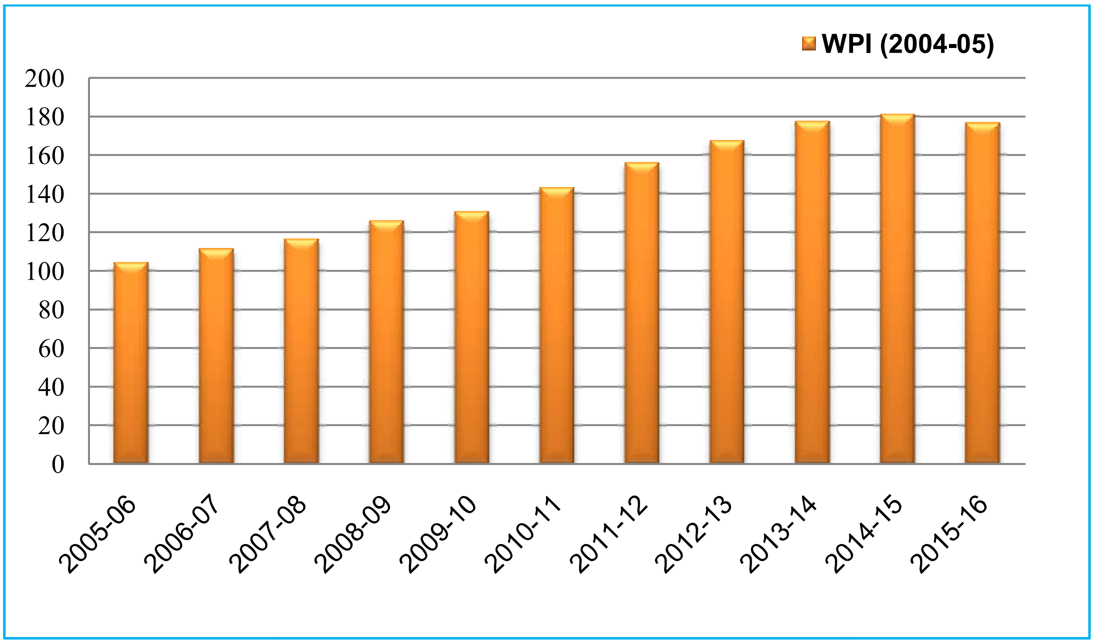


Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. WPI for March 2017 is 5.7%. Taking future trends of economy into account following average WPI inflation is used for projections of toll rates

- Up to Year 2018 -4.0%
- 2019-21 -5.0%
- 2022-26 - 4.0%
- 2027-31 - 3.0%
- 2032-40 - 2.0%

Toll rates are calculated as per guidelines provided in schedule G for the concession period and are given below.

Total project length as per agreement is 88.273. Presently 1 km length of project road is balance for want of land acquisition. Hence at present tollable length of project is 87.273.

Thus, worked out rates for various categories of vehicle and discounts are given as under. These rates are applicable from September 1st of the respective year.

Table 7-2 : Toll Rates for Single Journey @Toll Plaza 1- 382.850 KM

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/Bus - LTO
2017-18	90	160	320	515	15	15	25
2018-19	95	165	330	535	15	15	25
2019-20	100	175	350	560	15	15	25
2020-21	105	185	365	590	15	15	25
2021-22	110	190	385	615	15	15	25
2022-23	115	200	400	640	15	15	25
2023-24	120	210	415	670	15	15	25
2024-25	125	215	430	695	15	15	25
2025-26	130	225	450	720	15	15	25
2026-27	135	235	465	750	15	15	25
2027-28	140	240	480	775	15	15	25
2028-29	140	250	495	795	15	15	25
2029-30	145	255	510	820	15	15	25

2030-31	150	265	525	845	15	15	25
2031-32	155	270	540	870	15	15	25
2032-33	160	275	555	890	15	15	25
2033-34	160	280	565	905	15	15	25
2034-35	165	285	575	925	15	15	25
2035-36	170	295	585	940	15	15	25
2036-37	170	300	600	960	15	15	25
2037-38	175	305	610	980	15	15	25

Table 7-3 : Toll Rates for Multiple Journeys @ Toll Plaza 1- 382.850 KM

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	135	240	480	770
2018-19	140	250	500	800
2019-20	150	260	525	840
2020-21	155	275	550	880
2021-22	165	290	575	925
2022-23	170	300	600	965
2023-24	180	310	625	1000
2024-25	185	325	650	1040
2025-26	195	335	675	1085
2026-27	200	350	700	1125
2027-28	205	360	720	1160
2028-29	210	370	745	1195
2029-30	220	385	765	1230
2030-31	225	395	790	1270
2031-32	230	405	815	1305
2032-33	235	415	830	1330

2033-34	240	425	845	1360
2034-35	245	430	860	1385
2035-36	250	440	880	1415
2036-37	255	450	895	1440
2037-38	260	460	915	1470

Table 7-4 : Toll Rates for Monthly Pass @Toll Plaza 1- 382.850 KM

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LT1	Car - LT2	School Bus
2017-18	2735	4785	9570	15380	150	300	1000
2018-19	2845	4975	9955	15995	150	300	1000
2019-20	2985	5225	10450	16795	150	300	1000
2020-21	3135	5485	10975	17635	150	300	1000
2021-22	3290	5760	11520	18515	150	300	1000
2022-23	3425	5990	11980	19255	150	300	1000
2023-24	3560	6230	12460	20025	150	300	1000
2024-25	3705	6480	12960	20830	150	300	1000
2025-26	3850	6740	13480	21660	150	300	1000
2026-27	4005	7010	14015	22530	150	300	1000
2027-28	4125	7220	14440	23205	150	300	1000
2028-29	4250	7435	14870	23900	150	300	1000
2029-30	4375	7660	15315	24615	150	300	1000
2030-31	4510	7890	15775	25355	150	300	1000
2031-32	4645	8125	16250	26115	150	300	1000
2032-33	4735	8290	16575	26640	150	300	1000
2033-34	4830	8455	16905	27170	150	300	1000
2034-35	4925	8620	17245	27715	150	300	1000
2035-36	5025	8795	17590	28270	150	300	1000
2036-37	5125	8970	17940	28835	150	300	1000
2037-38	5230	9150	18300	29410	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely***growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2037-38 (Expected End of Concession Period) starting from the year 2017-18 are shown in tables below.

Overloading of commercial vehicles is a known phenomenon on Indian roads. Currents project witnessed instances of overloading. These vehicles can be charge at extra higher rate as per contract to discourage overloading. A sample study done at Hosur Krishnagiri section of NH-7 by concessionaire shows that at present overloading charges can be translated to about 7% extra revenue. For next 2-3 years, this trend may continue at same % then it would gradually diminish over a period of say 8-10 years. Same phenomenon can be expected to occur at project stretch.Following table provides expected component of revenue from overloading

Table 7-5 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Expected Revenue from Overloading
2017-18	7%
2018-19	7%
2019-20	5%
2020-21	5%
2021-22	4%
2022-23	4%
2023-24	3%
2024-25	3%
2025-26	2%
2026-27	2%

2027-28	1%
2028-29	1%

Toll revenue projections, excluding revenue from overloading, are given in following tables.

Table 7-6 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Toll at Plaza 382.850
2017-18	36.6
2018-19	41.3
2019-20	47.3
2020-21	53.5
2021-22	60.7
2022-23	68.5
2023-24	77.3
2024-25	86.8
2025-26	96.6
2026-27	107.4
2027-28	118.8
2028-29	130.1
2029-30	143.4
2030-31	156.4
2031-32	170.5
2032-33	184.6
2033-34	199.1
2034-35	214.6
2035-36	229.6
2036-37	243.8
2037-38	205.1

Table 7-7 : Toll Revenue Pessimistic Scenario (Rs. Crores)

Year	Toll at Plaza 382.850
2017-18	36.3
2018-19	40.6
2019-20	46.0
2020-21	51.6
2021-22	58.0
2022-23	64.8
2023-24	72.5
2024-25	80.6
2025-26	88.9
2026-27	97.8
2027-28	107.3
2028-29	116.4
2029-30	127.1
2030-31	137.3
2031-32	148.2
2032-33	159.0
2033-34	169.9
2034-35	181.4
2035-36	192.2
2036-37	202.1
2037-38	168.5

Table 7-8 : Toll Revenue Most Likely Scenario (Rs. Crores)

Year	Toll at Plaza 382.850
2017-18	36.5
2018-19	41.0
2019-20	46.6
2020-21	52.5
2021-22	59.3
2022-23	66.6
2023-24	74.9
2024-25	83.7
2025-26	92.7
2026-27	102.5
2027-28	112.9
2028-29	123.1
2029-30	135.0
2030-31	146.6
2031-32	159.0
2032-33	171.3
2033-34	183.9
2034-35	197.4
2035-36	210.2
2036-37	222.0
2037-38	186.0

CHAPTER 8

OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For this purpose, major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed. As per condition of contract periodic repair and maintenance on project road is to be done on every 5 years' interval. Same is considered while developing cots of operation and maintenance.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	87.27	KM
Main Carriageway	Paved Area	1594180	SQM
Service Road	Paved Area	87934	SQM
Bus bays	Paved Area	16905	SQM
Truck Lay bye	Paved Area	1463	SQM
Structure		**12306**	SQM
Major Bridge	Area	12306	SQM
Minor Bridge	Area	0	SQM
Flyover	Area	0	SQM
RCC Crash Barrier	Length	2344	RMT
Metal Beam Crash Barrier	Length	17655	RMT
Guard Post	Nos	35309	No.
Kerb Detail	Length	176546	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Trichy to Dindigul on NH-45 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance** – This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Some pavement strengthening is also anticipated in few sections. Ministry in its Specifications for Road & Bridge Works (5th Revision) has included Micro Surfacing as surface sealing and renewal treatment. NHAI has also issued instruction to use Micro Surfacing for periodic renewal course vide letter dated 15th November 2016. In light of above, Micro Surfacing is considered as overlay course in 45% of the project stretch. For balance 55% normal asphalt course is considered. Also, from practicality of construction and traffic operation on project road, Major Maintenance and Repair (MMR) work is spread over a period of 2 years without escalation. Toll operation on project road commenced in year 2012. Considering 5 years MMR cycle, next cycle of MMR is expected in year 2018-19.

Cost for above operations is taken on prevailing rates. Following tables provides year cost of Regular Operation and Maintenance and Major Maintenance and Repair

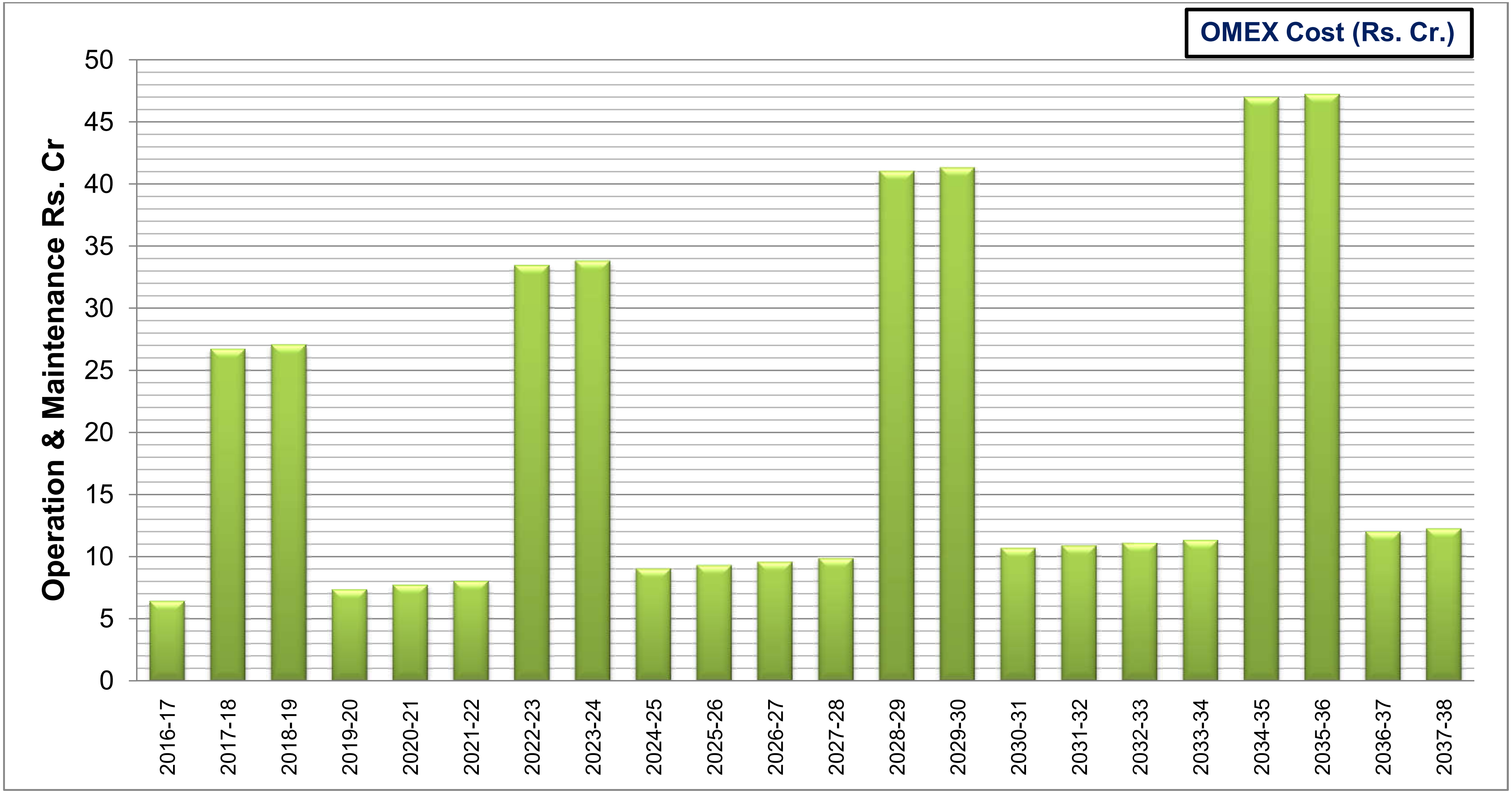
Table 8-2 : Year wise Details of Regular Operation & Maintenance Cost

Year	Total Regular O & M Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Regular O & M Expenditure (Rs. Crores) with escalation
2017-18	6.74	1.00	6.74
2018-19	6.74	1.05	7.08
2019-20	6.74	1.10	7.43
2020-21	6.74	1.16	7.80
2021-22	6.74	1.20	8.11
2022-23	6.74	1.25	8.44
2023-24	6.74	1.30	8.78
2024-25	6.74	1.35	9.13
2025-26	6.74	1.41	9.49
2026-27	6.74	1.45	9.78
2027-28	6.74	1.49	10.07
2028-29	6.74	1.54	10.37
2029-30	6.74	1.59	10.68
2030-31	6.74	1.63	11.00
2031-32	6.74	1.67	11.22
2032-33	6.74	1.70	11.45
2033-34	6.74	1.73	11.68
2034-35	6.74	1.77	11.91
2035-36	6.74	1.80	12.15
2036-37	6.74	1.84	12.39
2037-38	6.74	1.87	12.62

Table 8-3 : Year wise Details of Major Maintenance & Repair (MMR) Cost

Year	Total Length of Project Road (Km)	No. of Lanes	Total Lane Km	Normal Overlay Lane Km Length (55% of the total)	Micro Surfacing Lane Km Length (45% of the total)	Rate of Normal Overlay Per Km Per Lane (Rs. Cr.)	Rate of Micro Surfacing Overlay Per Km Per Lane (Rs. Cr.)	Total Cost of Major Maintenance & Repair Current Price	Escalation Factor	Total Cost of Major Maintenance & Repair at Escalated Price
2017-18	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.04	20.22
2018-19	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.04	20.22
2019-20	87.27	4	349.09							
2020-21	87.27	4	349.09							
2021-22	87.27	4	349.09							
2022-23	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.30	25.32
2023-24	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.30	25.32
2024-25	87.27	4	349.09							
2025-26	87.27	4	349.09							
2026-27	87.27	4	349.09							
2027-28	87.27	4	349.09							
2028-29	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.60	31.12
2029-30	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.60	31.12
2030-31	87.27	4	349.09							
2031-32	87.27	4	349.09							
2032-33	87.27	4	349.09							
2033-34	87.27	4	349.09							
2034-35	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.83	35.74
2035-36	87.27	4	349.09	96	78.55	0.16	0.05	19.29	1.83	35.74
2036-37	87.27	4	349.09							

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.



CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Trichy to Dindigul section of NH-45 in state of Tamil Nadu from km 333.000 to km 421.273 is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

RELIANCE

TRICHY - KARUR (KM 135.800 to KM 218.000) SECTION OF NH-67 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

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TRICHY - KARUR (KM 135.800 to KM 218.000) SECTION OF NH-67 IN THE STATE OF TAMIL NADU

TOLL REVENUE AND O&M COST PROJECTION REPORT (FINAL)

APRIL 2017

CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS

AADT	-	Annual Average Daily Traffic
BOT	-	Build Operate Transfer
CAGR	-	Compound Annual Growth Rate
CTV	-	Classified traffic volume
DBFOT	-	Design, Build, Finance, Operate & Transfer
EME	-	Earth Moving Equipment
GDP	-	Gross Domestic Product
GSDP	-	Gross State Domestic Product
HCM	-	Heavy Construction Machinery
HCV	-	Heavy Commercial Vehicle
HTMS	-	Highway Traffic Management System
IRC	-	Indian Road Congress
IRR	-	Internal Rate of Return
LCV	-	Light Commercial Vehicle
LHS	-	Left Hand Side
LGV	-	Light Goods Vehicle
MAV	-	Multi Axle Vehicle
MORTH	-	Ministry of Road Transport and Highways
NH	-	National Highway
PCC	-	Plain Cement Concrete
CR	-	Coarse Rubble
NHAI	-	National Highway Authority of India
NHDP	-	National Highways Development Project
NSDP	-	Net State Domestic Product
O&M	-	Operation & Maintenance
PCDP	-	Per Capita Domestic Product
PCI	-	Per Capita Income
PCU	-	Passenger Car Unit
PSC	-	Pre-stressed Concrete
RCC	-	Reinforced cement concrete
RHS	-	Right Hand Side
SH	-	State Highway
TP	-	Toll Plaza
WPI	-	Wholesale Price Index
SIR	-	Special Investment Region
c.	-	Circa
ROB	-	Railway Over Bridge
MDR	-	Major District Road
ODR	-	Other District Road
CA	-	Concession Agreement
RMT	-	Running Meter

CHAPTER 1

INTRODUCTION

1.1 Background

The Government of India has approved 4 laning of 4000 Kms length of National Highways on BOT basis under NHDP Phase IIIA and entrusted implementation of the programme to the NHAI.

The project under consideration, Trichy –Karur Section of NH-67 from Km 135.80 to Km 218.000is one such road project NHAI intended to implement on a BOT basis in the DBFOT format. Project has concession period of 30 years. Toll operation started on project from 22ndFebruary 2014. The Project has been commissioned and is currently in the operation / maintenance phase.

1.2 Objective of the Study

M/s Reliance Infrastructure InvITFund has engaged GMD Consultants to assess the future traffic and toll potential of project along with related operation & maintenance expenditure involved.

This report named as "***Toll Revenue and O&M Cost Projection Report***" mainly focuses on traffic and O&M aspects of the project. Other parameters like competing road, area developments etc. have been considered from a traffic development point of view.

1.2.1 Scope of Services

The broad scope of work covered in the assignment is as follows

a) Analysis of Traffic Growth

b) Toll Rate Growth

c) Revenue Forecasting

d) Operation and Maintenance Cost Projections

Origin Destination survey data (including trip frequency, trip length distribution, major traffic generators and their contribution, commodity analysis, etc.) has been sourced from a third party study, we relied upon the survey outcome after necessary cross verification with the three year historical data available with the toll collection plazas. The Concessionaire has provided basic traffic data and other project details based on which the above analysis has been carried out.

CHAPTER 2

PROJECT DETAILS

2.1 Project Corridor

NH-67 starts from Nagapattinam in the state of Tamil Nadu and traverses through Thanjavur, Trichy and Karur towns before ending at Coimbatore in the state of Tamil Nadu itself.The project corridor is a segment of NH - 67starts from Trichy (Km 135.800) and ends at Karur (Km 218.000) crossing NH-7 on North-South corridor.This section has a high traffic density connecting western Tamil Nadu to the eastern coastal regions of the state and is also along the corridor that connects Coimbatore to the important location in east such as Trichy, Kumbakonam, Thanjavur and Nagapattinam.

Project road stretch from Km 154.400 to Km 218.000 was completed. Stretch of Trichy Bypass from Km 0.000 to Km 17.305 and from Km 153.230 to Km 154.400 could not be completed as required land for widening was not made available. Thus, in November 2013 a supplementary agreement was executed between NHAI and Concessionaire in which total length of 18.475 Km (Trichy Bypass and stretch from KM 153.230 to Km 154.400) was delinked from project for COD purpose. 2.28 Km length of Lalapet ROB was added to project length.Thus, total length of project road is 63.628 Km for which COD is awarded.

Figure 2.1 to 2.3 shows the location of the project corridor at country/state/district levels respectively.

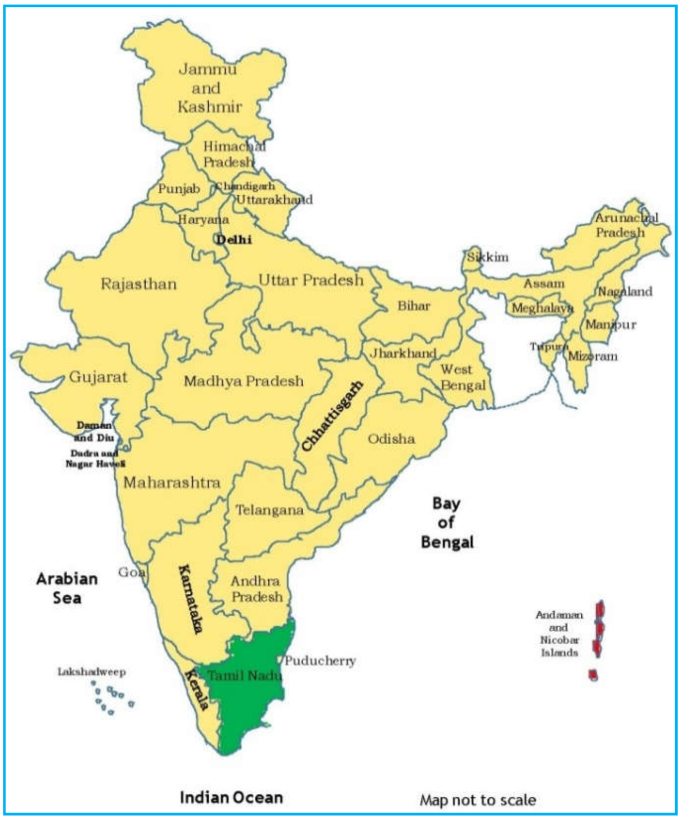

Figure 2-1: Index Map of Project Highway - Country Level

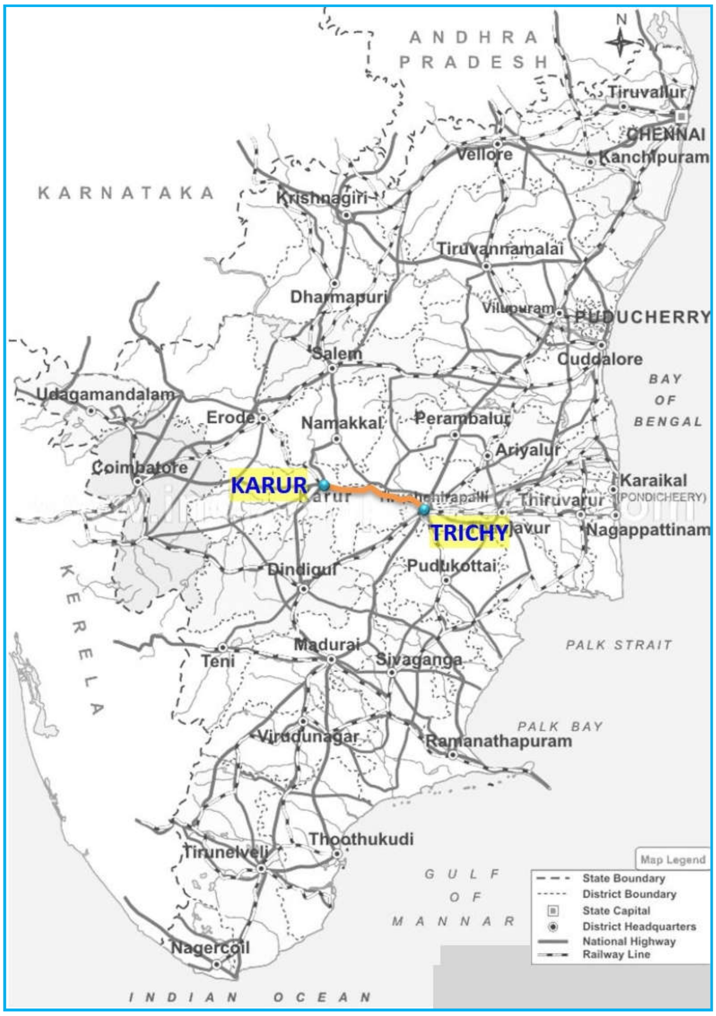

Figure 2-2: Index Map of Project Highway - State Level

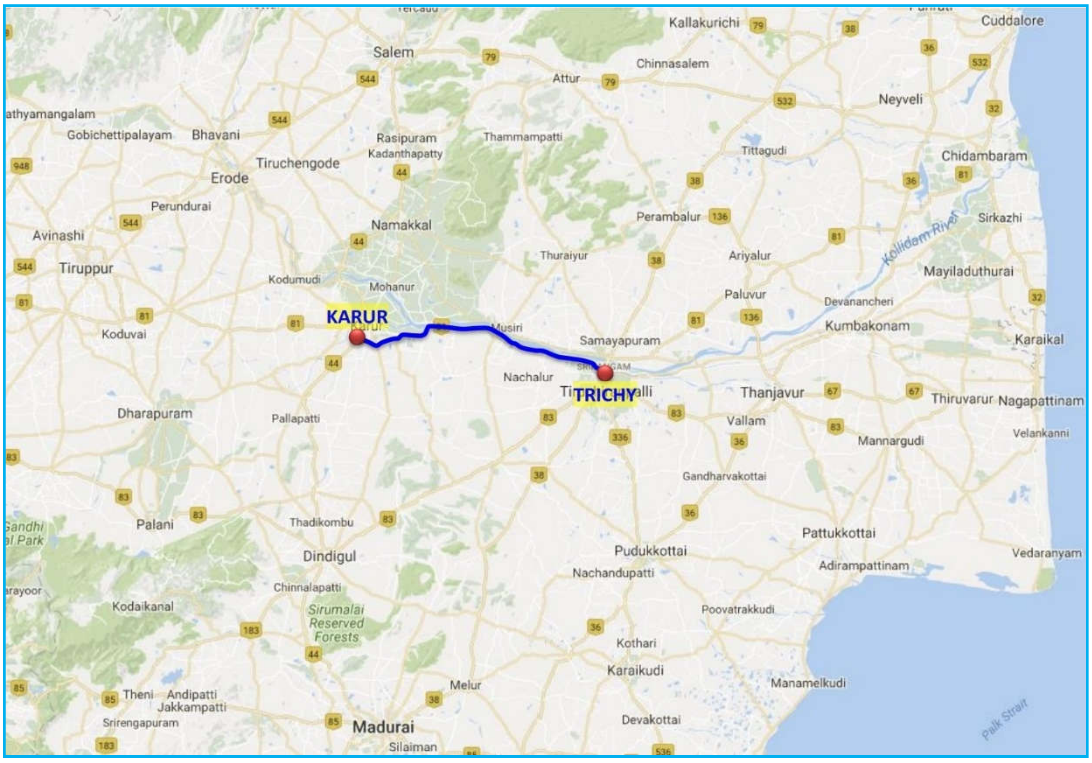

Figure 2-3: Location Map of the Project Road

2.2 Corridor Description

The project corridor starts from Trichy (Km 135.800) and ends at Karur (Km 218.000). It works as east-west connector between NH-45B and NH-7.

The Project road runs in Trichy and Karur districts passing through five taluks namely, Trichy, Srirangam, Kulithalai, Krishnarayapuram and Karur.The road stretch runs very close to Cauvery River for length of 26 Kms and follows its southern bank.

The project corridor traverses through a flat terrain of mostly agricultural belt except some built-up area. In Km 135.800 to 142.000, it runs through heavily built up area including Trichy town which needs to be bypassed. The stretch from Km 169.000 to Km 178.000 is located in semi-urban area of Kulithalai town thus is bypassed. The road stretch from Km 178.000 to Km 183.000 runs parallel to Cauvery River and follows its southern bank. In Km 183.000 to Km 185.000, it runs through heavily built up area of Lalapet town. Lastly the stretch from Km 203.000 to 218.000 passes through Semi-urban area of Karur and Gandhigraman thus is bypassed.

The project corridor alignment traverses through plain terrain throughout its entire length.

2.3 Salient Features

The salient features of the project corridor are as given below;

- Total Length of Project = 82.200 Kms
- Major Bridges = 05 Nos.
- Minor Bridges = 12 Nos.
- Flyovers & ROB's = 06 Nos.
- Culverts = 95 Nos.
- Vehicular Underpass = 08 Nos.
- Pedestrian Under passes = 01 Nos.
- Major Intersections = 06 Nos.
- Service Road = 22.220 Kms.
- Bus Bays = 23 Nos.
- Truck Lay Byes = 02 Nos.
- Toll Plaza Complex = 02 Nos.

The details of the structures are given below.

2.3.1 Major Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-1 : List of Major Bridges

Sr. No.	Chainage (km)	Span Arrangement (m)	Total width of Super Structure (m)
1	7.785	4 x 25	11
2	10.860	4 x 25	11
3	10.985	4 x 25	11
4	14.150	4 x 25	11
5	165.534	3 x 25	11

2.3.2 Minor Bridges

The list of Major Bridges along the project corridor is as given below

Table 2-2 : List of Minor Bridges

Sr. No.	Chainage (km)	Span Arrangement (m)	Total width of Super Structure (m)
1	0.947	1 x 16	11
2	1.220	1 x 25	11
3	4.590	1 x 16	11
4	155.984	2 x 25	11
5	161.808	1 x 9	11
6	165.615	1 x 35	11
7	194.189	1 x 18	11
8	194.441	1 x 18	11
9	201.100	1 x 9	24
10	201.295	1 x 9	24
11	201.666	1 x 9	24
12	201.953	1 x 18	24

2.3.3 Flyovers & ROB's

The list of flyovers & ROB's along the project corridor is as given below

Table 2-3 : List of Flyovers& ROB's along Project Corridor

Sr. No.	Chainage (km)	Span Arrangement (m)	Total width of Super Structure (m)	Type of Sub Structure and Foundation	Remarks
1	0.000	1x 40	20.50	RCC Pier	Flyover
2	153.230	15 x 30	20.50	RCC Pier	Flyover
3	212.385 (on SH-74)	5 x 30	10.25	RCC Pier	Flyover
4	1.757	1 x 30	10.25	RCC Pier	ROB
5	17.260	1 x 30	20.5	RCC Pier	ROB
6	210.988	1 x 30	20.5	RCC Pier	ROB

2.4 Project Corridor Illustration

Following photographs illustrate project section along the corridor

Figure 2-4: Photographs showing Project Corridor

CHAPTER 3

TRAFFIC SURVEYS AND ANALYSIS

3.1 Traffic Surveys

During the course of our work we have collected required information for project corridor to understand the general traffic and travel characteristics on the corridor.

The following traffic datahas been collected for project.

- Classified traffic volume counts at toll plaza location on Trichy - Karur section of NH-67for base year 2016-17
- Local Component of traffic
- Component of Return Journey
- Component of Monthly Pass Journey

The main objective of the traffic data analysis is to:

- Determine the existing traffic movement characteristics of project
- Establish base year traffic
- Identification of travel patterns and modal split of project traffic
- Deriving growth factors for traffic forecasting
- Estimation of corridor traffic including traffic diversion if any
- Preparation of revenue model and projection of revenue as per toll policy for various scenarios

Project can be divided into single homogenous sections from traffic point of view.

- Trichy -Karur

Table 3-1below lists provides details of locations from where traffic details have been collected.

Table 3-1 : Traffic DataDetails

Sr. No.	Location	CTV	Single Journey Traffic	Multiple Journey	Monthly Pass	Local Traffic
1	Km 157.500 Thirupparaithurai Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 20162017	For Year 2016-2017	For Year 2016-2017
2	Km 198.500 Manavasi Toll Plaza	AADT for Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017	For Year 2016-2017

The locations of each of the traffic survey are illustrated in Figure 3-1.

Figure 3-1: Toll Plaza Locations

3.2 Classified Traffic Volume Count

The objective of conducting a Classified Traffic Volume Count is to understand the traffic flow pattern including modal split on a roadway. The Classified Traffic Volume Count survey has been provided by concessionaire of project highway from actual traffic data gathered at toll plaza locations based on monthly data shared with NHAI. These locations are indicated in ***Figure 3-1*** and listed in***Table 3-1***.

The vehicles can broadly be classified into fast moving / motorized and slow moving / non-motorized vehicles, which can be further classified into specific categories of vehicles. The groupings of vehicles are further segregated to capture the tollable vehicle categories specifically and toll exempted vehicles are counted separately. The detailed vehicle classification system as per IRC: 64-1990 is given in ***Table 3-2***.

Table 3-2 : Vehicle Classification System

Vehicle Type	
Auto Rickshaw	
Passenger Car	Car, Jeep, Taxi & Van (Old / new technology)
Bus	Mini Bus
	Standard Bus
Truck	Light Goods Vehicle (LCV)
	2 – Axle Truck
	3 Axle Truck (HCV)
	Multi Axle Truck (4-6 Axle)
	Oversized Vehicles (7 or more axles)
Other Vehicles	Agriculture Tractor, Tractor & Trailer

Source - IRC: 64 – 1990

However, since project highway is currently under toll operation, the data collected is corresponding to category of tollable vehicles. Following are the type of vehicles as per concession agreement.

- Car / Jeep / Van
- LCV
- Truck / Bus
- Multi Axle (MAV)
- Oversize Vehicle

3.3 Traffic Characteristic

Toll revenue of project highway does not solely depend on traffic volume. There are certain characteristics of traffic which have substantial potential to affect toll collection. Component of local traffic, component of passenger and commercial traffic, portion of return journey traffic, % of monthly pass traffic are some of such characteristics of traffic. These will be discussed in subsequent sections of report.

3.3.1 Traffic Data

Project concessionaire has provided Traffic data for base year 2016-17 as under at the toll plaza locations

Table 3-3 : Traffic Data at Toll Plaza Km 157.500

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	4325
2	LCV	966
3	Truck/Bus	1638
4	Multi Axle	788
	Total	**7718**

* excluding exempt

Table 3-4 : Traffic Data at Toll Plaza Km 198.500

Sr. No	Type of Vehicle	Annual Average Daily Traffic (Nos.)*
1	CAR	3963
2	LCV	976
3	Truck/Bus	4711
4	Multi Axle	2057
	Total	**11707**

* excluding exempt

This data was then bifurcated to various components like through local, monthly, return journey etc. category for analysis. Same is discussed in detail in following section.

The table below sets forth the tollable traffic count by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-5 : Historical Tollable Traffic

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	1,263,195	1,348,357	1,397,896	5%
LCV (2)	345,389	345,604	332,698	-2%
Bus/Truck (3)	1,370,631	1,396,311	1,249,353	-5%
Multi-axle (4)	506,933	566,201	554,209	5%
Total	3,486,148	3,656,473	3,534,156	1%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from Nov 9, 2016 to Dec 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

The tollable annual average daily traffic for the project increased to 23,798 PCUs in 2017 from 22,396 PCUs in 2015, representing a CAGR of 3%. The table below sets forth the tollable annual average daily traffic by category of vehicles for the financial years 2015, 2016 and 2017:

Table 3-6 : Historical AADT at Toll Plaza

Category	For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car (1)	3,461	3,852	4,087	9%
LCV (2)	946	987	973	1%
Bus/Truck (3)	3,755	3,989	3,653	-1%
Multi-axle (4)	1,389	1,618	1,620	8%
Total	9,551	10,446	10,333	4%
Total PCUs	22,396	24,582	23,798	3%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from Nov 9, 2016 to Dec 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

On average for the three financial years ended 2015, 2016 and 2017, cars, LCVs, buses and trucks and multi-axle vehicles accounted for, in terms of the TK Project's total traffic mix, 37%, 10%, 38% and 15% of tollable traffic, respectively. In the financial year 2017, cars, LCVs, buses and trucks and multi-axle vehicles represented, in terms of the project's total traffic mix, 40%, 9%, 35%, and 16% of tollable traffic for the project, respectively.

Toll fees charged and gross monthly toll revenues

For the Fiscal Year 2014, TK recognized construction income related to the construction of roads. From Fiscal Year 2015, substantially all of TK's operating revenues are derived from the tolls that it is entitled to collect. The following table sets forth the toll fees charged for the TK Project's by category of vehicles for the financial year 2015, 2016 and 2017:

Table 3-7 : Historical Toll Revenue at Toll Plaza

Category	(in Rs. Millions) For the FY ended March 31			CAGR FY15 –FY17 (%)
	2015	2016*	2017**	
Car [1]	65.2	71.9	74.7	7%
LCV [2]	29.5	30.9	30.0	1%
Bus/Truck [3]	213.7	226.9	205.2	-2%
Multi-axle [4]	152.0	176.7	171.7	6%
Total	460.4	506.4	481.6	2%

* Toll operations suspended for 15 days due to floods in Dec 2015

** Toll operations suspended for 24 days due to demonetization from Nov 9, 2016 to Dec 2, 2016.

Notes:

(1) Car comprises private cars, taxis and vans.

(2) LCV comprises light commercial vehicles and minibuses.

(3) Bus/Truck comprises trucks with two axles and buses.

(4) Multi-axle comprises vehicles with more than two axles.

3.4 Data Analysis

3.4.1 Analysis of Traffic Volume Count

Understanding the character of existing traffic forms the basis of traffic forecast. The various vehicle types having different sizes and characteristics can be converted into a single unit called Passenger Car Unit (PCU). Passenger Car equivalents for various vehicles are adopted based on recommendations of Indian Road Congress prescribed in "IRC-64-1990: Guidelines for Capacity of Roads in Rural areas". The adopted passenger car unit values (PCU) are presented intable below

Table 3-8 : PCU Factors Adopted for Study

Vehicle Type	PCUs
Car	1.0
Mini Bus	1.5
Standard Bus	3.0
LCV/LGV	1.5
2 Axle Truck	3.0
3 – 6 Axle Truck	4.5
MAV	4.5
Auto Rickshaw/	1.0
Van/Tempo	1.0
Agriculture Tractor with Trailer	4.5
Agriculture Tractor without Trailer	1.5

Source: IRC: 64-1990

Traffic volume at each toll plaza was converted to PCU and same is presented as under. Higher PCU index indicated higher share of larger (commercial) vehicles

Table 3-9 : Traffic in PCU at Project Stretch

Toll Plaza Location	Traffic No	PCU	PCU Index
Thirupparaithurai Toll Plaza Km 157.500	7718	14236	**1.85**

Manavasi Toll Plaza Km 198.500	11707	28818	**2.46**

It can be observed from above that project traffic has PCU index about 2.5 at toll plaza (@198.500 Km) which is near Karur. It indicates strong domination of commercial traffic at this location.At other toll plaza (Km 157.500) PCU index is 1.8 which indicates dominance of passenger vehicles at this location.

3.4.2 Components of Traffic

As discussed previously, components of traffic volume play an important role in determining project revenue. A larger component of commercial traffic with higher axle configuration adds to project revenue positively. Similarly, a larger component of local traffic affects the project revenue potential negatively.

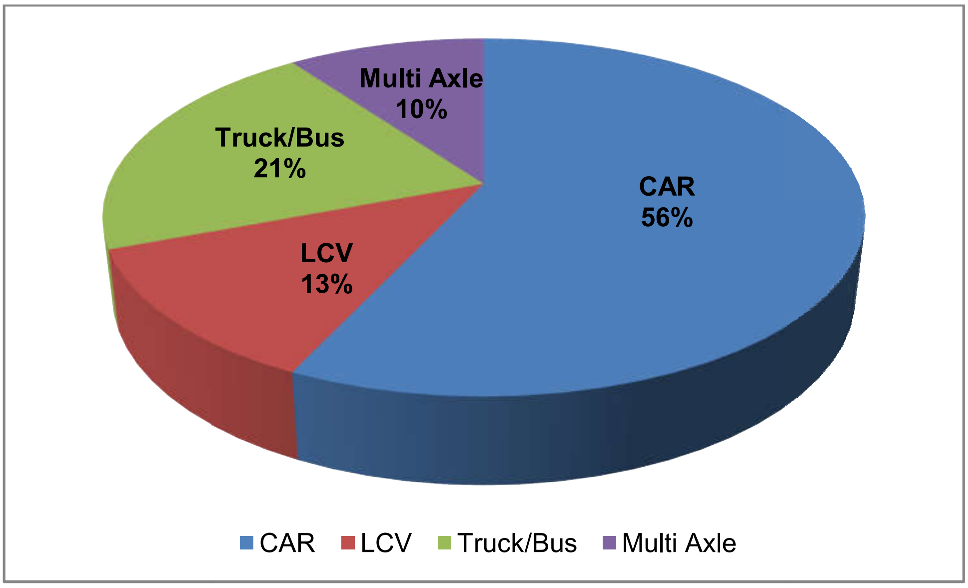

Figure 3-2: Modal Split of Traffic at Toll Plaza Km 157.500

It is observed that car traffic forms 56% of total traffic at toll plaza location Km 157.500. Share of LCV and bus / truck was 13% and 21% respectively. Multi axle consists of 10% of total traffic. Over all about 44% of traffic is commercial in nature.

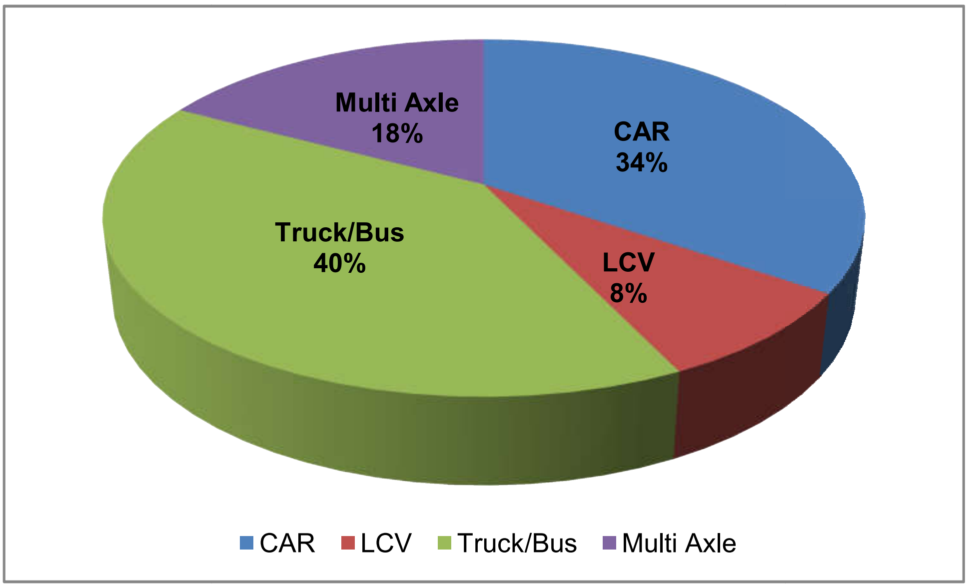

Figure 3-3: Modal Split of Traffic at Toll Plaza Km 198.500

At toll plaza Km 198.500 which is near Karur multi axle traffic is 18% of the total traffic. Truck/ Bus share 40% of total volume while car traffic is only 34%.

Another important bifurcation of traffic is components of traffic with respect to various type of toll ticketing like

1. Single Journey
2. Multi Journey
3. Monthly Pass (Local and General)

Following table provides numbers of vehicle falling in each of above category on base year 2015-16

Table 3-10 : Journey type bifurcation at Toll Plaza 157.000

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	40.6%	58.0%	0.1%	1.4%	100.0%
Minibus /LCV	27.3%	70.4%	0.0%	2.3%	100.0%
Truck/Bus	26.3%	33.1%	0.0%	40.6%	100.0%
Multi axle	53.3%	44.8%	0.1%	1.8%	100.0%

Table 3-11 : Journey type bifurcation at Toll Plaza 198.500

Type	Single Journey	Return Journey	Monthly Pass Local	Monthly Pass	Total
Car	42.3%	56.6%	0.1%	1.0%	100.0%
Minibus /LCV	30.0%	66.5%	0.0%	3.5%	100.0%
Truck/Bus	14.5%	73.4%	0.0%	12.1%	100.0%
Multi axle	57.5%	41.6%	0.0%	0.9%	100.0%

Following figure illustrate component of each type of journey in graphics for better understanding.

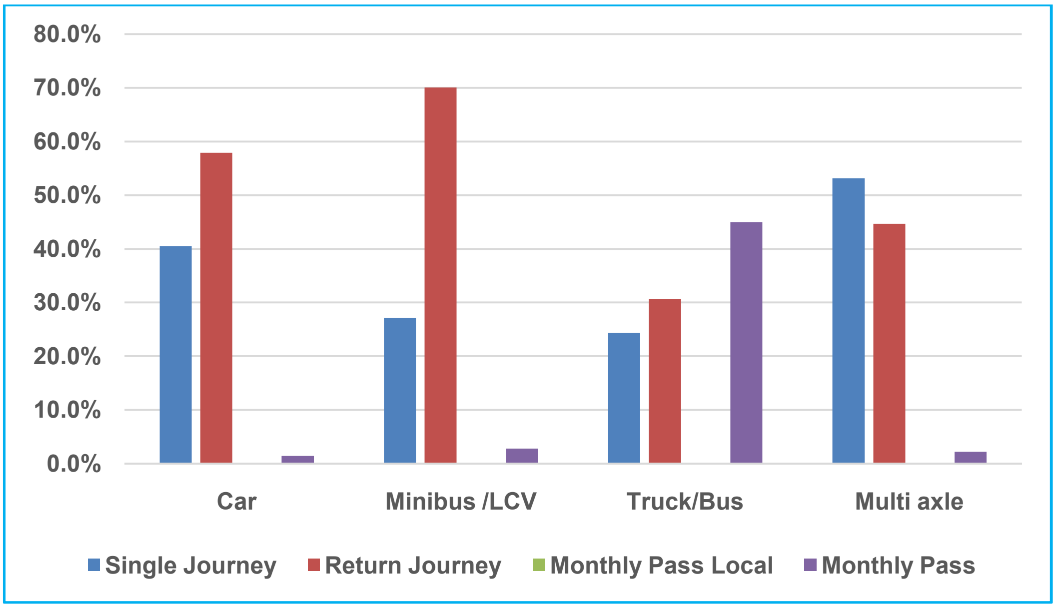

Figure 3-4: Journey TypeBifurcation at Toll Plaza Km 157.500

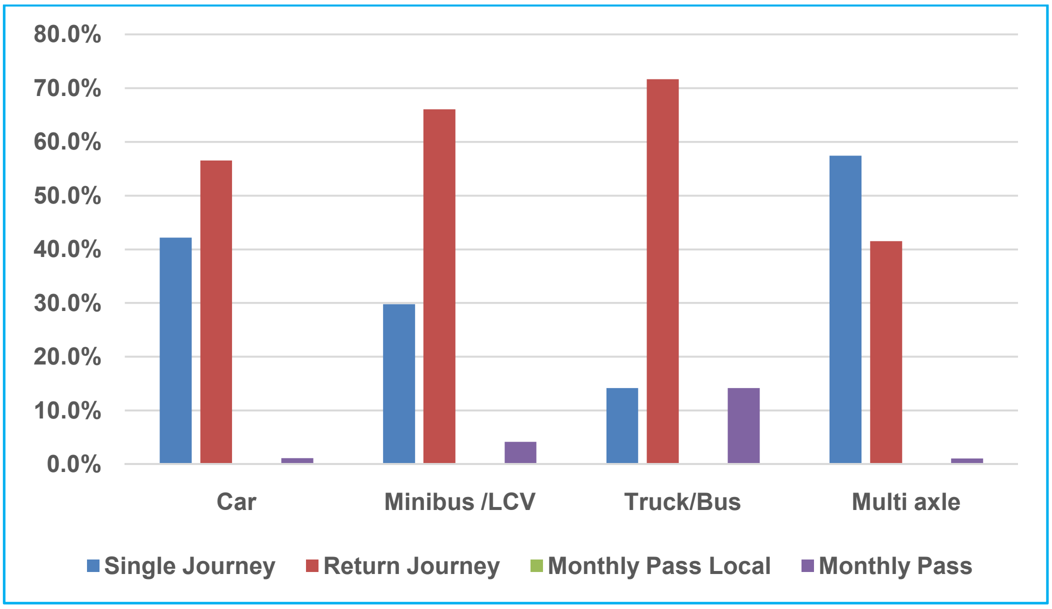

Figure 3-5: Journey Type Bifurcation at Toll Plaza Km 198.500

It can be observed that at both locations, except MAV, all categories of vehicles have larger share of return pass. Multi axle have higher share of single journey. This indicate very strong presence of localized commercial transport magnets. Over all return journeys component at Toll Plaza 198.500 is higher than that Toll plaza at KM 157.500, being 62% in comparison to 53% of total journey. Sand mining along river Cauvery can be one of the reason such high return journeys share of commercial vehicles. The variation in modal split from financial year 2015-16 and 2016-17 is negligible and hence the split has not been changed.

3.4.3 Seasonal Variation in Traffic

Traffic on highway does not remain uniform throughout the year. Festivals, rains etc. are factors for such variation. Seasonal variation of traffic was worked out from the data available. Following figures depict monthly variation of AADT at toll plaza locations.

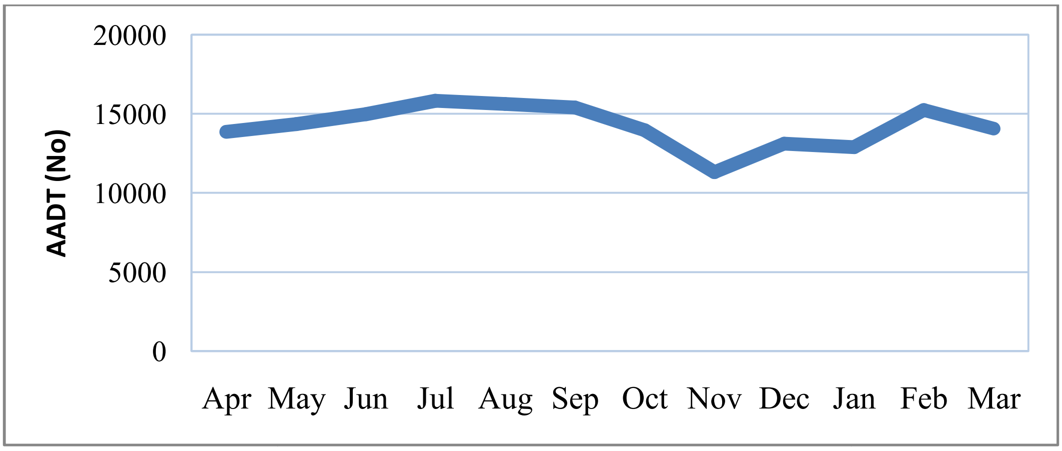

Figure 3-6 : Seasonal Variation of Traffic at Project Highway at Km 157.500

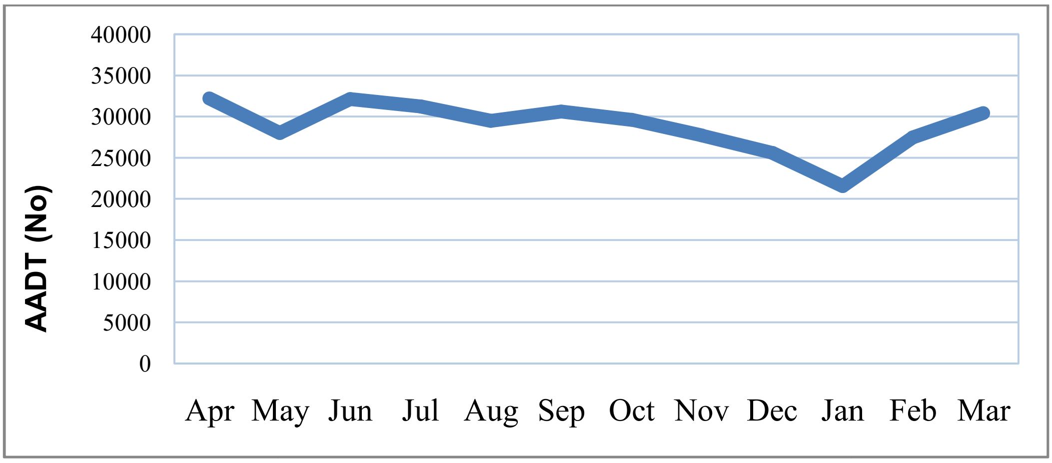

Figure 3-7: Seasonal Variation of Traffic at Project Highway at Km 198.500

It may be observed that traffic volume reduces from September to Novemberin rainy season and then again pics up after November in harvest season. Maximum Season correction factor varies between 0.90 to 1.05.

3.5 Secondary Data Collection

There are several other factors which have substantial impact on traffic pattern and growth on any project corridor. Following are some of such important factors

- Industrial development around project corridor and its catchment
- Educational infrastructure along project corridor
- Demographic pattern
- Urban area development
- Tourism potential
- Upcoming major infrastructural or industrial projects
- Special industry in project corridor
- Overall trends of economic growth local as well as national / regional

Hence in addition to traffic details on project site, secondary data was also collected from the various sources. Typical secondary data includes the following:

1. Vehicle registration data of regional and national level.
2. Economic Data
   a) GDP
   b) NSDP
   c) Population Growth
   d) Per Capita Income growth
   e) Industrial Growth
   f) Special Industry Potential
   g) Regional and National development vision / plan
   h) Any other relevant data
3. Competing road network.

The regression analysis have been done for a longer time span of five to eight years, using authentic data pairs for a common period sourced from the governmental publications, and exclusion of data pertaining to later years will have no significant impact on the outcome of this study. We have collected and utilized such underlying data in the study to estimate the growth and risk factors for traffic along the project corridor.

CHAPTER 4

INFLUENCE ZONE TRANSPORT NETWORK ANALYSIS

4.1 Introduction

Highway corridors behave like integrated circuit network and more often than not every road is connected to various networks having different origin and destinations. Traffic running on these networks behave like fluid and flows on network on alignment of least friction.

Following Factors can be considered as major contributors to friction on transportation network

- Travel Speed / Travel Time,
- Geometric deficiencies,
- Configuration of road,
- Riding comfort,
- Traffic delays,
- Length of road,
- Built up passing through,
- Terrain,
- Facilities

Following set of urban origin and destination have been selected for this analysis

- Trichy to Karur

Following figures depict competing road network of above pair of origin & destinations

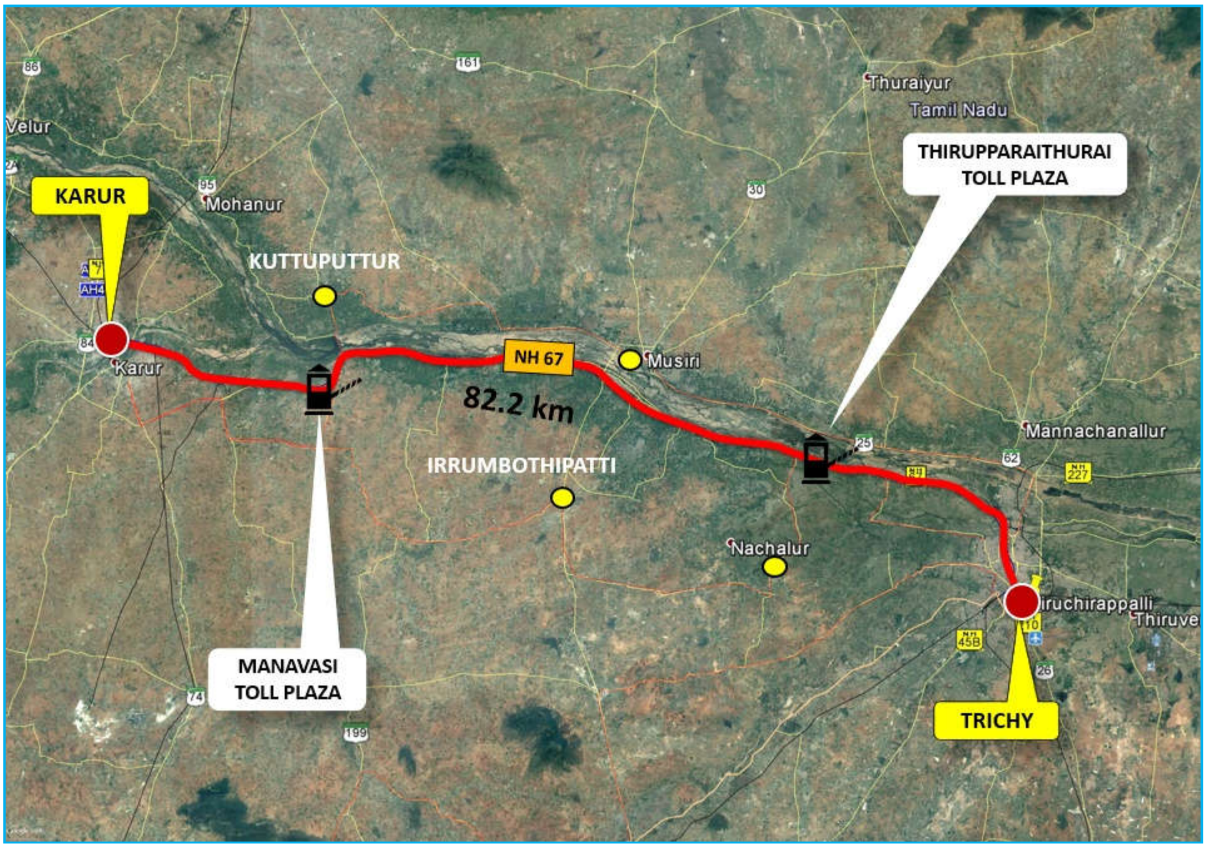

Figure 4-1: Project Alignment Trichy to Karur

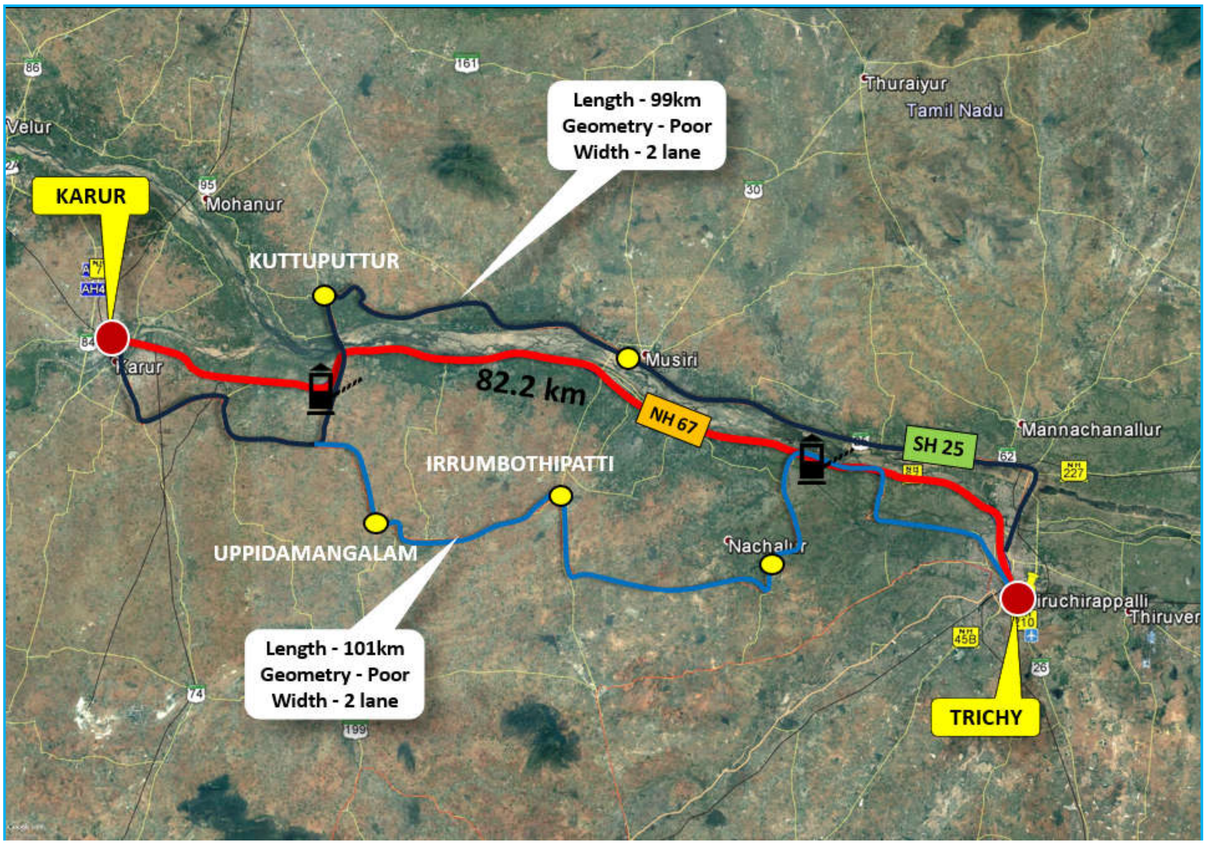

Figure 4-2: Competing Roads Trichy to Karur

It can be observed that the project highway is the spine of the corridor between Trichy to Karur. There are several local roads and state highways which if integrated can form a competing road network. However most of these roads run across project corridor covering much longer distances for the same pairs of origin and destination as compared to project highway. Moreover, the geometry and quality of road is inferior as compared to project section of NH-67, adding to travel time and consequently the costs. These have sharp turns, bottlenecks and patches of damaged pavement. The following table provides quantity cum quality analysis of competing roads.

Table 4-1 : Competing Roads Details

Sr. No	Route Details	Designation	Length (Km)	Avg. Speed (KMPH)	Time Taken (Min)	Observations
1	Trichy to Karur competing road (SH-25- Kuttuputtur Road) on North side	Competing Road	99	40	149	Competing roads of poor geometry and lesser widths, passes through villages. Shifting of traffic from NH-67 not expected
	Trichy to Karur via Project Road NH-67	**Project Road**	**82.2**	**70**	**70**	
	Trichy to Karur competing road (Nachalur-Irrumbothipatti-Uppidamangalam Road) on South side	Competing Road	101	40	152	

As can be observed from table above, the point regarding significant time saving and consequently cost savings for traffic which align to the project highway is reaffirmed. Time and fuel saving is a major criterion for selection of routes. Under these circumstances, it is not envisaged that commercial or passenger traffic would switch to competing roads from the project road. Further, it may be noted that since the project highway has already been commissioned and has a tolling history, the current traffic traversing the project corridor already factors in traffic diversion (if any) that may have taken place.

CHAPTER 5
GROWTH OF TRAFFIC ON PROJECT HIGHWAY

5.1 Introduction

Traffic growth is a function of the interplay of a number of contributory factors such as National economy, Government policy, socio-economic conditions of the people, and changes in land uses along the project corridor precincts etc. As these factors have several uncertainties associated with them, forecasts of traffic are dependent on the forecasts of factors such as population, gross domestic product (GDP), vehicle ownership, per capita income (PCI), agricultural output, fuel consumption etc. Future pattern of change in these factors can be estimated with only a reasonable degree of accuracy and hence the resultant traffic forecast levels may not be precise.

Traffic growth forecast for project corridor Trichy - Karur section of NH-67 has been carried out taking above factors in to consideration. "**IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**" is established best practice and has been used for traffic growth forecast.

5.2 Trend Analysis

One of the methods of estimation of future rate of traffic growth is to assume the same rate of growth as experienced in the past. However, it may be noted that major influencing factors which reflect Economic conditions such as GDP, agricultural output, industrial output, national policies etc. are susceptible to change over a longer period of time and necessary adjustments need to be made to past trends to account for these changes.

Thus, we have considered the Elasticity model of growth projection which is one of the most widely acceptable methods for traffic forecast and is recommended in **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways**.

In this method, past trends of any vehicular data are paired with an economic indicator and a regression analysis is done to yield the economic model of growth. Growth of vehicular traffic varies for different type of vehicle. It is a proven fact that growth patterns for passenger and goods vehicles are different. Traffic growth on any highway typically depends on several economic parameters. The most important and direct parameters are given as under

- Per Capita Income
- Net State Domestic Product (NSDP)
- Population

It is observed that the ownership of a car is more closely related to affordability hence per capita is the index which closely fits with growth of car traffic among other criteria. In similar fashion, following pairs of vehicle type and independent variable can be established for elasticity modeling of growth.

- Car / Jeep – Par Capita Income
- Bus / Minibus – Population
- Trucks / Heavy / Goods Vehicle – NSDP
- Time series data of vehicle (both passenger and goods) Registered in the state of Tamil Nadu is used as the base data for analysis of growth

5.3 Estimation of Traffic Demand Elasticity

Elasticity of traffic demand is defined as the rate at which traffic intensity varies due to change in the corresponding indicator selected. Hence, in order to estimate the elasticity of traffic demand, it is necessary to establish the relationship between the growth in number of given category of vehicle with one of the economic variables considered, such as NSDP, per capita income and population growth. Latest available data for vehicle registration, per capita income, NSDP and population is used in analysis.

As per IRC: 108-1996 the model for estimating elasticity index for the project corridor is of the following form and is as given below:

$$Log (P) = k \times Log (EI) + A$$

Where,

P	*=Number of Vehicles (Mode wise)*
EI	*=Economic Indicator*
A	*=Regression constant*
k	*= Elasticity coefficient (Regression coefficient)*

The elasticity for car and bus (passenger vehicles) is calculated based on Population and Per Capita Domestic Product (PCDP) and the elasticity for trucks is calculated based on the Net State Domestic Product (NSDP).

Following tables and graphs depict regression and elasticity of growth model.

Table 5-1 : Per Capita Income Vs Car

Year	PCI	Car	Log PCI	Log Car	PCI Growth	Average Growth
2004	30062	657339	4.48	5.82		
2005	34126	714978	4.53	5.85	14%	
2006	39166	787085	4.59	5.90	15%	
2007	41314	871917	4.62	5.94	5%	
2008	43193	967310	4.64	5.99	5%	
2009	47394	1080445	4.68	6.03	10%	
2010	53507	1230492	4.73	6.09	13%	
2011	57093	1385143	4.76	6.14	7%	
2012	58360	1549950	4.77	6.19	2%	
2013	62361	1709528	4.79	6.23	7%	8.5%

Regression analysis of same is given in figure below

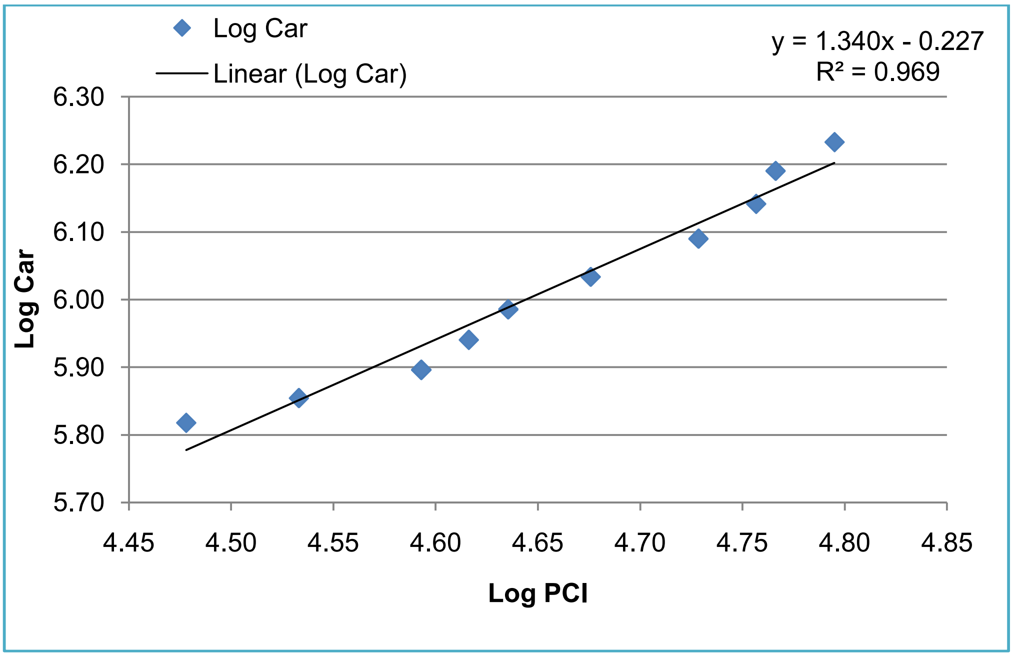

Figure 5-1: Regression and Elasticity PCI vs. Car–Extrapolation

Table 5-2 : Population Vs Bus

Year	Population	Buses	Log Pop	Log Bus	Pop Growth	Average Growth
2004	64096000	37937	7.81	4.58		
2005	64623000	42109	7.81	4.62	0.8%	
2006	65135000	42999	7.81	4.63	0.8%	
2007	65629000	47765	7.82	4.68	0.8%	
2008	66106000	52617	7.82	4.72	0.7%	
2009	66566000	56338	7.82	4.75	0.7%	
2010	67012000	59240	7.83	4.77	0.7%	
2011	67444000	62725	7.83	4.80	0.6%	
2012	67862000	68096	7.83	4.83	0.6%	
2013	68265000	84488	7.83	4.93	0.6%	0.70%

Regression analysis of same is given in figure below

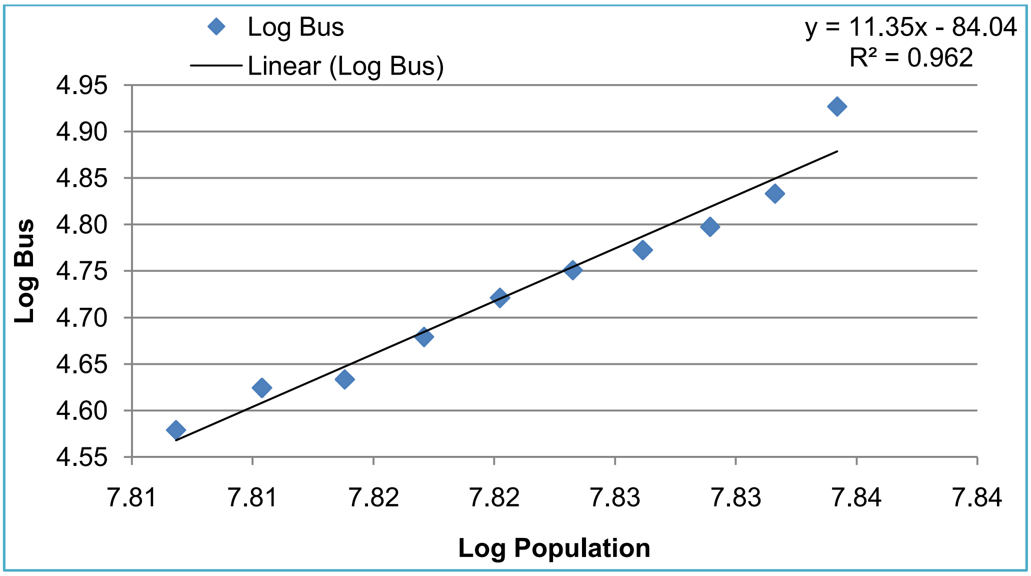

Figure 5-2: Regression and Elasticity Population vs. Bus – Extrapolation

Elasticity of goods traffic has been worked out by regression analysis with NSDP. Following table represents the data and details.

Table 5-3 : Goods Traffic Vs NSDP

Year	NSDP	Trucks	Log NDSP	Log Truck	NSDP Growth	Average Growth (5 Year)
2004	19364500	220016	7.29	5.34		
2005	22158800	272756	7.35	5.44	14%	
2006	25628600	279984	7.41	5.45	16%	
2007	27234000	340542	7.44	5.53	6%	
2008	28674400	385948	7.46	5.59	5%	
2009	31676000	404326	7.50	5.61	10%	
2010	35996100	433814	7.56	5.64	14%	
2011	38650800	474226	7.59	5.68	7%	
2012	39747100	493564	7.60	5.69	3%	
2013	42718200	544201	7.63	5.74	7%	7.62%

Following figure depict regression analysis and extrapolation.

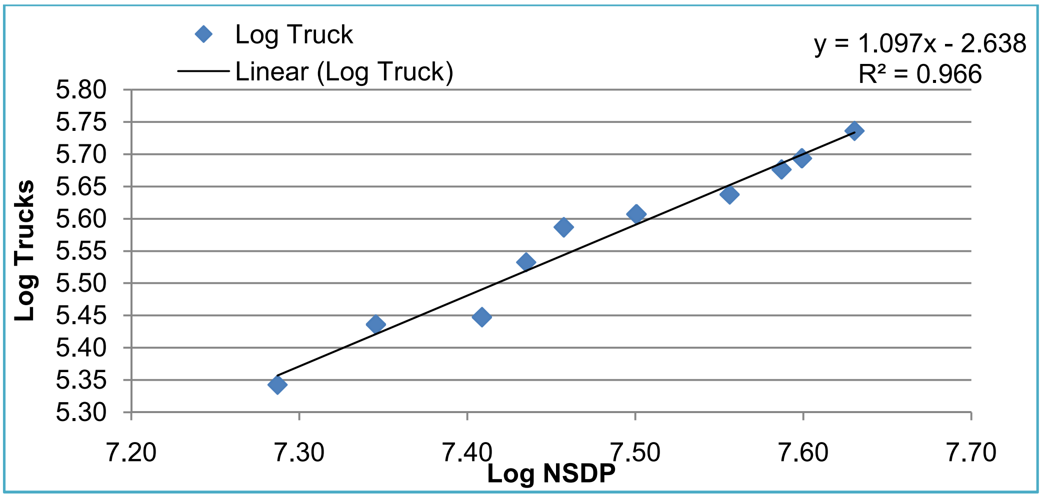

Figure 5-3: Regression and Elasticity NSDP vs. Goods Traffic – extrapolation

Using the regression analysis above, we have arrived at the elasticity of traffic demand for each class of vehicle to a given change in relevant economic indicators. Average traffic growth of a vehicle class is multiplied by the corresponding elasticity coefficient to arrive at traffic growth. R^2 is statistical measure of how close the data are to the fitted regression line. It varies from 0 to 1. Higher the value of R^2 more representative is the regression model of data.

The results of these analyses for the good fit as reflected by R^2 values are presented in the Table below

Table 5-4 : Summary Regression Analysis- Tamil Nadu

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient (y)	Average Growth	Growth Elastic Model
Tamil Nadu	Car/Jeep	PCI	y = 1.3408x - -0.227	R^2 = 0.9691	1.3408	8.52%	11.43%
	Bus	Population	y = 11.3505x - -84.0434	R^2 = 0.962	11.3505	0.70%	7.98%
	Truck	NSDP	y = 1.0971x - -2.638	R^2 = 0.9667	1.0971	7.62%	8.36%

While the economic model for predicting growth is a good tool, other local, regional, national factors such as proposed developments etc. should also be considered before finalizing growth factors. These factors are discussed in subsequent sections.

The concessionaire has carried out a sample survey in July 2013 on a sample size of 25% of the vehicles to analyse the share of traffic from various states on the project road. Following table provides summary of the same.

Table 5-5 : Component Share of Various States in Project Traffic

State Name	Cars	Mini Bus	Bus	LCV	2AT	3AT	MAV
TN	97.10%	95.60%	97.00%	97.00%	93.30%	87.10%	87.10%
Karnataka	2.60%	4.40%	2.40%	2.50%	5.20%	5.50%	7.40%
Andhra Pradesh	0.30%	0.00%	0.60%	0.10%	0.50%	1.40%	1.50%
Kerala	0.00%	0.00%	0.00%	0.10%	0.50%	3.40%	0.70%
Rest of India	0.00%	0.00%	0.00%	0.30%	0.50%	2.60%	3.30%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

It is observed that Tamil Nadu share in traffic is over 90% in all categories of vehicles except 3 Axle and MAV.

In such case, it would be necessary to factor in Karnataka's growth for the purpose of projecting the growth of 3 Axle and MAV category of vehicles. A regression model for Karnataka traffic growth was prepared for period from 2005-06 to 2014-15. Summary of same is given in following table.

Table 5-6 : Summary Regression Analysis- Karnataka

State	Vehicle Category	Independent Variable	Regression Equation	R Square	Elasticity Coefficient	Average IV Growth (5yrs)	Growth Elastic Model	Remarks
Karnataka	Car/Jeep	PCI	y = 1.1164x - 2.7365	R^2 = 0.9969	0.8535	14.30%	12.20%	Excellent Regression
	Bus	Population	y = 1.8755x - 10.293	R^2 = 0.956	7.197	1.05%	7.54%	Excellent Regression
	Truck	NSDP	y = 1.1164x - 2.7365	R^2 = 0.8539	1.42	6.53%	9.27%	Good Regression

5.4 Analysis of Historic Traffic Data

Historic traffic data forms useful information for any highway project. It provides useful information for establishing past trend of growth. Project stretch of Trichy to Karur has been commissioned and it under tolled operation February 2014. Thus only 3-year historic reliable data is available. Following table represents the historical traffic details at both toll plazas.

Table 5-7 : Historic Traffic Details at Toll Plaza Km 157.000

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth % (CAGR)
Car	3617	4325	**9%**
LCV	896	966	**4%**
Bus/Truck	1611	1638	**1%**
MAV	636	788	**11%**

Table 5-8 : Historic Traffic Details at Toll Plaza Km 198.500

Type of Vehicle	Year 2014-15	Year 2016-17	Overall Growth % (CAGR)
Car	3379	3963	**8%**
LCV	973	976	**0%**
Bus/Truck	4881	4711	**-2%**

MAV	1784	2057	**7%**

Since the data available is short period, it would be difficult to establish assign very high weightage to this for future growth projections.

As recommended by **IRC: 108-1996-Guidelines for Traffic Prediction on Rural Highways** "*This (historic growth) for short term projects but for longterm projections it would be erroneous for assume that the past rate of growth would prevail for long time in future. Economic conditions are bound to change over long period and it would be necessary to modify the rate of growth accordingly*".

It is thus clear that while developing a futuristic growth projections for highway projects, long terms factors like growth of economy and upcoming developments in area have greater impact than past trends. Considering above, both historic trend and economic factors (elasticity) have been considered suitably to work out recommended growth rate of traffic on project corridor.

5.5 Other Factors Influencing Growth

There are many factors which have impact on traffic growth. As discussed previously these factors can be economic, social, educational, and industrial.

Potentiality of such factors for project highway is discussed as under.

ECONOMY

After witnessing a slowdown during 2008-09, the economy recovered in 2009-10, and a very high growth rate of GDP was recorded in 2010. Following figure depicts growth of GDP in India during the period.

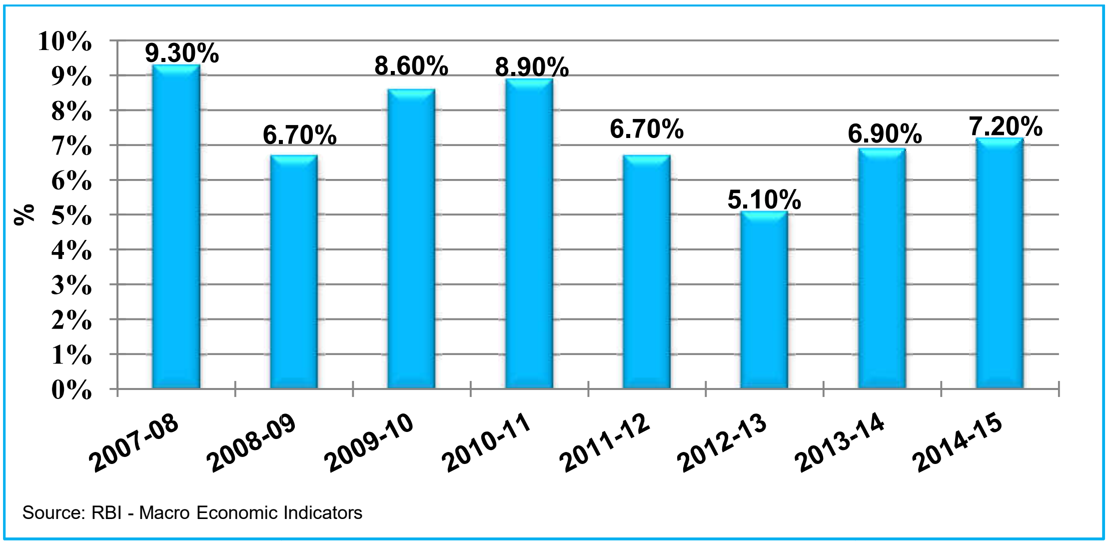

Figure 5-4 : Growth of GDP in India

After recording an all impressive growth of 8.9% in 2011, GDP declined between FY11 and FY14. GDP growth in 2014-2015 was pegged at 7.2% and is expected to be in the range of 7-8% going forward.

5.6 Developments Along and Around the Project Corridor & State

5.6.1 Developments around Trichy Area

- Tiruchirappalli District is located along the Kaveri River in TamilNadu, India. It is the fourth largest municipal corporation and the fourth largest urban agglomeration in the state. The main town in Tiruchirappalli District is the city of Tiruchirappalli, also known as Trichy.The presence of a large number of energy equipment manufacturing units in and around the city has earned it the title of "Energy Equipment and Fabrication Capital of India". Major Industries in the district are as follows
    - Bharat Heavy Electricals Limited, BHEL
    - Boiler Manufacturing Industries
    - Ordnance Factory Tiruchirappalli
    - Cement Factories
    - Light and heavy engineering
    - Leather Tanneries (E. I. Leather)
    - Food processing Industries
    - Sugar Mills
    - (Traditional) Cigar Making (village) Industries
    - IT/BPO
    - Manufacturing of Synthetic Stones for Jewelry
- Trichy city is an important educational centre in the state of Tamil Nadu, and houses nationally recognised institutions such as the Indian Institute of Management (IIMT), Indian Institute of Information Technology (IIIT) and National Institute of Technology (NITT)
- Trichy is a major road and railway hub in the state, the city is served by an international airport which operates flights to Southeast Asia and the Middle East.
- **Bharat Heavy Electricals Limited (BHEL)** - A high-pressure boiler manufacturing plant (HPBP) was set up by Bharat Heavy Electricals

Limited (BHEL), India's largest public sector engineering company, in May 1965. This was followed by a seamless steel tube plant (SSTP) and a boiler auxiliaries plant. In 2010, the Tiruchirappalli unit of the company contributed to nearly 30 per cent of its total sales, making it the largest of all units. As of 2011, the Tiruchirappalli division employed about 10,000 people, and is supported by a number of ancillary industries producing almost 250,000 tonnes (250,000,000 kg) of fabricated materials. These ancillary units together with BHEL contribute nearly 60 per cent of India's steel fabrication, earning the city the title, "Energy equipment and fabrication capital of India"

- **Golden Rock Railway Workshop** - is one of the three mechanical railway workshops serving the southern zone of the Indian Railways. It is called as Central Workshop, Golden Rock. This repair workshop is basically a "Mechanical Workshop" which comes under the control of the Mechanical Department of the Indian Railways. The total area of this workshop is around 200 acres (0.81 km^2), out of which 26 acres (110,000 m^2) is covered under roof. At present 6,091 employees are working in this workshop. This workshop is primarily engaged in the activities of DSL Loco POH, heritage steam locomotive POH, coaching stock maintenance and wagon manufacturing and other sundry activities.
- **Ordnance Factory Tiruchirappalli (OFT)** is a defence company based in Tiruchirappalli, Tamil Nadu, functioning under the Ordnance Factories Board of the Ministry of Defence, Government of India. OFT started its production with 9 mm carbines and now manufactures arms ranging from 5.56 mm rifles to rocket launchers, shell launchers, grenade launchers, aviation armament, naval armament, tank armament, anti-aircraft guns, autocannons, automatic rifles, sniper rifles. It also started Heavy Alloy Penetrator Project (HAPP) facility; the latter was set up in the late 1980s and comprises a flexible manufacturing system (FMS)—the first of its kind in India
- **Trichy Distilleries and Chemicals Limited (TDCL)** - was established at Senthaneerpuram in the former Golden Rock municipality in 1966 The Trichy Distilleries and Chemicals Limited manufactures rectified spirit, acetaldehyde, acetic acid, acetic anhydride and ethyl acetate. It is

one of the biggest private sector distilleries in Tamil Nadu and produced 13.5 megalitres (3.0 million imperial gallons) of spirit alcohol between December 2005 and November 2006.

- **The ELCOT IT Park** -The city's first IT park—commissioned at a cost of ₹600 million (equivalent to ₹940 million or US$14 million in 2016) was inaugurated in December 2010. Set up by the Electronics Corporation of Tamil Nadu, the park occupies an area of 59.74 hectares (147.6 acres) and constitutes a Special Economic Zone. As of December 2010, the Tiruchirappalli region annually exports around ₹262.1 million (equivalent to ₹410 million or US$6.1 million in 2016) of software.

- **Synthetic Gem Industry** - From the late 1980s, a synthetic gem industry was developed in the city; the gemstones are cut and polished in Tiruchirappalli district and in Pudukottai district. In 1990, the Indian government launched a scheme to increase employment by boosting the production of American diamonds and training local artisans in semi-automated machinery and technology. The local gem industry was reportedly generating annual revenues of ₹100 million (equivalent to ₹420 million or US$6.2 million in 2016) by the mid-1990s.

5.6.2 Developments around Karur Area

- Karur is the district located "HEART" of Tamil Nadu. i.e. Karur is centre of Tamil Nadu and equally distance to all around Tamil Nadu districts & quick reach by Road ways.

- Karur is a hub for bus body building industries. Most of the South Indian private bus bodies are built in Karur. The total business turnover from building bus coaches is estimated to be around ₹1000 crore per annum. There are more than 50 companies that build coaches in Karur.

- Karur is a major home textile centre and has five major product groups - bed linens, kitchen linens, toilet linens, table linens and wall hangings. The town generates around ₹6000 crores in foreign exchange through direct and indirect exports. Allied industries like ginning and spinning mills, dyeing factories and weaving employ around 300,000 people in and around Karur. Hand-loom Exports from Karur began on a modest scale with just 15 exporters in 1975.

  Set up under the scheme for Integrated Textile Parks, the ₹130 crores Karur Textile Park Limited (KTPL) is rated the premier facility of its kind in the country for its technical and ancillary facilities.

- About 60% of mosquito nets in India are manufactured in Karur. About 2000 units are engaged in making High-density polyethylene (HDPE) mono filament yarn and associated products and employ about 50,000 people.

- Bharat Petroleum Corporation in a joint venture with Petronet CCK has installed a pipeline facility from Cochin BPCL to Karur BPCL to transport petroleum products. The petroleum products received at the BPCL-Karur terminal is supplied to more than 20 districts of Tamil Nadu through container trucks.

- Tamil Nadu News Print and Papers Ltd., better known as TNPL the country's largest non-wood based paper maker was established in the early 80's at Pugalur near Karur. It is acknowledged as the world leader in the technology for manufacture of newsprint from bagasse which became operational from January 1996. The production of news print and paper have been raised from 90000 tonnes to 180000 tonnes per annum.

TNPL produces 230,000 tons of Printing & writing paper and consumes 1 million tons of bagasse every year.

- Chettinad Cement Corporation Ltd was formed 1962 to cater to growing demands of cement in the country. The manufacturing unit located at Puliyur, Karur District, in Tamil Nadu commenced production in April 1968. Apart from cement, the Chettinad House is today engaged in activities as diverse as granite, engineering, silica, garnet, information technology, steel & textile trading, horse breeding, plantations, shipping, transportation, stevedoring, clearing and forwarding and logistics having a combined turnover of Rs. 8500 million.

5.7 Recommended Growth Rates of Traffic

Based on the above analysis and after giving due consideration to the entire listed factors, overall growth rates are recommended for each category of vehicle. Rate of growth is moderated considering overall regional trend. It is also expected that as the economy moves from developing to developed, rate of growth diminishes. Same growth rate is not sustainable for long. It is established practice to stepdown future growth rates at interval of 5 years.

Impact of other important factors affecting growth is taken as under.

- A weightage of 10% and 90% is assigned to past trendsand growth by elastic model respectively. At toll plaza @ Km 157.000 growth of MAV is abnormally high and hence has been ignored.
- For car and LCV category only Tamil Nadu elastic model growth rates were considered, while in case of truck and MAV categories, 95% and 90% weightages respectively were given to Tamil Nadu elastic model growth rate, and the balance 5% and 10% respectively to Karnataka elastic growth model
- Due to technological advances in the logistics industry greater preference is now given to Multi Axle (MAV) over conventional 2/3 Axle truck. To accommodate this in the growth projections, growth rate of MAV is stepped down in future years by a lesser offset as compared to that of Car, LCV and Bus truck

Lifting of ban on mining by a Supreme Court order in 2015 in state would also add to traffic growth on project corridor since sand mining is an important activity along project road.

Growth rates are recommended for three scenarios for sensitivity analysis namely **Optimistic, Pessimistic** and **Most Likely** with a positive and negative variation 0.5% from Most Likely case. Recommended growth rates at toll plaza locations is given under.

Table 5-9 : Recommended Growth Rates Optimistic at Toll Plaza Km 157.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	12.10%	11.10%	9.85%	8.35%	6.85%
Mini Bus /LCV	8.70%	7.70%	6.20%	4.70%	3.20%
Truck / Bus	7.80%	6.80%	5.30%	3.80%	2.30%
Multi Axle	8.90%	8.40%	7.40%	6.40%	5.40%

Table 5-10 : Recommended Growth Rates Optimistic at Toll Plaza Km 198.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.90%	10.90%	9.65%	8.15%	6.65%
Mini Bus /LCV	8.40%	7.40%	5.90%	4.40%	2.90%
Truck / Bus	8.40%	7.40%	5.90%	4.40%	2.90%
Multi Axle	9.00%	8.50%	7.50%	6.50%	5.50%

Table 5-11 : Recommended Growth Rates Pessimisticat Toll Plaza Km 157.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.10%	10.10%	8.85%	7.35%	5.85%
Mini Bus /LCV	7.70%	6.70%	5.20%	3.70%	2.20%

Truck / Bus	6.80%	5.80%	4.30%	2.80%	1.30%
Multi Axle	7.90%	7.40%	6.40%	5.40%	4.40%

Table 5-12 : Recommended Growth Rates Pessimistic at Toll Plaza Km 198.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	10.90%	9.90%	8.65%	7.15%	5.65%
Mini Bus /LCV	7.40%	6.40%	4.90%	3.40%	1.90%
Truck / Bus	7.40%	6.40%	4.90%	3.40%	1.90%
Multi Axle	8.00%	7.50%	6.50%	5.50%	4.50%

Table 5-13 : Recommended Growth Rates Most Likelyat Toll Plaza Km 157.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.60%	10.60%	9.35%	7.85%	6.35%
Mini Bus /LCV	8.20%	7.20%	5.70%	4.20%	2.70%
Truck / Bus	7.30%	6.30%	4.80%	3.30%	1.80%
Multi Axle	8.40%	7.90%	6.90%	5.90%	4.90%

Table 5-14 : Recommended Growth Rates Most Likely at Toll Plaza Km 198.500

Year/ Vehicle Type	Up to 2020	2020-25	2025-30	2030-35	2035-40
CAR	11.40%	10.40%	9.15%	7.65%	6.15%

Mini Bus /LCV	7.90%	6.90%	5.40%	3.90%	2.40%
Truck / Bus	7.90%	6.90%	5.40%	3.90%	2.40%
Multi Axle	8.50%	8.00%	7.00%	6.00%	5.00%

CHAPTER 6
TRAFFIC FORECAST

6.1 Traffic Projections

Growth rates recommended in previous section of report are used to arrive at traffic projections for future years. Toll plaza wise futuristic traffic projection is given in tables below.

These projections have been done for following three cases of growth

1. Optimistic Scenario
2. Pessimistic Scenario
3. Most Likely Scenario

Table 0-1 : Total Tollable Traffic at Toll Plaza Km 157.500
(Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4848	1050	1766	859	**8523**	**15585**
2018-19	5435	1141	1904	935	**9415**	**17066**
2019-20	6093	1241	2052	1018	**10404**	**18692**
2020-21	6769	1336	2192	1104	**11401**	**20315**
2021-22	7520	1439	2341	1196	**12497**	**22085**
2022-23	8355	1550	2500	1297	**13702**	**24016**
2023-24	9283	1669	2670	1406	**15028**	**26123**
2024-25	10313	1798	2852	1524	**16486**	**28422**
2025-26	11329	1909	3003	1637	**17877**	**30566**
2026-27	12445	2027	3162	1758	**19392**	**32882**
2027-28	13671	2153	3330	1888	**21041**	**35384**
2028-29	15017	2287	3506	2028	**22837**	**38089**
2029-30	16496	2428	3692	2178	**24794**	**41014**
2030-31	17874	2543	3832	2317	**26565**	**43610**
2031-32	19366	2662	3978	2465	**28471**	**46386**
2032-33	20983	2787	4129	2623	**30522**	**49354**
2033-34	22735	2918	4286	2791	**32730**	**52529**
2034-35	24634	3055	4449	2969	**35107**	**55925**
2035-36	26321	3153	4551	3130	**37155**	**58788**
2036-37	28124	3254	4656	3299	**39333**	**61817**
2037-38	30051	3358	4763	3477	**41649**	**65023**

Table 0-2 : Total Tollable Traffic at Toll Plaza Km 198.500
(Optimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,434	1,058	5,107	2,243	12,842	31,433
2018-19	4,962	1,147	5,535	2,444	14,089	34,289
2019-20	5,552	1,244	6,000	2,664	15,461	37,409
2020-21	6,157	1,336	6,445	2,891	16,829	40,503
2021-22	6,829	1,435	6,921	3,137	18,321	43,859
2022-23	7,573	1,541	7,434	3,403	19,950	47,499
2023-24	8,398	1,655	7,984	3,692	21,729	51,448
2024-25	9,314	1,777	8,574	4,006	23,672	55,731
2025-26	10,213	1,882	9,080	4,307	25,482	59,657
2026-27	11,198	1,993	9,616	4,630	27,437	63,870
2027-28	12,279	2,111	10,183	4,977	29,550	68,392
2028-29	13,464	2,235	10,784	5,350	31,834	73,246
2029-30	14,763	2,367	11,421	5,752	34,302	78,457
2030-31	15,966	2,471	11,923	6,125	36,486	83,006
2031-32	17,267	2,580	12,448	6,524	38,819	87,836
2032-33	18,675	2,694	12,995	6,948	41,311	92,965
2033-34	20,197	2,812	13,567	7,399	43,975	98,412
2034-35	21,843	2,936	14,164	7,880	46,823	1,04,199
2035-36	23,295	3,021	14,575	8,306	49,197	1,08,927
2036-37	24,844	3,109	14,998	8,754	51,705	1,13,893
2037-38	26,496	3,199	15,432	9,227	54,355	1,19,113

Table 0-3 : Total Tollable Traffic at Toll Plaza Km157.500

(Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,805	1,040	1,750	851	**8,446**	**15,443**
2018-19	5,339	1,120	1,869	918	**9,245**	**16,755**
2019-20	5,931	1,207	1,996	990	**10,124**	**18,185**
2020-21	6,530	1,287	2,112	1,064	**10,993**	**19,582**
2021-22	7,190	1,374	2,234	1,142	**11,940**	**21,093**
2022-23	7,916	1,466	2,364	1,227	**12,972**	**22,726**
2023-24	8,715	1,564	2,501	1,318	**14,098**	**24,493**
2024-25	9,596	1,669	2,646	1,415	**15,325**	**26,404**
2025-26	10,445	1,756	2,759	1,506	**16,466**	**28,132**
2026-27	11,369	1,847	2,878	1,602	**17,696**	**29,983**
2027-28	12,376	1,943	3,002	1,705	**19,025**	**31,966**
2028-29	13,471	2,044	3,131	1,814	**20,459**	**34,091**
2029-30	14,663	2,150	3,266	1,930	**22,008**	**36,369**
2030-31	15,741	2,230	3,357	2,034	**23,361**	**38,309**
2031-32	16,898	2,312	3,451	2,144	**24,805**	**40,366**
2032-33	18,140	2,398	3,548	2,260	**26,345**	**42,547**
2033-34	19,473	2,486	3,647	2,382	**27,988**	**44,861**
2034-35	20,904	2,578	3,749	2,510	**29,742**	**47,315**
2035-36	22,127	2,635	3,798	2,621	**31,181**	**49,266**
2036-37	23,421	2,693	3,847	2,736	**32,698**	**51,315**
2037-38	24,792	2,752	3,897	2,856	**34,298**	**53,466**

Table 0-4 : Total Tollable Traffic at Toll Plaza Km 198.500 (Pessimistic Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4395	1049	5059	2222	**12725**	**31145**
2018-19	4874	1126	5434	2400	**13833**	**33663**
2019-20	5405	1210	5836	2592	**15042**	**36390**
2020-21	5940	1287	6209	2786	**16222**	**39036**
2021-22	6528	1369	6607	2995	**17499**	**41880**
2022-23	7174	1457	7030	3220	**18881**	**44937**
2023-24	7884	1550	7480	3461	**20375**	**48224**
2024-25	8665	1650	7958	3721	**21993**	**51757**
2025-26	9414	1730	8348	3963	**23456**	**54886**
2026-27	10229	1815	8757	4220	**25021**	**58214**
2027-28	11114	1904	9186	4494	**26699**	**61754**
2028-29	12075	1997	9637	4787	**28495**	**65520**
2029-30	13119	2095	10109	5098	**30421**	**69528**
2030-31	14057	2167	10452	5378	**32054**	**72866**
2031-32	15063	2240	10808	5674	**33784**	**76379**
2032-33	16139	2316	11175	5986	**35617**	**80076**
2033-34	17293	2395	11555	6315	**37559**	**83970**
2034-35	18530	2477	11948	6662	**39617**	**88070**
2035-36	19577	2524	12175	6962	**41238**	**91218**
2036-37	20683	2572	12406	7276	**42937**	**94500**
2037-38	21852	2620	12642	7603	**44717**	**97922**

Traffic projections for Most Likely scenario are given as under

Table 0-5 : Total Tollable Traffic at Toll Plaza Km 157.500

(Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,827	1,045	1,758	855	**8,484**	**15,514**
2018-19	5,387	1,131	1,886	926	**9,330**	**16,910**
2019-20	6,012	1,224	2,024	1,004	**10,263**	**18,437**
2020-21	6,649	1,312	2,151	1,083	**11,195**	**19,946**
2021-22	7,354	1,406	2,287	1,169	**12,216**	**21,585**
2022-23	8,133	1,507	2,431	1,261	**13,333**	**23,364**
2023-24	8,995	1,616	2,584	1,361	**14,556**	**25,297**
2024-25	9,949	1,732	2,747	1,469	**15,897**	**27,397**
2025-26	10,879	1,831	2,879	1,570	**17,159**	**29,327**
2026-27	11,896	1,935	3,017	1,678	**18,527**	**31,402**
2027-28	13,008	2,046	3,162	1,794	**20,010**	**33,636**
2028-29	14,225	2,162	3,314	1,918	**21,618**	**36,039**
2029-30	15,555	2,285	3,473	2,050	**23,363**	**38,627**
2030-31	16,776	2,381	3,587	2,171	**24,916**	**40,880**
2031-32	18,093	2,481	3,706	2,299	**26,579**	**43,279**
2032-33	19,513	2,586	3,828	2,435	**28,361**	**45,832**
2033-34	21,045	2,694	3,954	2,579	**30,272**	**48,553**
2034-35	22,697	2,807	4,085	2,731	**32,320**	**51,450**
2035-36	24,138	2,883	4,158	2,865	**34,044**	**53,828**
2036-37	25,671	2,961	4,233	3,005	**35,870**	**56,334**
2037-38	27,301	3,041	4,309	3,152	**37,803**	**58,975**

Table 0-6 : Total Tollable Traffic at Toll Plaza Km 198.500
(Most Likely Growth Scenario)

Year	CAR	LCV	Truck/ Bus	Multi Axle (>2axle)	Total No.	Total PCU
2017-18	4,414	1,054	5,083	2,232	**12,783**	**31,289**
2018-19	4,918	1,137	5,485	2,422	**13,961**	**33,975**
2019-20	5,478	1,227	5,918	2,628	**15,250**	**36,897**
2020-21	6,048	1,311	6,326	2,838	**16,523**	**39,765**
2021-22	6,677	1,402	6,763	3,065	**17,906**	**42,861**
2022-23	7,371	1,498	7,229	3,310	**19,409**	**46,203**
2023-24	8,138	1,602	7,728	3,575	**21,043**	**49,813**
2024-25	8,984	1,712	8,261	3,861	**22,819**	**53,712**
2025-26	9,806	1,805	8,707	4,131	**24,450**	**57,228**
2026-27	10,704	1,902	9,178	4,421	**26,204**	**60,983**
2027-28	11,683	2,005	9,673	4,730	**28,091**	**64,996**
2028-29	12,752	2,113	10,196	5,061	**30,122**	**69,284**
2029-30	13,919	2,227	10,746	5,416	**32,308**	**73,868**
2030-31	14,984	2,314	11,165	5,740	**34,204**	**77,783**
2031-32	16,130	2,405	11,601	6,085	**36,220**	**81,921**
2032-33	17,364	2,498	12,053	6,450	**38,365**	**86,295**
2033-34	18,692	2,596	12,523	6,837	**40,648**	**90,922**
2034-35	20,122	2,697	13,012	7,247	**43,078**	**95,815**
2035-36	21,360	2,762	13,324	7,610	**45,055**	**99,717**
2036-37	22,673	2,828	13,644	7,990	**47,135**	**1,03,801**
2037-38	24,068	2,896	13,971	8,390	**49,324**	**1,08,077**

CHAPTER 7

FORECAST OF TOLL REVENUE

7.1 General

This chapter presents the tolling rate calculations, categories and toll revenue of the project.

7.2 Discount Categories

Fee schedule of agreement of Trichy - Kaur section of NH-67 is based on old toll policy. As per the Toll Notification (Schedule G) the following discounts have been considered:

1. Monthly Pass: For frequent user's monthly pass would be issued at fee 30 time the single journey fee. There are other local monthly passes for car /Jeep/ Van category I and II and school bus @ Rs.150, Rs.300 and Rs.1000 respectively.
2. Multiple Journeys (for Return Trip): Will be charged at 1.5 times single journey.
3. Single Journey: Full single journey toll would be charged to this category of vehicles who are infrequent travelers or whose frequency does not yield any discount from the above categories.
4. There are several categories of local discounts.
    a) Local Bus / truck and LCV (within 20 km) will be charged @ Rs. 25 and 15 respectively. Rate will be constant throughout concession period

Building of inflation and escalation of rate based on WPI are done as per toll notification (Schedule G) as given under.

$$\text{Base Fee X } \frac{\text{WPI-B}}{\text{WPI-A}} \text{ X length of the said section.}$$

Where

- WPI-A = is the Wholesale Price Index of June, 1997 (131.4).
- WPI-B = is the Average Wholesale Price Index for the year ending March, 31st preceding the fee revision date.

7.3 Estimation of Toll Rates

As per the applicable MORTH notification and Schedule G of contract agreement, the following Base rate of fee for the categories mentioned in the table stands true in the National Highways Fee Rules applicable for contract.

Table 7-1 : Base Toll Rates 1997-98

Type of Vehicle	Base Rate of Fee / Km (in Rs.)
Car, Jeep, Van or Jeep	0.40
Light Commercial Vehicle, (LCV)	0.70
Bus or Truck (2 Axle)	1.40
MAV (> 2 axle)	2.25

Factor of inflation / growth has been incorporated as per Schedule G. Following graph provides projection of rate of inflation (WPI) in India. Data has been taken from Office of Economic Advisor web site (www.eaindustry.nic.in)

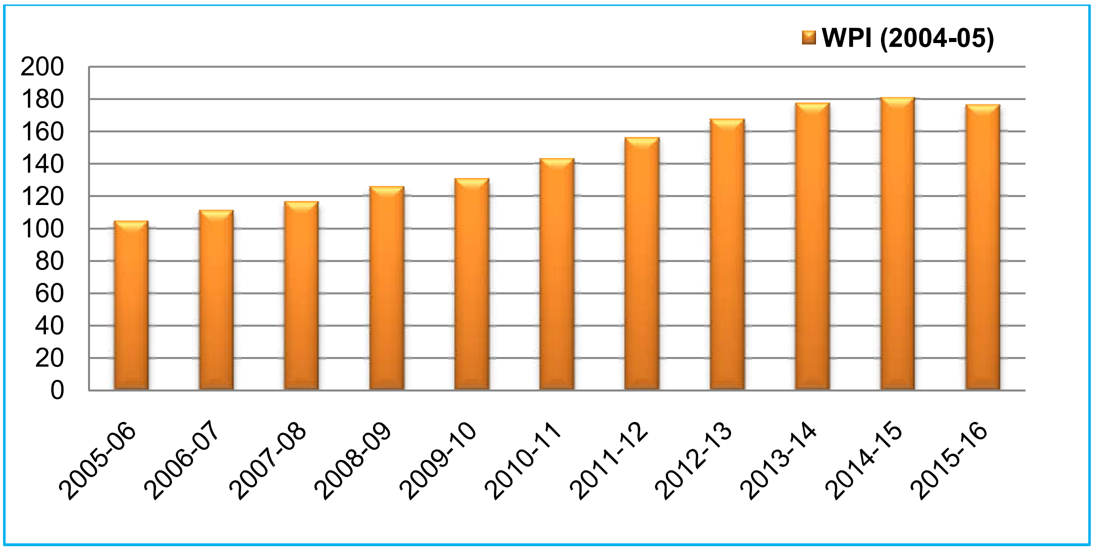

Figure 7-1 : Historical Rate of WPI Inflation in India

Average inflation in WPI in last 10 years is 5.5%. WPI for March 2017 is 5.7%. Same is considered for projection of WPI up to year 2020. After year 2020 average inflation in WPI is reduced progressively in block of 5 years. Following average WPI inflation is used for projections of toll rates

- Up to Year 2018 -4.0%
- 2019-21 -5.0%

- 2022-26 - 4.0%
- 2027-31 - 3.0%
- 2032-40 - 2.0%

Toll rates are calculated as per guidelines provided in schedule Gfor the concession period and are given below.

Total project length as per agreement is 79.823. A length of 18.475 Km has been delinked from project and 2.28 Km length for Lalapet ROB is added in project length for toll operation. Hence at present tollable length of project is 63.628. Tollable length at toll plaza at Km 157.500 and Km 198.500 is 22.576 Km and 41.052 Km respectively.

Thus, worked out rates for various categories of vehicle and discounts are given as under for both toll plazas. These rates are applicable from September 1st of respective year.

Table 7-2 : Toll Rates for Single Journey at Toll Plaza Km 157.500

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/ Bus - LTO
2017-18	20	40	80	125	15	15	25
2018-19	25	40	80	130	15	15	25
2019-20	25	45	85	140	15	15	25
2020-21	25	45	90	145	15	15	25
2021-22	25	45	95	150	15	15	25
2022-23	30	50	100	160	15	15	25
2023-24	30	50	100	165	15	15	25
2024-25	30	55	105	170	15	15	25
2025-26	30	55	110	175	15	15	25
2026-27	35	55	115	185	15	15	25
2027-28	35	60	120	190	15	15	25
2028-29	35	60	120	195	15	15	25
2029-30	35	65	125	200	15	15	25
2030-31	35	65	130	210	15	15	25
2031-32	40	65	135	215	15	15	25
2032-33	40	70	135	220	15	15	25
2033-34	40	70	140	220	15	15	25

2034-35	40	70	140	225	15	15	25
2035-36	40	70	145	230	15	15	25
2036-37	40	75	145	235	15	15	25
2037-38	45	75	150	240	15	15	25

Table 7-3 : Toll Rates for Single Journey at Toll Plaza Km 198.500

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car - LCO	LCV - LTO	Truck/ Bus - LTO
2017-18	40	75	145	235	15	15	25
2018-19	45	75	150	245	15	15	25
2019-20	45	80	160	255	15	15	25
2020-21	50	85	165	270	15	15	25
2021-22	50	90	175	280	15	15	25
2022-23	50	90	185	295	15	15	25
2023-24	55	95	190	305	15	15	25
2024-25	55	100	200	320	15	15	25
2025-26	60	105	205	330	15	15	25
2026-27	60	105	215	345	15	15	25
2027-28	65	110	220	355	15	15	25
2028-29	65	115	225	365	15	15	25
2029-30	65	115	235	375	15	15	25
2030-31	70	120	240	385	15	15	25
2031-32	70	125	250	400	15	15	25
2032-33	70	125	255	405	15	15	25
2033-34	75	130	260	415	15	15	25
2034-35	75	130	265	420	15	15	25
2035-36	75	135	270	430	15	15	25
2036-37	80	135	275	440	15	15	25
2037-38	80	140	280	450	15	15	25

Table 7-4 : Toll Rates for Multiple Journeys at Toll Plaza Km 157.500

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	35	60	120	190
2018-19	35	60	120	195
2019-20	35	65	130	205
2020-21	40	65	135	215
2021-22	40	70	140	225
2022-23	40	75	145	235
2023-24	45	75	155	245
2024-25	45	80	160	255
2025-26	45	85	165	265
2026-27	50	85	170	275
2027-28	50	90	175	285
2028-29	50	90	185	295
2029-30	55	95	190	300
2030-31	55	95	195	310
2031-32	55	100	200	320
2032-33	60	100	205	325
2033-34	60	105	210	335
2034-35	60	105	210	340
2035-36	60	110	215	345
2036-37	65	110	220	355
2037-38	65	110	225	360

Table 7-5 : Toll Rates for Multiple Journeys at Toll Plaza Km 198.500

Year	Car	Mini Bus /LCV	Truck/ Bus	Multi Axle
2017-18	65	110	220	350
2018-19	65	115	230	365
2019-20	70	120	240	385
2020-21	70	125	250	405
2021-22	75	130	265	425
2022-23	80	135	275	440
2023-24	80	140	285	460
2024-25	85	150	295	475
2025-26	90	155	310	495
2026-27	90	160	320	515
2027-28	95	165	330	530
2028-29	95	170	340	545
2029-30	100	175	350	565
2030-31	105	180	360	580
2031-32	105	185	370	595
2032-33	110	190	380	610
2033-34	110	195	385	620
2034-35	115	195	395	635
2035-36	115	200	400	645
2036-37	115	205	410	660
2037-38	120	210	420	675

Table 7-6 : Toll Rates for Monthly Pass at Toll Plaza Km 157.500

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car – LT1	Car – LT2	School Bus
2017-18	670	1175	2350	3780	150	300	1000
2018-19	700	1220	2445	3930	150	300	1000
2019-20	735	1285	2565	4125	150	300	1000
2020-21	770	1350	2695	4330	150	300	1000
2021-22	810	1415	2830	4550	150	300	1000
2022-23	840	1470	2945	4730	150	300	1000
2023-24	875	1530	3060	4920	150	300	1000
2024-25	910	1590	3185	5115	150	300	1000
2025-26	945	1655	3310	5320	150	300	1000
2026-27	985	1720	3445	5535	150	300	1000
2027-28	1015	1775	3545	5700	150	300	1000
2028-29	1045	1825	3655	5870	150	300	1000
2029-30	1075	1880	3760	6045	150	300	1000
2030-31	1105	1940	3875	6230	150	300	1000
2031-32	1140	1995	3990	6415	150	300	1000
2032-33	1165	2035	4070	6545	150	300	1000
2033-34	1185	2075	4155	6675	150	300	1000
2034-35	1210	2120	4235	6805	150	300	1000
2035-36	1235	2160	4320	6945	150	300	1000
2036-37	1260	2205	4405	7080	150	300	1000
2037-38	1285	2245	4495	7225	150	300	1000

Table 7-7 : Toll Rates for Monthly Pass at Toll Plaza Km 198.500

Year	Car/Jeep/ Van	LCV	Truck/ Bus	Multi Axle (> 2 axle)	Car – LT1	Car – LT2	School Bus
2017-18	1250	2190	4375	7035	150	300	1000
2018-19	1300	2275	4550	7315	150	300	1000
2019-20	1365	2390	4780	7680	150	300	1000
2020-21	1435	2510	5020	8065	150	300	1000
2021-22	1505	2635	5270	8470	150	300	1000
2022-23	1565	2740	5480	8805	150	300	1000
2023-24	1630	2850	5700	9160	150	300	1000
2024-25	1695	2965	5925	9525	150	300	1000
2025-26	1760	3080	6165	9905	150	300	1000
2026-27	1830	3205	6410	10305	150	300	1000
2027-28	1885	3300	6605	10610	150	300	1000
2028-29	1945	3400	6800	10930	150	300	1000
2029-30	2000	3500	7005	11260	150	300	1000
2030-31	2060	3610	7215	11595	150	300	1000
2031-32	2125	3715	7430	11945	150	300	1000
2032-33	2165	3790	7580	12180	150	300	1000
2033-34	2210	3865	7730	12425	150	300	1000
2034-35	2255	3945	7885	12675	150	300	1000
2035-36	2300	4020	8045	12930	150	300	1000
2036-37	2345	4105	8205	13185	150	300	1000
2037-38	2390	4185	8370	13450	150	300	1000

7.4 Toll Revenue

As indicated earlier, toll revenue on the Project Road has been calculated under in all three scenarios. The estimates of toll revenue under ***Optimistic***, ***Pessimistic*** and ***Most Likely*** growth scenarios are presented in the following section.

7.5 Toll Revenue at all toll plazas under Scenarios

Toll Revenue estimates under most likely scenario at each of the toll plaza up to 2037-38 (Expected End of Concession Period) starting from the year 2017-18 are shown in tables below.

Overloading of commercial vehicles is a known phenomenon on Indian roads. Currents project witnessed instances of overloading. These vehicles can be charge at extra higher rate as per contract to discourage overloading. A sample study done at Hosur Krishnagiri section of NH-7 by concessionaire shows that at present overloading charges can be translated to about 7% extra revenue. For next 2-3 years, this trend may continue at same % then it would gradually diminish over a period of say 8-10 years. Following table provides expected component of revenue from overloading.

Table 7-8 : Expected Overloading Revenue

Year	Expected Revenue from Overloading
2017-18	7%
2018-19	7%
2019-20	5%
2020-21	5%
2021-22	4%
2022-23	4%
2023-24	3%
2024-25	3%
2025-26	2%
2026-27	2%
2027-28	1%
2028-29	1%

Toll revenue projections, excluding revenue from overloading, are given in following tables.

Table 7-9 : Toll Revenue Optimistic Scenario (Rs. Crores)

Year	Thirupparaithurai Toll Plaza Km 157.500	Manavasi Toll Plaza Km 198.500	Total
2017-18	11.7	45.7	**57.5**
2018-19	13.3	51.6	**64.9**
2019-20	15.2	58.9	**74.1**
2020-21	17.3	66.7	**84.0**
2021-22	19.6	75.8	**95.3**
2022-23	22.4	85.7	**108.1**
2023-24	25.6	96.6	**122.2**
2024-25	28.7	108.5	**137.2**
2025-26	31.7	121.4	**153.1**
2026-27	35.8	134.9	**170.7**
2027-28	40.3	149.6	**189.9**
2028-29	44.1	164.5	**208.6**
2029-30	48.9	181.3	**230.1**
2030-31	53.4	198.0	**251.4**
2031-32	58.8	216.0	**274.8**
2032-33	64.5	233.5	**298.1**
2033-34	70.1	252.9	**323.0**
2034-35	75.3	273.4	**348.7**
2035-36	80.1	291.1	**371.2**
2036-37	86.0	310.0	**396.0**
2037-38	93.5	332.4	**425.9**

Table 7-10 : Toll Revenue Pessimistic Scenario(Rs. Crores)

Year	Thirupparaithurai Toll Plaza Km 157.500	Manavasi Toll Plaza Km 198.500	Total
2017-18	11.6	45.3	**57.0**
2018-19	13.0	50.6	**63.7**
2019-20	14.8	57.3	**72.1**
2020-21	16.7	64.2	**80.9**
2021-22	18.7	72.4	**91.0**
2022-23	21.2	81.1	**102.2**
2023-24	24.0	90.6	**114.5**
2024-25	26.7	100.8	**127.5**
2025-26	29.2	111.7	**140.8**
2026-27	32.7	122.9	**155.6**
2027-28	36.4	135.1	**171.4**
2028-29	39.4	147.2	**186.6**
2029-30	43.3	160.6	**204.0**
2030-31	46.9	173.8	**220.7**
2031-32	51.1	187.8	**239.0**
2032-33	55.6	201.1	**256.8**
2033-34	59.9	215.8	**275.6**
2034-35	63.7	231.0	**294.7**
2035-36	67.1	243.8	**310.9**
2036-37	71.3	257.3	**328.6**
2037-38	76.9	273.3	**350.2**

Table 7-11 : Toll Revenue Most Likely Scenario (Rs. Crores)

Year	Thirupparaithurai Toll Plaza Km 157.500	Manavasi Toll Plaza Km 198.500	Total
2017-18	11.7	45.5	**57.2**
2018-19	13.2	51.1	**64.3**
2019-20	15.0	58.1	**73.1**
2020-21	17.0	65.4	**82.4**
2021-22	19.1	74.0	**93.2**
2022-23	21.8	83.4	**105.1**
2023-24	24.8	93.5	**118.3**
2024-25	27.7	104.6	**132.3**
2025-26	30.4	116.4	**146.8**
2026-27	34.2	128.8	**163.0**
2027-28	38.3	142.2	**180.4**
2028-29	41.7	155.6	**197.3**
2029-30	46.0	170.7	**216.7**
2030-31	50.0	185.5	**235.6**
2031-32	54.8	201.4	**256.3**
2032-33	59.9	216.8	**276.7**
2033-34	64.8	233.6	**298.4**
2034-35	69.3	251.4	**320.6**
2035-36	73.3	266.5	**339.8**
2036-37	78.3	282.6	**360.9**
2037-38*	67.0	238.3	**304.9**

* Last year up to end of concession period.

CHAPTER 8

OPERATION &MAINTENANCE COST

8.1 General

While traffic and toll rates account income of project. Capital cost of construction and O & M cost form part of expenses. Health of any highway project considerably depends on pattern of its O&M cost. For these purpose, major O&M elements such as civil infrastructure, toll system and manpower's, safety, rescue, medical, civil maintenance, periodic and regular maintenance of infrastructure etc. have been analyzed. As per condition of contract, major maintenance including overlay of wearing course would be done at interval of 5 years. Same is considered while developing cost of maintenance and repair.

8.2 Major Elements of maintenance

Following are the major elements which build maintenance cost of any highway project

- Civil Infrastructure
- Toll Plaza
- Toll Operation
- HTMS
- Lighting
- Administration

8.3 Project Details

Following are project parameters which would contribute towards cost of operation and maintenance.

Table 8-1 : Project Parameters for O & M

Item	Parameter	Quantity	Unit
Length of Road	KM	63.628	KM
Main Carriageway	Paved Area	821494.8	SQM
Service Road	Paved Area	161095	SQM
Bus Bays	Paved Area	3675	SQM
Truck Lay Bye	Paved Area	2925	SQM
Structure		**12306**	SQM
Major Bridge	Area	12306	SQM
Minor Bridge	Area	0	SQM
Flyover	Area	0	SQM
RCC Crash Barrier	Length	2344	RMT
Metal Beam Crash Barrier	Length	12726	RMT
Guard Post	Nos	25451	Nos
Kerb Detail	Length	127256	RMT

Operation and maintenance cost of project depends number of factors like quality of construction, response of maintenance team to early damage, local climate (rain etc.).

8.4 Operation & Maintenance Cost

Following are project parameters which would contribute towards cost of operation and maintenance.

Future cost of operation and maintenance is estimate on engineering judgment and experience basis. Keeping all above factors in view, following can be basis of working out cost of operation and maintenance for project corridor from Trichy to Karur on NH-67 in state of Tamil Nadu.

b) **Annual Regular Maintenance** – Covering pothole repair, shoulder and slope repair, drain cleaning, median maintenance, Crash barrier, toll plaza maintenance, Toll collection, other services like medical help and rescue operations etc.

c) **Periodic Maintenance (Major Maintenance & Repair)**– This will be done on periodic basis say every 5 years. It will consist of overlaying of wearing course and painting and marking. Ministry in its Specifications for Road & Bridge Works (5th Revision) has included Micro Surfacing as surface sealing and renewal treatment. NHAI has also issued instruction to use Micro Surfacing for periodic renewal course vide letter dated 15th November 2016. In light ofabove, Micro Surfacing is considered as overlay course in 45% of the project stretch. For balance 55% normal asphalt course is considered. Also, from practicality of construction and traffic operation on project road, Major Maintenance and Repair (MMR) work is spread over a period of 2 years. Toll operation on project road commenced in year 2013-14. Hence first cycle of MMR is expected in year 2018-19.

Cost for above operations is taken on prevailing rates.

Following tables provides year cost ofRegular Operation and Maintenance and Major Maintenance and Repair.

Table 8-2 : Year wise Details of Regular Operation & Maintenance Cost

Year	Total Regular O & M Expenditure (Rs. Crores) Current Price	Escalation Factor	Total Regular O & M Expenditure (Rs. Crores) with Escalation
2017-18	8.82	1.00	8.82
2018-19	8.82	1.05	9.26
2019-20	8.82	1.10	9.72
2020-21	8.82	1.16	10.21
2021-22	8.82	1.20	10.62
2022-23	8.82	1.25	11.04
2023-24	8.82	1.30	11.48
2024-25	8.82	1.35	11.94
2025-26	8.82	1.41	12.42
2026-27	8.82	1.45	12.79
2027-28	8.82	1.49	13.18
2028-29	8.82	1.54	13.57
2029-30	8.82	1.59	13.98
2030-31	8.82	1.63	14.40
2031-32	8.82	1.67	14.69
2032-33	8.82	1.70	14.98
2033-34	8.82	1.73	15.28
2034-35	8.82	1.77	15.59
2035-36	8.82	1.80	15.90
2036-37	8.82	1.84	16.22
2037-38	8.82	1.87	16.52

Cost of Major Maintenance and Repair is given in the table below

Table 8-3 : Year wise Details of Major Maintenance & Repair (MMR) Cost

Year	Total Length of Project Road (Km)	No. of Lanes	Total Lane Km	Normal Overlay Lane Km Length (55% of the total)	Micro Surfacing Lane Km Length (45% of the total)	Rate of Normal Overlay Per Km Per Lane (Rs. Cr.)	Rate of Micro Surfacing Overlay Per Km Per Lane (Rs. Cr.)	Total Cost of Major Maintenance & Repair Current Price	Escalation Factor	Total Cost of Major Maintenance & Repair at Escalated Price
2017-18	61.00		168.00							
2018-19	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.10	10.22
2019-20	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.10	10.22
2020-21	61.00		168.00							
2021-22	61.00		168.00							
2022-23	61.00		168.00							
2023-24	61.00		168.00							
2024-25	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.42	13.18
2025-26	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.42	13.18
2026-27	61.00		168.00							
2027-28	61.00		168.00							
2028-29	61.00		168.00							
2029-30	61.00		168.00							
2030-31	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.71	15.89
2031-32	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.71	15.89
2032-33	61.00		168.00							
2033-34	61.00		168.00							
2034-35	61.00		168.00							
2035-36	61.00		168.00							
2036-37	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.93	17.90
2037-38	61.00		168.00	46.2	37.8	0.16	0.05	9.28	1.93	17.90

Following graph depicts Year wise operation and maintenance cost illustratively. Higher cost columns represent periodic & special Repair years.

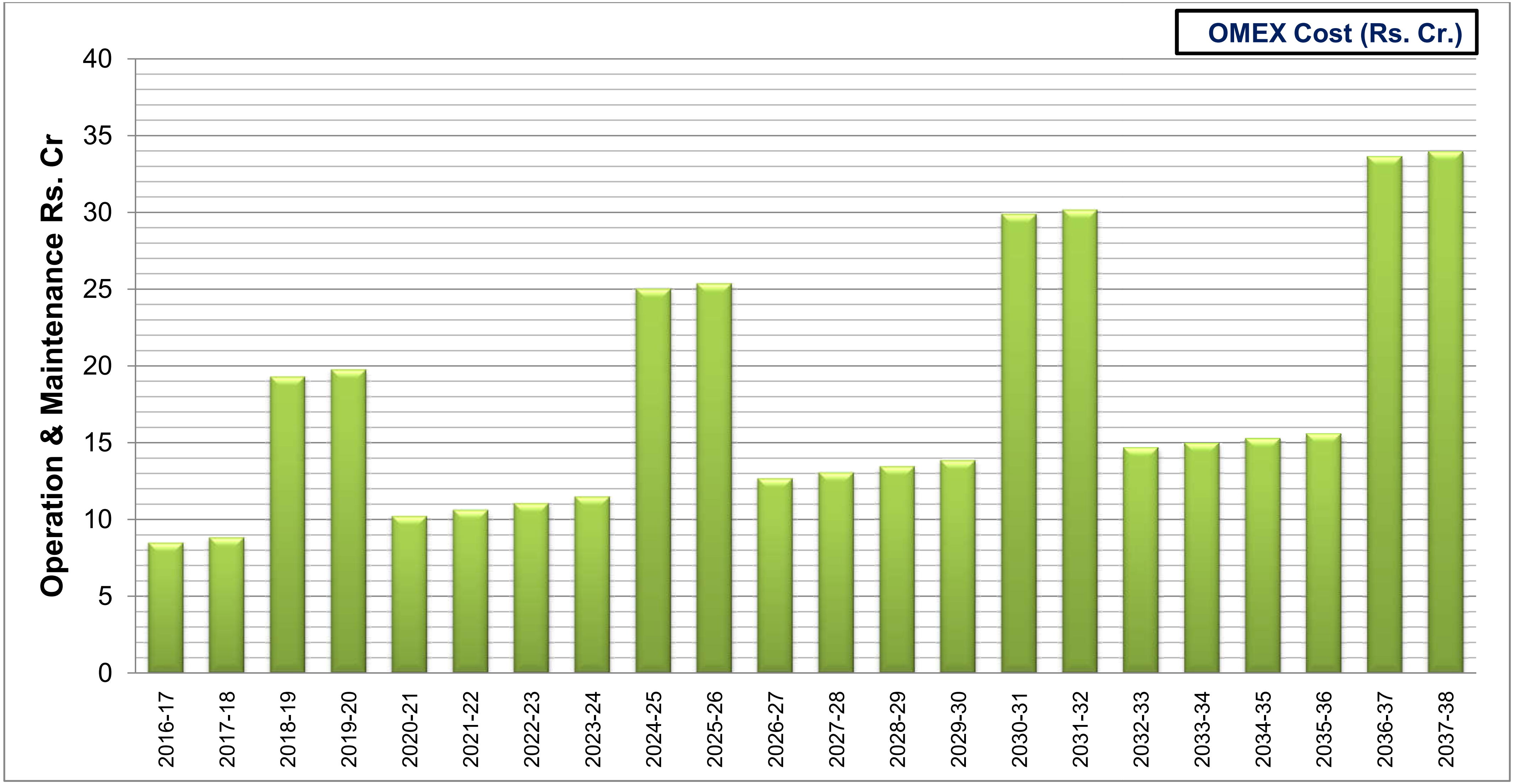

Figure 8-1 : Year wise Operation & Maintenance Cost

CHAPTER 9

CONCLUSION & RECOMMENDATIONS

9.1 Conclusion & Recommendations

Project stretch of Trichy to Karur section of NH-67 in state of Tamil Nadu from km 135.800 to km 218.000 is presently a four lane road. The road is in sound condition and serves healthy traffic volumes. There are many upcoming projects in area which are proposed to boost economic growth of area and add value to development of the region. All the developments considered in the Report have the potential to have a positive impact to traffic flow on project. Following can considered as major outcome of study

a) There is a healthy volume of tollable traffic running on project

b) Project corridor has the potential to witness traffic growth @ 7-8% annually in near future due to various development in area and overall development of economy

c) Project corridor does not have risk of traffic leakage due to lack of competing roads of comparable quality

d) Project infrastructure is in good condition and its maintenance costs are feasible for the successful operation of the toll road

Based on above it can be considered a stable healthy project from traffic and revenue point of view.

ANNEX D
AIFM DIRECTIVE DISCLOSURES

In accordance with the AIFM Directive, the Investment Manager must disclose certain prescribed information to prospective investors because it is intended that the Offer Document will be used to market Units to professional investors in Member States of the EEA in accordance with Article 42 of the AIFM Directive. The following table indicates where the required information is located within this Draft Offer Document or sets out the required information, to the extent applicable.

Information to be disclosed	**Article**	**Reference in Draft Offer Document**
General Fund Information		
Investment strategy and objectives of the AIF	Art 23(1)(a)	Section IV 'About the Trust – Background and Structure of the Trust' Section IV 'About the Trust – The Trust's Business'
Information on where master AIF is established and where the underlying funds are established	Art 23(1)(a)	Section IV 'About the Trust – Background and Structure of the Trust'
Type of assets in which the AIF may invest and the techniques it may employ and all associated risks	Art 23(1)(a)	Section I 'General – Definitions and Abbreviations' (*Infrastructure Assets; Initial Road Assets; Trust Assets*) Section IV 'About the Trust – The Trust's Business'
Applicable investment restrictions	Art 23(1)(a)	Section I 'General' (*Infrastructure Assets; Initial Road Assets; Trust Assets*) Section IV 'About the Trust – Background and Structure of the Trust' Section IV 'About the Trust – The Trust's Business'
Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, restrictions on using leverage and any collateral and asset reuse arrangements	Art 23(1)(a)	Section II 'Risk Factors' (*No 26; No 69*) Section IV 'About the Trust – The Trust's Business' (*Competitive Strengths - Low leverage upon Listing, providing debt capacity to finance future growth*) Section IV 'About the Trust – Leverage' The Investment Manager, as the alternative investment fund manager of the Trust for the purposes of the AIFM Directive (an "AIFM"), is a non-EEA AIFM and not authorised under the AIFM Directive by any EEA national competent authority and therefore not required to set a maximum level of leverage in respect of the Trust.
Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Art 23(1)(a)	Section II 'Risk Factors' (*No 26; No 69*) Section IV 'About the Trust – The Trust's Business' (*Competitive Strengths - Low leverage upon Listing, providing debt capacity to finance future growth*) Section IV 'About the Trust – Leverage' The Investment Manager, as the alternative investment fund manager of the Trust for the purposes of the AIFM Directive (an "AIFM"), is a non-EEA AIFM and not authorised under the AIFM Directive by any EEA national competent

		authority and therefore not required to set a maximum level of leverage in respect of the Trust.
Procedures by which the AIF may change its investment strategy or investment policy, or both	Art 23(1)(b)	Section I 'General' (*Infrastructure Assets; Initial Road Assets; Trust Assets*) Section IV 'About the Trust – Background and Structure of the Trust' Section IV 'About the Trust – The Trust's Business'
Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	Art 23(1)(c)	Section II 'Risk Factors' (*No 11; No 73*) Section IV 'About the Trust – Summary of the Concession Agreements'
Identity of the AIFM, the AIF's depositary, auditor and any other service providers and description of their duties and the investors' rights	Art 23(1)(d)	Section III 'Introduction – General Information' Section IV 'About the Trust – Auditors' Section IV 'About the Trust – Valuers' Section V 'Parties to the Trust – The Sponsor Section V 'Parties to the Trust – The Investment Manager' Section V 'Parties to the Trust – The Project Manager' Section V 'Parties to the Trust – The Trustee'
Description of how the AIFM is protected against potential professional liability risks	Art 23(1)(e)	Not applicable
Description of any delegated management functions by the AIFM and of any safe-keeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations	Art 23(1)(f)	Section V 'Parties to the Trust – The Project Manager'
Description of the AIF's valuation procedure and of the pricing methodology for valuing assets	Art 23(1)(g)	Section IV 'About the Trust – Valuation' Section IV 'About the Trust – Valuers'
Description of the AIF's liquidity risk management	Art 23(1)(h)	Section VI – 'Financial Information – Financial Statements – Note 25 – Financial risk management'
Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	Art 23(1)(i)	Section III 'Introduction – Terms of the Issue' (*Brief details of the fees and expenses charged or chargeable to the Trust*) Section IV 'About the Trust – Background and structure of the Trust' (*Fees and Expenses*)

Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investor	Art 23(1)(j)	The Company will endeavour to treat all investors fairly although they are, as non-EEA AIFMs, not required to do so by the AIFM Directive. Section IV 'About the Trust – Related Party Transactions'
Latest annual report	Art 23(1)(k)	Not applicable (at this date, no annual report has been issued in respect of the Trust).
Procedure and conditions for the issue and sale of Units	Art 23(1)(l)	Section III 'Introduction – The Issue' Section III 'Introduction – Terms of the Issue' Section III 'Introduction – Basis of Issue Price' Section IV 'About the Trust – Rights of Unitholders'
Latest net asset value of the AIF or the latest market price of the unit or share of the AIF	Art 23(1)(m), Art 19(3)	Section III 'Introduction – The Issue' (*Basic Issue Price – Valuation provided by the Valuers*) Annex A – Valuation Report
Historical performance of the AIF, where available	Art 23(1)(n)	Section VI 'Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'
The identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and re-use of AIF assets, and information about any transfer of liability to the prime broker that may exist	Art 23(1)(o)	Not applicable.
Description of how any changes to liquidity or leverage provisions of the AIF will be disclosed to investors	Art 23(1)(p)	The information required will be set out in annual reports and notices issued by the Trust and notifications issued by the stock exchanges in India and SEBI.
Any arrangement made by the depositary to contractually discharge itself of liability and any changes with respect to depositary liability	Art 23(2)	Not applicable.