(Formerly known as Indian Technocrat Limited)

CIN: U74140DL1980PLC010753

#### HALF YEARLY REPORT FOR ORIENTAL INFRATRUST FOR PERIOD ENDED SEPTEMBER 30, 2020

We, OIT Infrastructure Management Limited, Investment Manager of Oriental InfraTrust ("InvIT/Trust") hereby submit the half yearly report for the period ended September 30, 2020.

1. Investment Manager's brief Report on the activities of the InvIT and the summary of the Audited consolidated financial statement for the year of the InvIT.

Oriental InfraTrust Trust ("Trust") has been settled on June 15, 2018 as a contributory irrevocable Trust under the provisions of the Indian Trusts Act, 1882. The Trust was registered as an Infrastructure Investment Trust under SEBI (Infrastructure Investment Trust) Regulations, 2014 on March 26, 2019, having registration number IN/InvIT/18-19/0011. The investment objectives of the Trust are to carry on the activities of an InvIT, as permissible under the SEBI InvIT Regulations, to raise resources, directly through the Trust or indirectly, through Project Entities and to make investments in accordance with the directions of Investment Manager..

As on September 30, 2020 there are five road projects which are owned, operated and maintained by Trust and the Project SPV which comprise of initial road asset comprising of approximately 621 Km of constructed and operational roads across 4 states of India.

On June 24, 2019, the Trust acquired 100% of the issued equity shares of all the 5 Project SPV. On June 24, 2019 the beneficial management control of all the 5 Project SPV transferred to the Trust.

The Trust is listed on the NSE i.e. National Stock Exchange.

The Year 2020 started with a major outbreak of COVID-19 pandemic which had significant impact on global markets including India. The road & highway sector was also impacted with reduction in toll revenues including suspension of toll collections from March 26, 2020 to April 19, 2020. We had taken adequate steps and precautions at all our toll sites to manage the health and safety of our employees.

The Trust during its very first year of operations managed to grow toll revenues by 5% in comparison to the last year. The growth was subdued on account of toll reduction including suspension due to COVID-19 pandemic. In addition, the Trust had successfully refinanced senior debt at SPV level in March 2020 thereby improving the operating performance and return to the Unitholders. The Trust is on lookout for strategic acquisitions for maximizing unitholder's returns.

Accordingly, the Summary of Financial Information on Standalone and Consolidated Financial Statement of the Trust are attached. The details are attached as **Annexure – A.** 

#### 2. Brief details of all the assets of the InvIT, project-wise

The Trust has five project road asset, comprising of following Project SPV. The Trust has acquired 100% of the equity shares in each of the Project SPVs from the Sponsors. As consideration for the acquisition of the equity shares of the Project SPVs, the Trust had issued Units to the Sponsors on closing date.

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The following Project SPVs are owned and operated by Trust:

- the Nagpur Bye Pass Project: an approximately 117 km section of NH-7 including the Madhya Pradesh/ Maharashtra border to Nagpur section and the Nagpur to Hyderabad section in Maharashtra, which is owned, operated and maintained by Oriental Nagpur Bye Pass Construction Private Limited ("ONBPCPL");
- the Indore Khalghat Project: an approximately 72 km section of NH-3 between Indore and Khalghat in Madhya Pradesh, which is owned, operated and maintained by Oriental Pathway (Indore) Private Limited ("OPIPL");
- the Etawah Chakeri Project: an approximately 160 km section of NH-2 between Etawah and Chakeri in Uttar Pradesh, which is owned, operated and maintained by Etawah-Chakeri (Kanpur) Highway Private Limited ("ECKHPL");
- the Hungund Hospet Project: an approximately 97 km section of NH-13 between Hungund and Hospetin Karnataka, which is owned, operated and maintained by Hungund Hospet Highways Private Limited ("HHPL"); and
- the Nagpur Betul Project: an approximately 175 km section of NH-69 between Nagpur and Betul inMadhya Pradesh, which is owned and operated by Oriental Nagpur Betul Highway Private Limited ("ONBHL").

3. Details of revenue during the year, project wise from the underlying projects : The details are attached herewith as "Annexure B"

4. Brief summary of the valuation as per the full Valuation Report as at the end of the half year: The details are attached herewith as "Annexure C"

5. Any information or report pertaining to specific sector or sub -sector that may be relevant for an investor to invest in Units of the InvIT- Nil

6. Details of changes during the year pertaining to;

- a. Addition and divestment of assets including the identity of the buyers or sellers, purchase or sale prices and brief details of valuation for such transactions: **Not Applicable**
- b. Valuation of assets and NAV (as per the full Valuation Reports): As per Annexure C

c. Borrowings or repayment of borrowings (standalone and consolidated): The details are attached herewith as "Annexure D"

- d. Credit Rating :Details of credit rating is attached herewith as "Annexure E"
- e. Sponsor, Investment Manager, Trustee, Valuer, Directors of the Trustee or Investment Manager or Sponsor, etc.

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#### Details of Sponsor 1.

Oriental Structural Engineers Private Limited ("OSEPL") is one of the Sponsor of the Trust. OSEPL was incorporated in India under the Companies Act, 1956 with corporate identity number U74210DL1971PTC005680. OSEPL was incorporated on June 18, 1971. OSEPL became a deemed public company on January 10, 1988 and was converted into a private company on March 6, 2002. OSEPL's registered office and corporate office is situated at OSE Commercial Block, Hotel Aloft, Asset<sup>®</sup> 5B, Aerocity, Hospitality District, IGI Airport, New Delhi 110037, India.

#### Background of OSEPL

OSEPL is an infrastructure development and construction company in India with experience in the construction of rigid and flexible pavements for roads, highways and airfields. Its experience extends to constructing bridges, flyovers and embankments with reinforced earth and earthwork. In the past four decades, OSEPL has executed pavement works, both rigid and flexible, major national/state highway projects in India and abroad.

OSEPL has experience of at least five years and the OSEPL is a developer with at least two completed road/highway projects.

Further, neither the OSEPL nor any of the promoters or directors of OSEPL: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, Investment Manager or Trustee of any other infrastructure investment Trust or an infrastructure investment Trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

S. No	Name of Director	Director Identification Number		
1.	Mr. Kanwaljit Singh Bakshi	00015595		
2.	Capt. Prehlad Singh Sethi	00020926		
3.	Mr. SanjitBakshi	00020852		
4.	Mr. Ashok Kumar Aggarwal	00354479		
5.	Mr. Vijay Chandra Verma*	00175162		
6.	Mr. Amit Burman	00042050		

Board of Directors of the Sponsor as on September 30, 2020 is mentioned below:

\* Mr. Vijay Chandra Verma demised on 11.10.2020

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#### Details of Sponsor 2.

Oriental Tollways Private Limited ("**OTPL**") is one of the sponsor of the Trust. OTPL was incorporated in India under the Companies Act, 1956 with corporate identity number U45203DL2008PTC184135. OTPL was incorporated on October 10, 2008. OTPL's registered office is situated at OSE Commercial Block, Hotel Aloft, Asset 5B, Aerocity, Hospitality District, IGI Airport, New Delhi 110 037, India.

### Background of OTPL

OTPL is presently a wholly owned subsidiary of and promoted by OSEPL. The business activity of OTPL involves holding investments of operating companies engaged in the infrastructure sector, and particularly, in roads and highways construction, operation and maintenance. Currently, OTPL holds investments in the special purpose vehicles engaged in the construction and development of highways and roads projects.

OTPL has experience of at least five years and OTPL is a developer with at least two completed road/highway projects. Further, neither OTPL nor any of the promoters or directors of OTPL: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, Investment Manager or Trustee of any other infrastructure investment Trust or an infrastructure investment Trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

Board of Directors of the Sponsor as on September 30, 2020 is mentioned below:

S. No	Name of Director	Director Identification Number
1	Mr. Kanwaljit Singh Bakshi	00015595
2	Mr. Maninder Sethi	01132637

There has been no change in the Directors of Sponsor 1 in the half year ended 30.09.2020

#### Details of Investment Manger

OIT Infrastructure Management Limited (formerly known as Indian Technocrat Limited) is an advisory firm, providing multidisciplinary engineering consultancy. It also has experience in providing advisory services in the infrastructure sector, particularly, consultancy services for full cycle of project development, from conceptualization to completion and operation and maintenance services for a varied and diverse spectrum of projects.

#### Demerger of Investment Manager

The Board of Directors had filed Demerger Scheme on March 25, 2019 to demerge the consulting business of IM to I.K. Developers and Engineers Private Limited. The Demerger Scheme has been approved on October 06, 2020 and is effective from appointed date i.e April 1, 2018 thereby retaining the Business to act as Investment Manager to Trust.

Further, neither the Investment Manager, nor its promoters or directors:

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- (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 wilful defaulters published by the RBI

The Board of Directors of the Investment Manager as on September 30, 2020 is mentioned below:

S. No	Name of Director	Director Identification Number		
1	Sanjit Bakshi	00020852		
2	Surinder Singh Kohli*	00169907		
3	Deepak Dasgupta*	00457925		
4	Ajit Mohan Sharan*	02458844		
5	Ranveer Sharma	02483364		

\* Independent Directors

#### Details of the Trustee

Axis Trustee Services Limited is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture Trustee since January 31, 2014 having registration number IND000000494 and is valid until suspended or cancelled by SEBI. The Trustee's registered office is located at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025 and corporate office is at The Ruby, 2nd Floor, SW, 29, Senapati Bapat Marg, Dadar West, Mumbai 400 028.

#### Background of the Trustee

The Trustee is a wholly-owned Subsidiary of Axis Bank Limited. The Trustee's services are aimed at catering to the individual needs of the client and enhancing client satisfaction. As Trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the Industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond Trusteeships, including, advisory functions and management functions. The Trustee also acts as a security Trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a Trustee to

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alternative Investment funds; (iv) custodian of documents as a safe keeper; (v) a Trustee to real estate Investment funds etc.,.

The Trustee confirms that it has maintained, and undertakes to ensure that it will at all times maintain inadequate Infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance with the Trust Deed, the SEBI InvIT Regulations, the Indenture of Trust and other applicable law.

The Trustee is not an Associate of the Sponsors or the Investment Manager. Further, as of the date of this Annual Report, the Trustee is in compliance with the eligibility criteria provided under Regulation 4 of the SEBI InvIT Regulations and is a "fit and proper person" as prescribed under SEBI (Intermediaries) Regulations, 2008.

Further, neither Trustee nor any of the Directors of the Trustee: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other Company or a Sponsor, Investment Manager or Trustee of any other Infrastructure Investment Trust or an Infrastructure Investment Trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters by any bank or financial institution, as defined under the Companies Act, 2013, or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

The Board of Directors of the Trustee as on September 30, 2019 is mentioned below:

S. No	Name of Director	Director Identification Number		
1	Sanjay Sinha	08253225		
2	Rajesh Kumar Dahiya	07508488		
3.	Ganesh Sankaran	07580955		

# f. Clauses in Trust Deed, Investment Management agreement or any other agreement entered into pertaining to activities of InvIT

There has been no change in clauses of Trust Deed, Investment Management agreement or any other agreement entered into pertaining to activities of InvIT.

There have been changes in the following clauses of Disclosure of Information Policy through Postal Ballot on September 23, 2020:

(i) Clause 6.4.5(b) of the Disclosure of Information Policy

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- (ii) Clause 6.4.6(a) & 6.5.3 r(i), of the Disclosure of Information Policy
- (iii) Clause 6.4.6(c) & 6.5.3 r(iii) of the Disclosure of Information Policy
- (iv) Clause 6.4.5(a) & Clause 6.5.3 q(i) of the Disclosure of Information Policy

#### g. Any regulatory changes that has impacted or may impact cash flows of the underlying projects . None

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h. Change in material contracts or any new risk performance of any contract pertaining to the InvIT. There are no material contracts or any new risk performance of any contract pertaining to the InvIT.

- i. Any legal proceedings which may have significant bearing on the activities or revenues or cash flows of the InvIT - NIL
- j. Any other material change during the year Sh. Manish Satnaliwala, Chief Financial Officer of the Company vide his letter dated September 01, 2020 has resigned from the services of the Company. The Board of Directors have accepted his resignation and he will be relieved from his services w.e.f November 30, 2020.

7. Revenue of the InvIT for the last 5 years, project wise: The details are attached herewith as "Annexure -F"

8. Update on development of under-construction projects, if any – NIL

9. Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis as at the end of the half year - The details are attached herewith as "Annexure - G"

10. The total operating expenses of the InvIT along with the detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the year. - The details are attached herewith as Annexure "H"

11. Past Performance of the InvIT with respect to unit price, distributions made and yield for last 5 years as applicable.

The Trust was formed on June 15, 2018 and was registered as an Infrastructure Investment Trust under SEBI (Infrastructure Investment Trust) Regulations, 2014 on March 26, 2019. It completed its first investment on June 24, 2019.

Accordingly, past performance of the InvIT with respect to unit price and yield for the last 5 years is not applicable.

The Trust had declared its first quarter distribution of financial year 2020-2021 as Re. 1.2125291013 (including Rs. 0.7175062391 as Interest per unit and Rs. 0.4950228622 as Return of Capital Per Unit paid to all Unitholders.

12. Unit price quoted on the exchange at the beginning and the end of the year, the highest and the lowest unit price and the average daily volume traded during the financial year.

The Trust had issued 23,060 MILLION Units of Rs. 100 each on June 24, 2019 which were listed on NSE Limited w.e.f. June 27, 2019. Since the date of listing, the Units have not been traded and accordingly the aforesaid data is not applicable as on September 30, 2020

13. (1) Details of all related party transactions during the year, the value of which exceeds five percent of value of the InvIT. - Nil

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(2) Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle in which it has investment in – The details are attached herewith as Annexure "I".

### 14. Details of issue and buyback of units during the year, if any.

There was no buyback of Units by the Trust as on September 30, 2020 and till the date of this report.

#### 15. Brief details of material and price sensitive information

During the Period, the Trust, from time to time, has been providing details of material and price sensitive information to the stock exchanges in accordance with InvIT Regulations.

16. Brief details of material litigations and regulatory actions which are pending against the InvIT,sponsor(s), Investment Manager, Project Manager(s) or any of their associates and the Trustee, if any, at the end of the year: Details of Litigations is attached herewith as "Annexure J"

17. Risk factors: The details are attached herewith as "Annexure K".

#### 18. Information of the contact person of the InvIT

Mr. Guarav Puri Compliance Officer Address: OSE Commercial Block, Hotel Aloft, Asset-5B Aerocity, Hospitality District, IGI Airport, New Delhi-110037, Tel: 011-46044604 Email: gaurav.puri@orientalindia.com

Mandatory Disclosures in the half yearly report (For privately placed InvITs)

19. Financial Statements for the half year (Standalone and consolidated): Attached as Annexure "A"

**20. Updated Valuation Report by the Valuer taking into account any material developments during the previous half year**: Not Applicable

Yours Faithfully, For OIT Infrastructure Management Limited (Investment Manager of Oriental InfraTrust)

Gaurav Puri Compliance Officer

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Manish Satnaliwala Chief Financial Officer

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Independent Auditor's Review Report on Unaudited Consolidated Half Yearly Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended)

# To the Board of Directors of OIT Infrastructure Management Limited (formerly known as Indian Technocrat Limited) (As the Investment Manager of Oriental InfraTrust)

- 1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Oriental InfraTrust ('the Trust') and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiaries included in the Statement) which comprises the Unaudited Statement of Profit and Loss (including Other Comprehensive Income), explanatory notes thereto and the additional disclosures as required by paragraph 6 of Annexure A to the SEBI Circular CIR/IMD/DF/127/2016 dated 29 November 2016 (hereinafter referred to as 'the SEBI Circular') for the half year ended 30 September 2020, being submitted by Indian Technocrat Limited ('the Investment Manager') pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) (hereinafter referred to as 'the SEBI Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2. This Statement, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 including Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') and other accounting principles generally accepted in India and in accordance with the presentation and disclosure requirements of the SEBI Circular read with Regulation 23 of the SEBI Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
- 3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India (the 'ICAI'). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing issued by the ICAI, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Independent Auditor's Review Report on Unaudited Consolidated Half Yearly Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) (Cont'd)

- 4. Based on our review conducted above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles of Ind AS specified in the Companies (Indian Accounting Standards) Rules, 2015 including Ind AS 34 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of the SEBI Circular read with the SEBI Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
- 5. We did not review the unaudited financial information of 5 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 6,514.38 millions, total net loss after tax of ₹ 685.75 millions and total comprehensive loss of ₹ 689.99 millions for the half year ended on 30 September 2020. These unaudited financial information have been reviewed by other auditors whose review reports have been furnished to us by the Investment Manager of the Trust, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors. Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

#### For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No: 001076N/N500013

Manish Agrawal Partner Membership No. 507000 UDIN: 20507000AAAAFF3037

Place: Ghaziabad Date: 12 November 2020

Independent Auditor's Review Report on Unaudited Consolidated Half Yearly Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) (Cont'd)

#### Annexure 1

#### List of subsidiaries included in the Statement

- a. Oriental Pathways (Indore) Private Limited
- b. Oriental Nagpur Bye Pass Construction Private Limited
- c. Oriental Nagpur Betul Highway Limited
- d. Etawah Chakeri (Kanpur) Highway Private Limited
- e. OSE Hungund Hospet Highways Private Limited



## Orlen¢al InfraTrust

Unaudited Consolidated Statement of Profit and Loss for the half year ended 30 September 2020 (All armounts in ₹ millions unless otherwise stated)

### Statement of Profit and Loss

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unaudited)	(Refer note 12)	(Inaudited)
Inconte			
Revenue from operations	5,741,24	6,931.37	6,045,22
Other income	331.52	315.73	233.76
Total income	6,072.76	7,247.10	6,278.98
Expenses			
Operating expenses	717.89	941.11	440.41
Employee benefits expense	117.09	127.52	65.69
Finance costs	3,138.99	3,429.09	1,886.12
Depreciation and amortisation expense	1,598.32	2,022.13	961.51
Impairment of intangible assets (refer note 13)	-	4,426.25	201.31
Other expenses	240.39	233.19	211.07
Total expense	5,812.68	11,179.29	3,564.80
Profit/(loss) before tax	260.08	(3,932,19)	2,714.18
Tax expense:		(0,00=007)	2,714.10
Current tax (including earlier years)	294.76	199.84	519.47
Deferred tax	(99.05)	(1,628.03)	856.72
Total tax expense	195.71	(1,428.19)	1,376.19
Profit/(loss) after tax	64.37	(2,504.00)	1,337.99
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit obligations	(4.24)	(1.05)	0.12
Tax relating to these items	(	0,05	
Total other comprehensive income	(4.24)	(1.00)	(0.05) 0.07
Fotal comprehensive income			
total comprehensive income	60.13	(2,505.00)	1,338.06







Additational disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All armounts in E millions unless otherwise stated)

## a. Starement of Net Distributable Cash Flows

#### i. Orienal InfraTrust

S. No.	Particulary	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
		(Unandited)	(Refer note 12)	(Unaudited)
1	Net Distributable Cash Flows of the Project Entities	4,630.21	2,952.95	2,063.68
2	Add: Any other income accruing at the Trust level and not captured above, including but not limited to interest/teurn on surplus cash, if any, invested by the Trust	51.61	13,10	39,51
	Total cash inflow at the Trust level (A)	4,681.82	2,966.05	2,103.19
3	Less: Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the lees of the lovestment Manager and the Trustee	(1,358.15)	(443.52)	(2,01
4	Less: Amount invested in or lent to any of the Project Entities for service of debt or interest funded through internal accruals of the Trust, to the extent allowed under the SEB1 InvFF Regulations. Such amount shall be decided by the IM Board in accordance with Annual Budget approved by the Unitholders in accordance with the Trust Deed; Provided that any amount lent by the Trust to the Project Entity (regardless of the source of funding used by the Trust) for repayment of Sponsor loans shall also be considered under this head.		(27,057.45)	(57,59
5	Less: Repayment of external debt at the Trust level (net of any new debt taised or refinancing of existing debt)	(714,25)	27,998.60	×
6	Less: Income tax (if applicable) at the standalone Trust level	(22,43)	(22,12)	÷
3	Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations (mainly includes creation of DSRA for borrowings availed and repayment of interest on borrowing)	343	(1,240,49)	0 0
	Foust cash outflows / retention at the Trust level (B)	(2,494.82)	(764.98)	(59.60)
	Net Distributable Cash Flows (C)=(A+B)	2,187.00	2,201.07	2,043.59

#### (ii) Oriental Nagpur Betul Highway Limited ('ONBHL')

S. No.	Particulare	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	24 June 2019 to 30 September 2019
		(Uraudited)	(Refer note 12)	(Unambited)
1	Profit after tax as per Statement of Profit and Loss (A)	978.28	1,047.71	1,264.37
2	Add: Depreciation and amortisation as per Statement of Profit and Loss	6,25	8.29	4.51
3	Add: Any amount received from rolls or annuities not recognised as income for the purposes of working out the Profit after $ta_{\lambda}$	617,94	•360,74	1,501.39
4	Add/Less: Decrease / (increase) in working capital	(57,42)	180.66	(275.09)
5	Add: Interest on loans (if any) from Trust	304,04	296.33	150.55
ů.	Add: Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations	8	×	4,103,52
7	Less: Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders		210,00	(210.00)
8	Add: Proceeds from: • sale of, fixed assets (including investments) • repayment of any loans provided to any other party, ω the extent the same are not already considered calculation of Profit after tax	*	12,07	3,632.70
り	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items)	(6.32)	(554.94)	(258.64)
10	Add/less: Any other income/expense not considered for the calculation of Profit after tax, if deemed necessary by the Investment Manager, after the Inv1T closing date.	2 H	478.46	(478,46)
Н	Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt raised	(1,039,20)	(1,014.10)	(5,076,02)
12	Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations - (Lean advanced to Oriental Nagpur Byepass Construction Private Limited)		(692.70)	(2,950.00)
	Total Adjustments (B)	(174.70)	(715,19)	144.46
	Net Distributable Cash Flows (C)=(A+B)	803.58	332.52	1,408.83
	Net Distributable Cash Plows as per above	803.58	220 50 1	4 400 00
	Add: Proportionate principal repayment and interest payment proposed out of opening surplus as at 24 June 2019		<b>332.52</b> 824.21	1,408.83
	Net distributable cash flows	848.98	1,156.73	1,408.83





Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All armunts in 7 millions unless otherwise stated)

## a. Starement of Net Distributable Cash Flows

(iii) Oxiental Nagpur Byepass Construction Private Limited ('ONBPCL')

S. No.	Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	24 June 2019 to 30 September 2019
		(Unaudited)	(Illefer note 12)	(Unaudited)
	(Loss) / profit after tax as per Statement of Profit and Loss (A)	(435.18)	-	1,075.23
- 1	Add: Depreciation and amortisation as per Statement of Profit and Loss	204.18	261.00	119,89
	Add/Less: Decrease / (increase) in working capital Add: Interest on loans (if any) from Trust	(38.67)		(1,819.06
-5	Add: Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accurals to the extent allowed under the SEBI InvIT Regulations	595.37	546.42 648.49	298.80 7,821.97
	Add: Proceeds from: • sale of, fixed assets (including investments) • repayment of any loans provided to any other party, to the extent the same are not already considered calculation of Profit after tax	164.30	122.37	223.42
7	Less: Cash released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee	(7.11)	(300,00)	300.00
	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items)	135.95	(545.77)	-100.66
	Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt mised		909.13	(7,815.13
	Less: Payment toward: • Capital expenditure incurred on the projects (if any) including payment to contractors for their claims • payment of claims (or retention of any amounts relating to such claims) related to Sponsors under the Sale and Transfer Agreement (only to the extent such amounts are not already covered in the Capital Expenditure item mentioned above)	(16.78)	) (14.21)	(0.93
	Less: Any provision or reserve deemed necessary by the LM Board for expenses which may be due in the next quarter but for which there may not be commensurate amounts available by the date auch expenses become due provided such expenses are already included as a part of annual hudget approved in accordance with the Trust Deed.			÷
	Total Adjustments (B)	1,030.56	145.41	(470.38
	Net Distributable Cash Flows (C)=(A+B)	595.37	684.39	604.85



Oriencal InfraTrust Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All armounts in 7 millions unless otherwise stated)

### a. Starement of Net Distributable Cash Flows

(iv) Efavuh Chakeri (Kanpur) Highway Private Limited ('ECKHPL')

No.	Farticulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	24 June 2019 to 30 September 2019
		(Unaudited)	(Refer note 12)	(Unandited)
1	(Loss) / Profit after tax as per Statement of Profit and Loss (A)	(721.49)	234.96	(1,296.40
2	Add: Depreciation and amortisation as per Statement of Profit and Loss	575.67	511.46	355.58
3	Less: Any amount payable to concession granting authority as revenue share or premium if such amount has not already been considered for the determination of Profit after tax	s	164.40	(164.40
4	Add/Less: Decrease / (increase) in working capital	(752,45)	489.35	6.36
5	Add Interest on loans (if any) from Trust;	708.BG	46.72	
6	Add: Amount invested by the Trust in the Project Entity for service of debt or interest, through internal teenals to the extent allowed under the SEBI InviT Regulations		(3,258.64)	3,258.64
7	Add amount released from DSRA/MMRA or any other reserve in lieu of providing bank guatantee	155,01	204.50	(204.50
8	Add: Proceeds from: • sale of, fixed assets (including investments) • repayment of any loans provided to any other party, to the extent the same are not already considered calculation of Profit after tax		(7.82)	227.73
9	Add: Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accurate to the extent allowed under the SPBI InvIT Regulations.	400.00		-
10	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items)	857,46	(25.10)	1,345.4
11	Less: Repayment of external debt (principal) / redeentable preference shares / debentures, etc., if deemed necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt raised		2,639.00	(3,677,90
12	Less: Payment toward: • Capital expenditure incurred on the projects (if any) including payment to contractors for their claims • payment of claims (or retention of any amounts relating to such claims) related to Sponsors under the Sale and Transfer Agreement (only to the extent such amounts are not already covered in the Capital Expenditure iron mentioned above))		) (134.26)	(0.4
13	Lesse Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders;	(12.50	e e	7
14	Less: Any provision or reserve deemed necessary by the IM Board for expenses which may be due in the next quarter but for which there may not be commensurate amounts available by the date such expenses become due provided such expenses are already included as a part of annual budget approved		(204.73)	
	in accordance with the Trust Deed. (An amount set aside as reserve for the purpose of payment of interest expenses/loan repayment to Oriental InfraTrust)			
	Total Adjustments (B)	1,930.03	424.88	1,146.5
	Net Distributable Cash Flows (C)=(A+B)	1,208.53	659.83	(149.8
	Net Distributable Cash Flows as per above	1,208.53	659.83	(149.8
	Adde Proportionate principal repayment and interest payment proposed out of opening surplus as at 20 June 2019			
	Net Distributable Cash Flows (C)=(A+B)	1,272.44	659.83	(149.85



#### Oriental InfraTrust Addictional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in § millions unless otherwise stated)

#### a. Statement of Net Distributable Cash Flows

### (v) OSE Hungund Hospet Highways Private Limited ('OHHHPL')

S. No.	Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
		(Unandited)	(Refer note 12)	(Unandited)
1	(Loss) / Profit after tax as per Statement of Profit and Loss (A)	(604 54)	(151.40)	
2	Add: Depreciation and amortisation as per Statement of Profit and Loss	(604.56) 153.44	(351.46) 261.30	141.12
3	Add/Less: Decrease / (increase) in working capital	(28.68)	(646.23)	55,93
4	Add: Interest on loans (if any) from Trust	(28.08) 736-75	(040.23) 35.97	9.22
5	Add: Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations		10,611.58	2,199.02
6	Add: Proceeds from • sale of, fixed assets (including investments • repayment of any loans provided to any other party, to the extent the same are not already considered calculation of Profit After Tax;	1,119.76	5a)	ā
7	Less: Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders (includes amount released from reserved created in previous year)	(93.00)	474,30	(474.30)
8	Add: Amount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee (includes amount released from reserved created in previous year)	323.16	20 -	ä.
9	Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items)	169.04	14.64	(14.64
10	Add/less: Any other income/expense not considered for the calculation of Profit after tax, if deemed necessary by the Investment Manager, after the InvIT closing date.	12	1,840.08	(1,724.72
11	Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt raised	2	(10,707.68)	100
12	Less: Payment toward • Capital Expenditure incurred on the projects (if any) including payment to contractors for their claims • payment of claims (or retention of any amounts relating to such claims) related to Sponsors under the Sale and Transfer Agreement (only to the extent such amounts are not already covered in the Capital Expenditure item mentioned above)).	(0.02)	(0.68)	
13	Less: Any provision or reserve deemed necessary by the IM Board for expenses which may be due in the next quarter but for which there may not be commensurate amounts available by the date such expenses become due provided such expenses are already included as a part of annual budget approved in accordance with the Trust Deed. (An amount set aside as reserve for the purpose of payment of interest expenses to external lenders/Oriental InfraTrust)		(1,103.74)	
14	Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations - (Amount realised against sale of claims by SPV to Sponsor 1 been kept aside considering the same would be available for use after obtaining the approval of lenders of the SPV)		224.00	(224.00
	Total Adjustments (B)	2,380.46	1,003.54	(173.49
	Net Distributable Cash Flows (C)=(A+B)	1,775.90	652.08	(32.37)





Oriental InfraTrust Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All arX00unts in I millions unless otherwise stated)

#### a. Starement of Net Distributable Cash Flows

(vi) Oriental Pathways (Indore) Private Limited ('OPIPL')

S. No.	Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	24 June 2019 to 30 September 2019
		(Unundited)	(Refer note 12)	(Unundited)
1	Profit / (loss) after tax as per Statement of Profit and Loss (A)	92.94	152.77	44,92
2	Add: Depreciation and amortisation as per Statement of Profit and Loss	152.00	221,62	75,51
3	Add/Less Decrease / (increase) in working capital	1,73	22.59	(54.90)
4	Add Interest on loans (if any) from Trust;	137.52	6,73	(04.00)
5	Add: Amount invested by the Trust in the Project Eouty for service of debt or interest, through internal accurate to the extent allowed under the SEBI InvIT Regulations	×	1,956,40	22.44
6	Less: Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders	×	(45.37)	(208.10)
3	Add: Autount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee (includes smount released from reserved created in previous year)	280,22	•	×
8	Add: Proceeds from: • sale of, fixed assets (including investments) • repayment of any loans provided to any other party, to the extent the same are not already considered calculation of Profix after tax	(461.83)	(883.22)	1,250.00
9	Add/less: Any other income/expense not considered for the calculation of Profit after tax, if deemed necessary by the Investment Manager, after the InvIT closing date.		(60.84)	60,84
10	Add/less: Any other item of non-eash expense / non-eash income (net of actual eash flows for these items) or any other income/expense not considered for the calculation of profu after tax, if deemed necessary by the Investment Manager, after the InvIT Closing Date.		(92.44)	-
11	Less: Repayment of external debt (principal) / redeenable preference shares / debentures, etc., if decined necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt raised	(234.00)	(2,125.83)	(142.95)
12	Less: Payment toward: • Capital expenditure incurred on the projects (if any) including payment to contractors for their claims • payment of claims (or retention of any amounts relating to such claims) related to Sponsors under the Sale and Transfer Agreement (only to the extent such amounts are not already covered in the Capital F-xpenditure item mentioned above))		) (0,15)	(0.01)
13	Less: Any provision or reserve deemed necessary by the IM Board for expenses which may be due in the next quarter, but for which there may not be commensurate amounts available by the date such expenses become due provided such expenses are already included as a part of annual budget approved in accordance with the Trust Deed (An amount set aside as a reserve for the purpose of payment of interest expenses to external lenders/Oriental InfraTrust)	A (	862.83	(1,056.83)
	Total Adjustments (B)	(191.19	) (137.68)	(54.00)
	Net Distributable Cash Flows (C)=(A+B)	(98.25	) 15.09	(9.08)
	Net Distributable Cash Flows as per above	(98.25	15.09	(9.08)
	Add: Proportionate principal repayment and interest payment proposed out of opening surplus as at 2- june 2019			(7.05)
	Net Distributable Cash Flows (C)=(A+B)	137.52	15.09	(9.08)





Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in ₹ millions unless otherwise stated)

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#### b. Project manager and Investment manager fees

(i) Project management fees:

Pursuant to the Project Management Agreement dated 03 June 2019, Project Manager is enulled to a consideration, on a monthly basis, for the performance of Management, Tolling and Operation and Maintenance Services. Consolidated Statement of Profit and Loss for the six months ended 30 September 2020 includes amount of ₹ 187.73 million. (For the half year ended 31 Match 2020; ₹ 96.02 million) (For the half year ended 30 September 2019; ₹ 39.42 million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

#### (ii) Investment management fees:

(a) to the Intersection term that generate the second state of th

#### c. Statement of earnings per unit ('EPU')

Basic EPU amounts are calculated by dividing the profit for the period attributable to Unit holders by the weighted average number of units outstanding during the period. Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unit holders by the weighted average number of units outstanding during the period plus the weighted average number of units that would he issued on conversion of all the dilutive potential units into unit capital.

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unandited)	(Refer note 12)	(Unandited)
Profit / (Loss) for the period (* millions) Weighted average number of units outstanding for computation of basic and diluted earning per unit (Nos. millions)	64.37 583.08	(2,504.00) 583.08	1,337.99 315.44
Earning per unit (basic and diluted) (?)	0.11	(4.29)	4.24

#### d. Statement of contingent liabilities

Particulare	As at 30 September 2020	As at 31 March 2020	As at 30 September 2019
	(Unandited)	(Amlited)	(Unumlifed)
Income tax cases in relation to which subsidiaries of the Trust are in appeals	1,510.89	1,510.89	1,453,81
Contingent liability in respect of works not completed *	630.00	630.00	630,00
Total	2,140.89	2.140.89	2,083.81

\* In one of the Special Purpose Vehicle (SPV) of the Trust was required to complete certain work under Concession Agreement, which could not be completed due to the fact that some portions of land for service roads and other works was not handed over to the SPV by National Highways Authoity of India (NHAT). The estimated cost for completing balance service roads and other works as on 11 September 2015 was 3000 millions as per Bngineering, Procurement and Construction (BPC) contract entered by the SPV. The SPV had given adjustable advance to JCPC contract of 30000 millions for these pending work. However, the contract with JCPC contractor stands terminated in financial year ended 31 March 2016 due to no northing available of balance land. The SPV will enter into fresh contract for balance work on competitive terms as and when required.

The SPV is eligible for escalation claim from National Highways Authority of India (NHAI) for delay in handling over the land for service roads and another works. In the event that the land for balance work is not handed over by NHAI, SPV will be liable to pay the value of work not completed as per Concession Arrangement to National Highways Authority of India ((NHAI)).

#### e. Statement of commitments

Estimated project cost for construction of highway/toll plaza committed to be executed as at 30 September 2020: ₹ 98.66 millions, 31 March 2020: ₹ 98.66 million and 30 September 2019: ₹ 111.62 million.





Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All aromotes in 7 millions unless otherwise stated)

- E. Statement of Related Parties
- I List of related parties as per the requirements of Ind AS 24 "Related Party Disclosures"
- A. Related parties where control exlats

Subaidiaries Oriental Nagnu: Berol Highway Limited (ONBELL) Oriental Nagnu: Byopass Construction Private Limited (ONBCPL) Elawah Chakeri (Kanpu) Highway Private Limited (ECKHPL) OSE Hungund Hoopet Highways Private Limited (OHHEPL) (Formedy known as GMR OSE Hungund Hospet Highways Private Limited) Oriental Pathways (Indoce) Private Limited (CPIPL):

- II. List of additional related partles as per Regulation 2(1)(zv) of the lovIT Regulations
- A. Parties to Orlental InfraTrust

Oriental Structural Engineers Private Lumired (OSEPEL) - Sponsor Land Project Manager of Oriental InfraTrust Oriental Tollways Private Lumired (OTPL) - Sponsor II of Oriental InfraTrust OIT Infrastructure Management Limited (formerly known as Indian technocrat Lumited) - Inversment Manager (IM) of Oriental InfraTrust Axis Trustee Services Limited (ATSL) - Trustee of Oriental InfraTrust

B. Promoters of the parties to Oriental InfraTrust specified in II(A) above M<sub>6</sub>. Kanwaljit Singh Bakshi - Promoter of OSEPL Oriental Structural Engineers Private Limited (OSEPL), - Promoter of OTPL Mr. Kanwaljit Singh Bakshi - Promoter of ITL Asis Bank Limited - Promoter of ATSL.

C. Directors of the parties to Orientel InfraTrust specified in H(A) above

(i)	Directors of OSEPL Mr. Kanwalji Singh Bakshi Mr. Sanji Bakshi Mr. Prehlad Singh Sethi	(ii)	Directon of OTPL Mr. Kanwalji Singh Bakshi Mr. Manunder Sethi	
	Me, Amir Bunnan Me, Vijay Chandra Verma Me, Ashok Kumar Aggarwal	(iii)	Directors of OUT Infrastructure Management Limited (formerly known as Indian technocrat Limited) Mr. Sanjir Bakshi Mr. Swinder Siugh Kohli (Independent Director)	2
(iv)	Directors of ATSL Mr. Sanjay Sinha Mr. Rajesh Kumar Dahiya Mi. Ganesh Sankaran		Mr. Deepak Dasgaptu (Independent Director) Mr. Deepak Dasgaptu (Independent Director) Mr. Rajeev Übetoi (Independent Director) - updil 1 July 2019 Mr. Ajit Mohan Sharan (Independent Director) - w.e.f. 14 November 2019 Mr. Ranveer Sharma w.e.f. 14 August 2020	

III. Transactions and outstanding balances with related parties:

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 16 30 September 2019
	(Cumstited)	(Refer note 12)	(Unnudited)
Orlental Structural Engineers Private Limited ('OSE')			
Transactions during the period			
Change of scope and utility expenses	1 1		
ONBITT.	65.17	34.3?	31.89
ONIPCII.	14.65	34.03	1.1
оннич.	34.34	114.76	52.30
Major maintenance and operation maintenance expense			
ONBPCPL,		15.5?	12.79
ONIU II	100,71	320.86	165.83
ECRHPI.	126.47		
Short term borrowing repaid			
ONBPCPL.		(11.50)	614.97
OPIPI.		321	4.90
ONBHH.		(111,72)	491.38
ECKTPL		16	23.64
OHHHPL			1,304.03
Unwinding finance cost on interest free loan taken			
UNHPCPI.		(0.13)	0.13
OPIPI.		(0.22)	0.22
ONIHI.		(0.16)	0.16
ECKHPL	=	(2.98)	2.98
		· · · · · · · · · · · · · · · · · · ·	





Oriental InfraTrust Additional disclosure as required by paragraph 6 of Amexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amountal In ₹ utiliions unless otherwise stated)

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unamlited)	(Refer note 12)	(Unaudited)
BPC Work Expenses			
ONBPCPL	÷	(2.89	S.,
Long term unsecuted loan repaid			
ONBPOPL	54 J	425.28	74.72
OPIPL.	54.0	8.60	8.94
ECKHPL		275.76	155.44
ONHHL.		426.00	Э.
Income from sale pre-InvIT NHAI claims			
ONIIPCPL.	27	(29.44)	1,653.44
OPIPL		÷	0.10
ONBHL	· · · · · · · · · · · · · · · · · · ·		554.00
ECKHPL.		74 - F	87.00
OTH ITIPL.			224.00
Reimbursement of prepayment charges			
ONBPCPL	42.00	1.76	-
Reimburgement of expenses			,
ONBPCPI.	0.03	U,0B	0.04
OPIPL	6	0,09	0.0!
ONBHL,	1,07	3.03	0.63
ECKHPL	3.39	ທີ.35	1.3
Oriental InfraTrinit	-	2.43	58.2
Chim expense			
RCKTIPL	31.50	392 1	•
Advance gurantee expense			
OPPL		-(5.39)	3.3
BGANPI -		(0.20)	0,2
Sale of usset held for sale			
ONBHL		¥2	1,383.6
Project management Expense			
ONBPCPI &	.52.26	44.92	3.2
OPPH.	29.79	32.50	16.7
OHHHPL.	41,93	3.94	9.6
ECKHPL	63.76	24.45	5
Unit capital redemption			
Oriental InfraTrust	120.94	7.70	3
Dividend paid			
Oriental InfraTrust	130.03	254.82	
Interest distribution			
Oriental Infro Frast	151,04	99.12	





Oriental InfraTrust Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in I millions unless otherwise stated)

Particulare	01 April 2020 10 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unsubled)	(Refernoos 12)	(Coundited)
Balances outstanding at the end of the period			
Trude and other payables			
ONDPCPL	27,39	109.68	652.58
OPIPI.	1,48	4,04	56.16
ON/BEIL,	34.60	59.36	50.66
HCKHPL	51.64	71.78	60.61
ОННИЧ.	40.17	79,37	646.63
Mobilisation advance			
ONIPCPL.	3.92	3.92	3.93
ONBHL	109.53	133.94	139.50
ECKHPL	60,19	60.19	60,19
OINIPL	9.04	29.63	48.91
Other receviable			
ONTRCPL	0.000 70	0.437.00	4 000 1
Oriental InfraTrust	2,595.70 0.00	2,637.20	1,929-44 4,93
Advance guarantee receivable ()PIPL			61.54
BCKHPL	× .		5,63
Oriental Tollways Private Limited			
Transactions during the period			
Unwinding finance cost on interest free loan taken		10.000	
ONBHI.		(1.22)	1.2
нскнрг,	8	(19.36)	19.3
Unwinding finance cost on corporate guarantee			
ECKIIPL,	× .	(0.19)	0.1
Long term unsecured loan repaid			
IJCKHPL	+	1,793.08	1,010.7
Unsecured loan paid			
ONBIT.		2,360.09	937.7
ОННИГ			366.7
Unit capital redemption			
Oriental InfraTinet	353.07	22.49	
Onenia Digra Liusi	223.07	22.49	
Dividend paid			
Oriental Infra'I'rist	379.59	743,89	
Interest distribution			
Oriental InfraTrust	4(0,93	289.35	
Relimbutation of expenses			N
OPIPI-		0,01	
Balances outstanding at the end of the period			
Trade and other payables			
ONBPCPI.	0.92		0.5
QPH4.	0.71	0.71	0.7
ONBHL.	4.78		4,1
BCKHPL	1.27	1.27	1.
OHHHPL	1.26	1.26	1.
Advance guarantee expense			
ECKHPL			5.
		S	





Orlental InfroTrust Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in € millions unless otherwise stated)

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unaufited)	(Refer ante 12)	(Unnudited)
Biaora To Dewas Highway Private Limited			
Transactions during the period	1		
Unwinding interest income on losn given	1		
OPIPL		20	1.4
ONBHL	21	(4.16)	4.1
		, í	
Long term loan repayment received			2
OPPPI.	-	1,193.49	56.5
ONIHI.		1,995.14	253.9
OIT Infrastructure Management Limited (formerly known as Indian technoctat Limited)			
Transactions during the period			
Investment manager fees			
Orlenial InfraTrust	40.88	21.37	65.4
Reimbursement of Expenses			
Orinital Injni Trut	5.36		
Ormanae (ngrus) succ	5.30		
Balances outstanding at the end of the period			
Invetsment manager fees payable			
Oriental InfraTrast	31.03	28.79	65.4
•			0.51



Notes to the Unaudited Consolidated Half Yearly Results of the Trust for the half year ended 30 September 2020 (All amounts in ? millions unless otherwise stated)

1.Unaud ittd Balance Sheet as at 30 September 2020

Particulars	As at	As at	As at
~	30 September 2020	31 March 2020	30 September 2019
~	(Unundited)	(-Indited)	(Unaudited)
ASSETS			
Non-current assets			
Property, Phint and equipment	187.61	224.10	237.52
Capital work-in-progress	16.70		12,19
Intangible assets	85,199.53	86,777.53	91,554.38
Financial asicts			
Loans	5.55	5,51	5.48
Others Enancial assets	29,055.29	28,938.57	28,690.69
Deferred tay assets (not)		× 1	302,95
Non current tax assets (net)	309.43	310,57	280.41
Other non-current assets	113.59	110.76	172.86
Toral non-cutrent assets	114,887.70	116,367.04	121,256.48
Current assets			
Financial assets			
Investments	3,842.75	4,999.57	4,592,15
Traile receivables	46,95	122.14	76,82
Cash and cash equivalents	1,688.75	2,343.21	701.09
Bank balances other than cash and cash equivalents above	33,15	1,180.68	5,018,07
Others financial assets	7,951.53	7,983,99	7,341.56
Other current assets	226.01	193.65	506,49
Total current assets	13,789.14	16,823.24	18,236.18
Total assets	128,676.84	133,190.28	139,492.66
EQUITY AND LIABILITIES		3	
EQUITY			
Initial settlement amount	0.02	0.02	0.02
Unit capital	58,307.88	58,307.88	58,307.88
Other equity	(4,531.20)	(1,984.30)	1,615.86
Total equity	53,776.70	56,323.60	59,923.76
LIABILITIES			
Non-current liabilities			
Pinancial liabilities			
Borrowings	46,272.37	48,406,72	23,505.27
Other financial liabilities	13,461.31	13,350,39	11,261.83
Provisions	1,284.36	1,159.56	969.09
Deferred tax liabilities (net)	5,524.01	5,623.06	10,061.85
Total non-current liabilities	66,542.05	68,539.72	45,798.03
Contents Calification			
Current liabilities			
Financial liabilities			
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	4.60	5.18	
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	370.92	637,13	1,691.39
Other financial liabilities	7,795.03	7,459.85	30,862.26
Other current liabilities	146.17	215.10	206 1
Provisions	1.46	0.88	700,95
Current tax liabilities (net)	39.91	8.81	309.91
Total current liabilities	8,358.09	8,326.95	33,770.87
Total liabilities	74,900.14	76,866.67	79,568.90
Total equity and liabilities	128,676.84	133,190.28	139,492.66





Notes ro the Unsudited Consolidated Half Yearly Results of the Trust for the half year ended 30 September 2020 (All amovaus in ₹ millions unless otherwise stated)

2. Unautified Consolidated Statement of Cash Flows as at 30 September 2020

Patticulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 Match 2020	01 April 2019 to 30 September 2019
	(Unandited)	(Refer note 12)	(Unavidited)
A. Cash low from operating activities			
(Loss)/profit before tax	260.08	(3,932.19)	2,714.1
Adjussiment for:			2,7112
Depretiation and amortisation expense	1,598.32	2,022.13	961.5
Impairment of intangible assets (refer note 13)	V*202011-0-0	4,426,25	
Gairi on sale of property, plant and equipment (net)	(6.49)	(6.60)	
Gairt on investments carried at fair value through profit or loss (net)	(135.23)	(170.84)	(78.4
Excess provisions written back	(55.63)	(19.88)	• 2
Interest income	(2,180.86)	(2,212.34)	(1,280.5
Rentessurement of defined benefit obligations (net of tax)		(0.07)	0.0
Unwinding finance cost on deferred payment to National Highway Authority of India ('NHAI') for purchase of tight to charge users of toll road	561.61	527.70	299.
Finance cost on defeired payment liabilities to NHAI	147.32	223.04	
Unwinding of discount on provisions and financial liabilities carried at amortised cost	37.69	32.61	54,5
Advauces and other balance written off	0.14	8.14	
Allowance for expected credit loss	10.74	34.81	4.2
Pinance cost	2,384.49	2,715.53	1,515.9
Operating profit before working capital changes and other adjustments	2,622.18	3,648.29	4,191.3
Working capital changes and other adjustments:		<b>x</b> 1.	
Traile receivables	87.39	(80.13)	(4.9
Other financial assets	2,845.83	1,882.86	800.1
Loans	(0.05)	3,018.67	480.4
Other assets	(29.58)	305.99	(345.5
'Erade payables	(275.77)	(1,057.16)	(62.4
Provisions	83.44	(567.27)	159.
Financial liabilities	(506.60)	(730.98)	(171.:
Other liabilities	(68.91)	8.79	84.0
Cash flow from operating activities after working capital changes	4,757.93	6,429.06	5,130.9
Income tax paid (net of refund)	(262.53)	118.91	(959.4
Net cash flow from operating activities (A)	4,495.40	6,547.97	4,171.5
3. Cash flow from investing activities;			
Acquisition of property, plant and equipment and capital work-in-progress	(18.91)	(6.56)	(1.:
Proceeds from disposal of property, plant and equipment	24,88	11.99	1,383.
Movement in bank deposits (net)	273.00	2,371.95	(1,268.
Purchase of current investments	(8,215.28)	(11,424.00)	(9,225.
Proceeds from sale of current investments	9,507.32	11,187.42	7,206.
Interest received on bank deposits and others	129.59	115,05	148.
Net cash flow from (used in) investing activities (B)	1,700.60	2,255.84	(1,757.0
C. Cash flow from financing activities:			
Repayment of non-convertible debentures		(1,089.13)	(1,045.
Repayment of current borrowings	(1,267.86)	(1)	(2,781,
Repayment of non-current borrowings	(714.25)	(29,682.83)	(13,878.
Proceeds from non-current borrowings	(******)	28,084.31	(10,070)
Units issued during the period	1	20,004.51	17,660.
Unit issue expenses	· · · · · · · · · · · · · · · · · · ·		,
Processing fees		(334.18)	(95.
Finance costs paid	(2,261.35)	(1,795.19)	(1,924,
Distribution made to unit-holders	(2,607,00)	(2,344.65)	(1,724,
Ner cash used in financing activities (C)	(6,850.46)	(7,161.67)	(2,064.
Net (decrease)/increase in cash and cash equivalent (A+B+C)	(654.46)	1.642.14	349.
Cash and cash equivalent at the beginning of the period	2,343.21	701.09	
Cash and cash equivalent at the beginning of the period	24,010/24	0,00	351,
Cash and cash equivalent at the end of the period $(D+E)$	1,688.75	2,343.21	701.

Note: The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.





Notes to the Unaudited Consolidated Half Yearly Results of the Trust for the half year ended 30 September 2020

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(All amounts in ₹ millions unless otherwise stated)

Particulars	01 July 2020 to 30 September 2020
	(Refer note 14)
Income	
Revenue from operations	3,264.88
Other income	133.44
Total income	3,398.32
	2
Expenses	
Operating expenses	414.48
Employee benefits expense	64.97
Finance costs	1,576.85
Depreciation and amortisation expense	890.97
Other expenses	123.72
Total expense	3,070.99
Profit before tax	327.33
Tax expense:	4
Current tax (including earlier years)	153.51
Deferred tax	(111.34)
Total tax expense	42.17
Profit for the period	285.16
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Re-measurement gain on defined benefit obligations	(4.16)
Income tax relating to these items	(4.10)
Total other comprehensive income for the period	(146)
Proventier and the berion	(4.16)
Total comprehensive income	281.00

#### 3. Unaudited Consolidated Statement of Profit and Loss

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Notes to the Unaudited Consolidated Half Yearly Results of the Trust for the half year ended 30 September 2020 (All amounts in C millions unless otherwise stated)

Particulars	01 July 2020 to 30 September 2020
	(Refer note 14)
A. Cash flow from operating activities	
Profit before tax	327,33
Adjustment for:	J41,JJ
Depreciation and amortisation expense	890.9
Gain on sale of property, plant and equipment (net)	6.49 (6.49
Gain on investments carried at fair value through profit or loss (net)	(0.43
Excess provisions written back	(11.45
Interest income	(1,089.05
Unwinding finance cost on deferred payment to National Highway Authority of India ('NHAI') for purchase of right to	(1,003.0.
charge users of toll road	281.4
Finance cost on deferred payment liabilities to NHAI	75.7
Unwinding of discount on provisions and financial liabilities carried at amortised cost	22.5
Allowance for expected credit loss	9.6
Finance cost	1,191.2
Operating profit before working capital changes and other adjustments	1,640.70
	28000000
Working capital changes and other adjustments: Trade receivables	
Other financial assets	47.55
Confer finalicial assets	2,828.82
Other assets	(0.03
Trade payables	(6.3
Provisions	(224.9)
Financial liabilities	108.74
Other liabilities	(549.08
	(76.10
Cash flow from operating activities after working capital changes Income tax paid (net of refund)	3,769.25
Net cash flow from operating activities (A)	(163.2)
	3,606.04
3. Cash flow from investing activities:	
Acquisition of property, plant and equipment and capital work-in-progress	(18.6)
Proceeds from disposed of property, plant and equipment	24,8
Movement in bank deposits (net)	388.0
Purchase of curtent investments	(6,022.1
Proceeds from sale of current investments	5,266.8
Interest received on bank deposits and others	61.7:
Net cash used in investing activities (B)	(299.30
C. Cash flow from financing activities:	
Repayment of current borrowings	(1,151.4
Repayment of non-current borrowings	(357.1)
Finance costs paid	(1,672.44
Distribution made to unit-holders	(707.0
Net cash used in financing activities (C)	(3,888.0
Net decrease in cash and cash equivalent (A+B+C)	(581.3)
Cash and cash equivalent at the beginning of the quarter	2,270,10
Cash and cash equivalent at the end of the quarter (D+E)	1,688.7

(b) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows',



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Notes to the Unaudited Consolidated Half Yearly Results of the Trust for the half year ended 30 September 2020

- 5 The unaudited consolidated financial results of Oriental InfraTrust (Trust') for the half year ended 30 September 2020 have been reviewed by the Audit Committee of OIT Infrastructure Management Limited (formerly known as Indian Technocrat Limited) (Investment Manager' of Trust) at their meeting held on 12 November 2020 and approved by the Board of Directors of the Investment Manager at their meeting held on 12 November 2020. The statutory auditors have issued an unmodified review report on these consolidated financial results.
- 6 The unaudited consolidated financial results comprises the consolidated statement of profit and loss, explanatory notes and the additional disclosures as required in pangraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29 November 2016 ('SEBI Circular') of the Trust for the half year ended 30 September 2020 (consolidated financial results). The consolidated financial results has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard-34 Interim Financial Reporting (Ind AS 34) read with role 2(1)(a) of Companies (Indian Accounting Standard) Roles, 2015 ('Ind AS 34') as amended and the SEBI circular.
- The Trust was registered as an irrevocable Trust under the provisions of the Indian Trusts Act, 1882 on 15 June 2018. Trust was registered as an Infrastructure Investment Trust under the InvIT Regulations on 26 March 2019 having registration number IN/ InvIT/ 18-19/ 0011.
- 8 The Board of Directors of the Investment Manager have declared distribution of ₹ 3.26 (rounded off) per unit amounting to ₹ 1,900 millions in their meeting held on 1 June 2020, ₹ 1.21 (rounded off) per unit amounting to ₹ 707 millions in their meeting held on 14 August 2020 and subsequent to the querter end declared distribution of ₹ 2.54 (rounded off) per unit amounting to ₹ 1,480 millions in their meeting held on 12 November 2020.
- 9 The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Trust. Slowdown in traffic was winnessed from mid of March 2020 owing to outbreak of COVID-19 in India. Subsequently, vide letter no. H-25016/01/2018-Toll dated 25 March 2020 issued by Ministry of Road Transport and Highways (MoRTH) toll collections were suspended from 26 March 2020 to 19 April 2020. In accordance with the concession agreements with NHAI and noutlications issued by MorTH, management is entitled to elaim loss of revenue for the impacted period and for which management is evaluating and under process of getting the claims. Further, the economic activities have been gradually resumed as per the directions of the Government of India and improveing in each quarter gradually and the management has considered the possible effects that may result from the pandemic on the recoverability/carrying value of the assets, Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions.
- 10 During the current period, Court of Collector of Stamps, Jaipur 1, passed an order against one of the subsidiary company of Trust and raised a demand of ₹ 2,140 millions (approx.) in relation to stamp duty (plus interest and penalty) applicable on financing agreements executed by the subsidiary company with certain banks in earlier periods. Management of the subsidiary company has filed the writ petition for quashing of the said order and based on legal advice, believe that no linbility will devolve on the subsidiary company. Further, Board of Directors of investment manager of the Trust is confident, based on the legal advice and fact that any liability which may arise will be borne by sponsors of the Trust namely, Oriental Structural Engineers Private Limited and Oriental Tollways Private Limited, and no liability will devolve on the Trust.
- 11 During the current period, Collector of Stamp Duty, Nagpur City, has raised demand of ₹ 123.93 millions (approx.) against one of the subsidiary company of Trust, in relation to stamp duty (plus interest and penalty) applicable on concession agreements executed by the subsidiary company with the National Highway Authority of India. Management of the subsidiary company has filed its response for quashing of the said order and based on legal advice, believe that no liability will devolve on the subsidiary company. Further, Board of Directors of investment manager of the Trust is confident, based on the legal advice and fact that any liability which may arise will be borne by sponsors of the Trust namely. Oriental Structural Engineers Private Limited and Oriental Tollways Private Limited, and no liability will devolve on the Trust.
- 12 Figures for the half year ended 31 March 2020 represents the balancing figures between the audited figures for the year ended 31 March 2020 and the published yearto-date figures up to 30 September 2019, which were subjected to limited review.
- 13 As per IndAS 36 'Impairment of assets', management carried out the impairment assessment of intangible assets (toll collection rights) and provided for an impairment loss of ₹ 4,426.25 millions basis the fair valuations conducted as per the future projected cash flows of the assets, for the previous half year ended 31 March 2020.
- 14 Figures for the quarter ended 30 September 2020 represents the balancing figures between the reviewed figures for the half year ended 30 September 2020 and reviewed figures for the quarter ended 30 June 2020.
- 15 All values are rounded to the nearest millions, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.
- 16 Previous period figures have been reclassified/regrouped wherever necessary to confirm to current period classification.



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5		LIST -
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OIT Infrastructure Management Limited (formerly known as Indian Technocrat Limited)

For and on behalf of Board of Directors of

(as Investment Manager of Oriental Infra Trust)

Manish Samaliwala Chief Financial Officer

Jitendra Kumur Chief Executive Officer

Sanjii Bakatii Director DIN: 00020852

Place: New Delhi Date: 12 November 2020

Walker Chandiok & Co LLP (Formerly Walker, Chandiok & Co) L-41 Connaught Circus New Delhi 110001 India

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Independent Auditor's Review Report on Unaudited Standalone Half Yearly Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended)

To the Board of Directors of OIT Infrastructure Management (formerly known as "Indian Technocrat Limited") (As the Investment Manager of Oriental InfraTrust)

- 1. We have reviewed the accompanying statement of unaudited standalone financial results of Oriental InfraTrust ('the Trust'), which comprises the Unaudited Standalone Statement of Profit and Loss (including Other Comprehensive Income), explanatory notes thereto and the additional disclosures as required by paragraph 6 of Annexure A to the SEBI Circular CIR/IMD/DF/127/2016 dated 29 November 2016 (hereinafter referred to as 'the SEBI Circular') for the half year ended 30 September 2020 ('the Statement'), being submitted by OIT Infrastructure Management Limited (formerly known as "Indian Technocrat Limited") ('the Investment Manager') pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) (hereinafter referred to as 'the SEBI Regulations'), including relevant circulars issued by the SEBI from time to time.
- 2. The Statement, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 including Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') and other accounting principles generally accepted in India, and in accordance with the presentation and disclosure requirements of the SEBI Circular read with the Regulation 23 of the SEBI Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
- 3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India (the TCAP). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing issued by the ICAI, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independent Auditor's Review Report on Unaudited Standalone Half Yearly Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) (Cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles of Ind AS specified in the Companies (Indian Accounting Standards) Rules, 2015 including Ind AS 34 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of the SEBI Circular read with the Regulation 23 of the SEBI Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP Chartered Accountants Firm Registration No: 001076N/N500013

Manish Agrawal Partner Membership No. 507000 UDIN: 20507000AAAAFE7361

Place: Ghaziabad Date: 12 November 2020



Orient# InfraTrust Unandsted Standalone Half Yearly Results of the Trust for the half year ended 30 September 2020 (All amounts in ₹ millions unless otherwise stated)

## Statement of Profit and Loss

30 September 2020	31 March 2020	01 April 2019 to 30 September 2019
(Unaudited)	(Refer note 11)	(Unandind)
3,342.93	2,611.84	449.78
51.61	8.11	44.50
3,394.54	2,619.95	494.28
		142
1,318.97	63.53	0.01
3	560.00	
68.39	51.97	72,47
1,387.36	675.50	72.48
2,007.18	1,944.45	421.80
22.43	6.92	15.20
		+
22.43	6.92	15.20
1,984.75	1,937.53	406.60
		12 
1,984.75	1,937.53	406.60
	3,342.93 51.61 3,394.54 1,318.97 68.39 1,387.36 2,007.18 22.43 22.43 1,984.75	3,342.93         2,611.84           51.61         8.11           3,394.54         2,619.95           1,318.97         63.53           560.00         51.97           1,387.36         675.50           2,007.18         1,944.45           22.43         6.92           1,984.75         1,937.53





Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in ₹ millions unless otherwise stated)

a. Statement of Net Distributable Cash Flows

S. No.	Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 19 to 30 September 2019
		(L'naudited)	(Refer note 11)	(Unaudited)
1	Net Distributable Cash Flows of the Project Entities	4,630.21	2,952,95	2,063.68
2	Add: Any other income accruing at the Teust level and not cuptured above, including but not limited to increat/return on surplus cash, if any, invested by the Trust	51.61	13.10	39.51
	Total cash inflow at the Trust level (A)	4,681.82	2,966,05	2,103.19
3	Less: Any payment of fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager and the Trustee	(1,358.15)	(443.52)	(2.01)
4	Less: Amount invested in or lent to any of the Project Entities for service of debt or interest funded through internal acctuals of the Trust, to the extent allowed under the SEBI InvIT Regulations. Such amount shall be decided by the IM Board in accordance with Annual Budget approved by the Unitholders to accordance with the Trust Deed; Provided that any amount lent by the Trust to the Project Entity (regardless of the source of funding used by the Trust) for repayment of Sponsor Joans shall also be considered under this head).	(400.00)	(27,057.45)	(57.59
5	Less: Repayment of external debt at the Trust level (net of any new debt raised or refinancing of existing debt)	(714.25)	27,998.60	Į.
6	Less: Income tax (if applicable) at the standalone Trust level	(22.43)	(22.12)	
6	Less: Any other adjustment to be undertake by IM Board to ensure that there is no double counting of the same treat for the above calculations (mainly includes creation of DSRA for borrowings availed and repayment of interest on borrowing)		(1,240.49)	36
	Total cash outflows/retention at the Trust level (B)	(2,494.82)	(764.98)	(59.60)
_	Net Distributable Cash Illows (C)=(A+B)	2,187.00	2,201.07	2,043.59

#### b. Investment manager fees

Pursuant to the Investment Management Agreement dated 18 June 2018 as amended, Investment Manager is entitled to fees (@ 0.75% of the net revenue of each subsidiary of the Trust, per annum. Statement of Profit and Loss for the period ended 30 September 2020 includes amount of < 40.88 million (net of GS1) (For the half year ended 31 March 2020; ₹ 21.38 million (net of GST)) (For the half year ended 30 September 2019; ₹ 0.5.46 million (net of GS1) towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

#### c. Statement of carnings per unit ('EPU')

Particulare	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 19 to 30 September 2019
	(\'naudited)	(Refer note 11)	((inandited)
Profit for the period (₹ millions) Weighted average number of units outstanding for computation of basic and diluted earning per unit (Nos- millions)	1,984.75 583.08	1,937.53 583.08	406.60 315.44
Earning per unit (basic and diluted) ( rillions)	3.40	3,32	1.29

d. Contingent Liabilities as at 30 September 2020 is Nil (31 March 2020 and 30 September 2019: Nil)

c. Commitments as at 30 September 2020 is Nil (31 March 2020 and 30 September 2019; Nil)



Additional disclosure as required by paragraph 6 of Annoxure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in 7 millions unless otherwise stated)

- f. Statement of Related Parties
- I List of related parties as per the requirements of Ind AS 24 "Related Party Disclosures"
- A. Related parties where control exists

#### Subsidiaries

Oriental Nagpur Bettel Highway Limited (ONBHL) Oriental Nagpur Byepass Construction Private Limited (ONBCPL) Etawah Chakeri (Kanpur) Highway Private Limited (ECKEPL) OSE Hungund Hospet Highways Private Limited (OHHIJPL) (Formerly known as GMR OSE Hongund Hospet Highways Private Limited) Oriental Pathways (Indore) Private Limited (OPPL)

11. List of additional related parties as per Regulation 2(1)(zv) of the InvI'l' Regulations

#### A. Parties to Orlental InfruTrust

Oriental Structural Engineers Private Limited (OSEPL) - Sponsor 1 and Project Manager of Oriental InfraTrust Oriental Tollways Private Limited (OTPL) - Sponsor II of Oriental InfraTrust OF1 Infrastructure Management Limited (OTTM) (formerly known as Indian Technocrat Limited)- Investment Manager (IM) of Oriental InfraTrust Axis Trustee Services Limited (ATSL) - Trustee of Oriental InfraTrust

B. Promoters of the parties to Oriental InfraTrust specified in II(A) above Mr. Kanwaljt Singh Bakshi - Promoter of OSLPL Oriental Structural Engineers Private Limited (OSEPL) - Promoter of OTPL Mr. Kanwaljt Singh Bakshi - Promoter of TIT. Axis Bank Limited - Promoter of ATSL.

#### C. Directors of the parties to Orlental InfraTrust specified in II(A) above

(i)	Directors of OSEPL	(ii)	Directors of OTPL
	Mr. Kanwaljit Singh Bakshi	. ,	Mr. Kanwaljit Singh Bakshi
	Mr. Sanjit Bakshi		Mr. Maninder Sethi
	Mr. Prehlad Singh Sethi		
	Mr. Amit Burman	(iii)	Ditectors of ITL
	Mi, Vijay Chandia Verma		Mr. Saojit Bakshi
	Mr. Ashok Kumar Aggarwal		Mr. Surinder Singh Kohli
			(Independent Director)
			Mr. Deepak Dasgupta (Independent Director)
(iv)	Directors of ATSL		Mr. Rajeev Uberoi (Independent Director)- uptill 1 July 2019
	Mr. Sanjay Sinba		Mr Ajir Mohan Sharan (Independent Director) w.c.f 14th November 2019
	Mr. Rajesh Kumar Dahiya		Mr. Runveer Sharma ( w.e.f 14th August 2020)
	Mr. Ram Bharosey Lal Vaish - uptill 8th November 2019		

#### III. Transactions and outstanding balances with related parties

Mr. Ganesh Sankaran

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019	
	(Linaudited)	(Refer note 11)	(Linundited)	
Oriental Structural Engineers Private Limited (OSEPL)				
Transaction during the period				
Reimbursement of expenses		1.00	58.22	
Initial settlement amount	a	161	0.02	
Unit capital cedemption	120,94	7.79		
Dividend paid	130.03	254.82		
Interest distribution	151.04	99.12		
Investment purchased .				
Oriental Nagpur Betul Highway Limited (ONBHL)			3,383.27	
Ordental Nagpur Byepass Construction Private Limited (ONBCPL)	2		6,114.99	
Etawah Chakeri (Kanpur) Highway Private Limited (BCKHPL)	12 I I I I I I I I I I I I I I I I I I I		459.00	
OSF. Hungund Hospet Highways Private Limited (OHHHPL)			312.30	
Oriental Pathways (Indore) Private Limited (OPTPL)			0.12	





Oriental InfraTrust Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in ₹ millions unless otherwise stated)

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019	
	(Linundited)	(Refer note 11)	(Unundicod)	
Balance outstanding at the end of the period				
Loons and advances			4,93	
Initial settlement amount	0,02	0,02	4,95	
Non current juyestment	0,05	0.01	0.02	
Oriental Nagpur Betul Highway Limited (ONBHL)	3,383,27	3,383.27	2 2 0 1 2	
Oriental Nagpur Brepass Construction Private Limited (ONBCPL)	6,114.99	6,114,99	3,383.2 6,114.9	
Etawah Chakeri (Kaupur) Highway Private Limited (ECKHPI)	459,00	459.00	459.0	
OSE Hungund Hospet Highways Private Limited (OHHHPL)	312,30	312,30	459.0	
Oriental Pathways (Indore) Private Limited (OPIPL)	0,12	0.12	0,1	
tiental Tollways Private Limited (OTPL)				
Transaction during the period				
Initial settlement amount		2	U.U	
Unit capital redemption	353.07	22,49		
Dividend paid	379.59	743,89		
Interest distribution	440.93	289.35		
Investment purchased				
Oriental Nagpur Betul Highway Limited (ONBHL)			9,616.1	
Oriental Nagpur Byepass Construction Private Limited (ONBCPL)		÷	17,404.1	
Etawah Chakeri (Kanpur) Highway Private Limited (ECKHPL)		1 ÷ 1	441.	
OSE Hungund Hospet Highways Private Limited (OHHEPL)	21		888.	
Oriental Pathways (Indore) Private Limited (OPIPL)	· · · ·	÷.	2,027,	
Onental Pathways (muore) Private Lanned (OPTPL)	2		2,027,	
Balance outstanding at the end of the period				
Initial softlement amount		0.01	0,	
Non current investment				
Oriental Nagpur Betul Highway Limited (ONBHL)	9,616,73	9,616.73	9,616.	
Oriental Nagpor Byopass Construction Private Limited (ONBCPL)	17,404,19	17,404.19	17,404	
Etawah Chakeri (Kanpur) Highway Private Limited (ECKHPL)	441,00	441.00	441.	
OSE Hungund Ansper flighways Private Limited (OHHHPL)	888.64	868.84	868.	
Oriental Pathways (Indore) Private Limited (OPIPL)	2,027.45	2,027.45	2,027.	
IT Infrastructure Management Limited (formerly known as Indian Technocrat Limited)			9	
Transaction during the period				
Investment manager fees	40.88	21,38	65.	
Reimbursement of expenses	5,36			
Balance outstanding at the end of the period		1 1		
Investment manager fees payable	31.05	28.79	65.	
Iriental Nagpur Betul Highway Limited				
Transaction during the period				
Investments in equity instruments of subsidiaries	(	1	13,000	
Loan given			4,103	
Interest received on loan given	304.04	296.32	150	
Dividend received	860.38	1 1		
Balance outstanding at the end of the period		1		
Investments in equity instruments of subsidiaries	13,000.00	13,000,00	13,000	
Loan receivable	4,103.52	1 1	4,103	
Interest receivable	504.48		150	
riental Nagpur Bycpass Construction Private Limited			x	
Transaction during the period			· · · · ·	
Investment purchased	1	141	23,519	
Lovn given	21	648.49	7,821	
Refund of loan given		50.00	1,021	
			000	
Interest income on InfraTrust Loan Dividend received	595.3	7 546.42 421.38	291	
		42138		

d,





Oriental InfraTrusc Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 (All amounts in 3 millions unless otherwise stated)

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(U'scandited)	(Refer upte 11)	(Unandited)
Balance outstanding at the end of the period			
Investments in equity instruments of subsidiaries	23,519,18	23,519.18	23,519.18
Loan receivable	8,420.46	8,420.46	7,821.97
Interest receivable	0.23	177.57	39.67
Etawah Chakeri Kanput Highway Private Limited			
Transaction during the period			
Investment purchased		201	900.00
Loan given	400.00	13,840,97	3,258.64
Refund of loan given	636.70	442,90	,
Interest on InfraTrust loan	708.86	46,72	22
Balance outstanding at the end of the period			
Investments in equity instruments of subsidiaries	900.00	900.00	900.00
Loan receivable	16,420,02	16,656,72	3,258.64
Advance interest received		20.38	- 10 OK
Interest receivable	118.83	C (1	
OSE Hungund Hospet Highways Private Limited			
Transaction during the period			
Investment purchased	· · · · · · · · · · · · · · · · · · ·		1,201.14
Loan given		10,611.58	2,199.02
Refund of loan given	1,223.33	118.00	
Interest on InfraTrust lonn	736.75	35.97	
Balance outstanding at the end of the period			
Investments in equity instruments of subsidiaries	1,201,14	1,201,14	1,201.14
Loan receivable	11,469.27	12,696.58	2,199.02
Oriental Pathways Indote Private Limited			4
Transaction during the period			
Investment purchased			2,027.56
Loan given		1,956.40	22,44
Interest on Infra'Frost Loan	137.52	6.73	00
Balance outstanding at the end of the period			
Investments in equity instruments of subsidiaries	2,027.56	2,027.56	2,027.56
Loan receivable	1,978.84	1,978,84	22.44
Interest receivable	0.24	6.73	



Oriental Infatrust Notes to Trust for the balf year ended 30 September 2020 (All amounts in C millions unless otherwise stated)

1. Unnudired Standalone Balance Sheet

Particulats	An at 30 September 2020	As at 31 March 2020	As at 30 September 2019
	(Unaudited)	(Audited)	(Unandited)
ASSETS			
Non-currentassets			
ropeny, plant and equipment	0.57	0.57	
financial asses		Und 1	
Investinents	+0,087.88	40,987.88	40,647.8
Loans	39,454.44	41,913.64	
Other firmingial assets	1,296.78	1,230,18	
Total non-current assets	80,839.67	83,232.27	40,647.8
Current 255°16			
marintal asses			
Investments	× 1	85.51	189.4
Cash and eash equivalents	469.57	212,36	2184
Bank balances other than each and each equivalents above	8	*:	
Loans	3,361.44	2,423.52	17,5963
Other financial assets	*		4.0
Other current assets	0.85		48.
Fotal current assets	3,831.86	2,721.39	18,057.6
Total assets	84,671.53	85,953.66	58,705.4
EQUITY AND LIABILITIES			
EQUITY	1 1		
Initial settlement amount	0.02	0.02	0.9
Unit capital	58,307.88	58,307,88	58,307,
Uther equity	(738.99)	(116.74)	290.
Total equity	57,568.91	58,191.16	58,598.2
LIABILIT'IE9			
Non-current liabilities			
Financial Liabilities			
Borrowings	25,183.82	26,152,01	
Total non-current liabilities	25,183.82	26,152.01	
Current liabilities			
Pinancial liabilities			
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	$\sim$		
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	120.73	189.05	90,
Other financial liabilities	1,789.37	1,412.37	
Other corrent liabilities	0.11	6,31	5.
(urrent tax liabilities (net)	8.59	2,76	II.
Total current liabilities	1,918.80	1,610.49	107.:
Total liabilities	27,102.62	27,762.50	107.3
Total equity and liabilities	84,671.53	85,953.66	58,705.4



(All amounts in € millions unless otherwise stated)

#### 2. Unaudited Standalone Cash Flow Statement

Particulars	01 April 2020 to 30 September 2020	01 October 2019 to 31 March 2020	01 April 2019 to 30 September 2019
	(Unaudited)	(Refer note 11)	(Classedited)
A. Cash flow from operating activities			
Profit before tax	2,007.18	1,944.45	421.60
Adjustment for:			12100
Gain on investments carned at fair value through profit or loss (net)	(0.10)	(6.01)	(4.47)
Impairment on non current investments	_	560,00	
Interest income on bank deposits	(51.52)	(2.09)	(40.03
Interest cost on term loan	1,318.09	63.52	0.01
Operating profit before working capital chauges and other adjustments	3,273.65	2,559.87	377.31
Working capital changes and other adjustments:			
Pinancial and other assets	60,40	(168.44)	(195.60)
Other curvent assets	D	48.51	(48.51)
Trade payables	(68.32)	(53,11)	70.09
Other current liabilities	(26.58)	0.96	5.35
Net Cash flow from operating activities after working capital changes	3,239.15	2,387.79	208,63
Income tax paid (net of refund)	(16.60)	(15,95)	(4.00
Net Cash flows from operating activities (A)	3,222.55	2,371.84	204.63
3. Cash flow from investing activities:			
Luan to subsidiaries	(400.00)	(27,156.54)	(17,405.59)
Proceeds from refund of loan given	1,860.03	610.90	¥.
Purchase of land	÷	(0.57)	2
Investment in current bank deposits	(1,223.04)	(1,228,30)	8
Purchase of current investments	1,201.79	(7,757.05)	3,560.63
Proceeds from redemption of current investments	85.61	7,867.03	(3,745.63
Interest received on bank deposits	6.17	0.21	40.0.3
Net Cash flows from/(used in) investing activities (B)	1,530.56	(27,664.33)	(17,550.56
<ol><li>Cash flow from financing activities:</li></ol>			
Proceeds from burrowings		28,570,00	17,660.00
Repayment of horrowings	(714,25)	(571.40)	2
Processing fees paid	2	(3.34.1B)	
Unit issue expenses			(95.65
Distribution made to unit holders	(2,607.00)	(2,344.66)	2
Interest paid	(1,174.65)	(33.36)	
Net Cash flows from/(used in) financing activities (C)	(4,495.90)	25,286.40	17,564.35
Net increase/(decrease) in cash and cash equivalent (A+B+C)	257.21	(6.07)	218.43
Cash and cash equivalent at the beginning of the period	212.36	218.43	0,02
Cash and cash equivalent at the end of the period	469.57	212.36	218.45

Note: The above Standalone Cash Flow Statement has been prepared under the Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'



#### Oriental InfraTrust

Notes to the Unaudited Standalone Half Yearly Results of the Trust for the half year ended 30 September 2020

(All amounts in ₹ millions unless otherwise stated)

#### 3. Unaudited Standalone Statement of Profit and Loss

Particulars	01 July 2020 to 30 September 2020
	(Refer note 12)
Income	
Revenue from operations	1,247.46
Other income	25.41
Total income	1,272.87
Expenses	
Finance costs	657.87
Other expenses	36,43
Total expense	694.30
Profit before tax for the quarter	578.57
Tax expense:	
Current tax	10.86
Defetred tax	-
Total tax expense	10.86
Net profit after tax for the quarter	567.71
Other comprehensive income	
Total comprehensive income	567.71





#### Oriental InfraTrust

Notes to the Unaudited Standalone Half Yearly Results of the Trust for the half year ended 30 September 2020 (All amounts in ₹ millions unless otherwise stated)

#### 4. Unaudited Standalone Cash Flow Statement

Particulars	01 July 2020 to 30 September 2020
	(Refer note 12)
A. Cash flow from operating activities	
Profit before tax	578.56
Adjustment for:	
Interest income on bank deposits	(25.41)
Interest cost on term loan	657.66
Operating profit before working capital changes and other adjustments	1,210.81
Working capital changes and other adjustments:	
Financial and other assets	60.40
Trade payables	(92.82)
Other current liabilities	(157.85)
Net Cash flows from operating activities after working capital changes	1,020.54
Income tax paid (net of refund)	(14.71)
Net Cash flows from operating activities (A)	1,005.83
B. Cash flow from investing activities:	
Loan to subsidiaries	(680.09)
Proceeds from refund of loan given	1,035.99
Investment in current bank deposits	(547,45)
Proceeds from redemption of current investments	- 549.79
Interest received on bank deposits	2.54
Net Cash flows from investing activities (B)	360.78
C. Cash flow from financing activities:	
Repayment of borrowings	(357.13)
Distribution made to unit holders	(707.00)
Interest paid	(531.03)
Net cash used in financing activities (C)	(1,595.16)
Net decrease in cash and cash equivalent (A+B+C)	(228.55)
Cash and cash equivalent at the beginning of the period	698.12
Cash and cash equivalent at the end of the period	469.57

Note: The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.



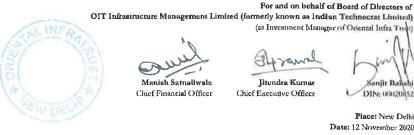


#### Oriental Infra'Trust

Notes to the Unaudited Standalone Half Yearly Results of the Trust for the half year ended 30 September 2020

- The unaudited standalone financial results of Oriental InfraTrust (Trust) for the half year ended 30 September 2020 have been reviewed by the Audit Committee of OIT Infrastructure Management Limited (OITM) (formerly known as "Indian Technocrat Limited") ('Investment Manager' of Trust) at their meeting held on 12 November 2020 and approved by the Board of Directors of the Investment Manager at their meeting held on 12 November 2020. The statutory auditors have issued an unmodified review report on these standalone financial results.
- The unaudited standalone half yearly results comprises the standalone statement of profit and loss, explanatory notes and the additional disclosures as required in paragraph 6 6 of Annexure A to the S1/BI Circular no. CIR/IMD/DF/127/2016 dated 29 November 2016 (S1/BI Circular) of the Trust for the half year ended 30 September 2020 (standalone financial results'). The standalone financial texults has been prepared in accordance with the recognition and measurement principlea prescribed under Indian Accounting Standard 34 Interim Financial Reporting (Ind AS 34) read with rule 2(1)(a) of Companies (Indian Accounting Standards) Roles, 2015 (Ind AS 34) as amended and the SEBI circular.
- The Trust was registered as an irrevocable Trust under the provisions of the Indian Trusts Act, 1882 on 15 June 2018. Trust was registered as an Infrastructure Investment Trust under the lavi'l' Regulations on 26 March 2019 having registration number IN/ InvII'/ 18-19/ 0011.
- The Board of Directors of the Investment Manager have declated distribution of ₹ 3.26 (rounded off) per unit amounting to ₹ 1,900.00 millions in their meeting held on 1 8 June 2020, ₹ 1.21 (counded off) per unit amounting to ₹ 707 millions in their meeting held on 14 August 2020 and subsequent to the quarter end declared distribution of ₹ 2.54 (rounded off) per unit amounting to ₹ 1,480.00 millions in their meeting held on 12 November 2020.
- 43 The oudsteak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally. The nationwide lockdown ordered by the Government of India has resulted in significant reduction in economic activities and also the business operations of the Trust. Slowdown in traffic was witnessed from mid of March 2020 owing to outbreak of COVID-19 in India. Subsequently, vide letter no. H-25016/01/2018-Foll dated 25 March 2020 issued by Ministry of Roid Transport and Highwares (MoRTH) toll collections were suspended from 26 March 2020 to 19 April 2020. In accordance with the concession agreements with NHAI and notifications issued by MorTH, management is entitled to claim loss of revenue for the impacted period and for which management is evaluating and under process of getting the claims. Further, the economic activities have been gradually resumed as per the directions of the Government of India and improving in each quarter gradually and the monagement has considered the possible effects that may result from the pandemic on the recovernibility/carrying value of the assets. Based on the current indicators of future economic conditions, the management expects to recover the carrying amount of the assets, however the management will continue to closely monitor any material changes to future economic conditions.
- 10 During the previous period ended 31 March 2020, as per Ind AS 36 "Impairment of assets" management: carried out the impairment assessment of non current investment and accordingly recorded an impairment loss of ₹ 560,00 millions.
- Figures for the half year ended 31 March 2020 represents the balancing figures between the audited figures for the year ended 31 March 2020 and the published year-to-date figures up to 30 September 2019, which were subjected to review.
- Pigures for the quarter ended 30 September 2020 represents the balancing figures between the reviewed figures for the half year ended 30 September 2020 and reviewed 12 figures for the quarter ended 30 June 2020.
- 13 All values are rounded to the nearest millions, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.
- 14 Previous period figures have been reclassified/regrouped wherever necessary to confirm to current period classification.





(as Investment Manager of Oriental Infra Trop)

Manish Samaliwala Chief Pinancial Officer Chief Executive Officer

**litendra Kurna** 

Saniit Bak

DIN: 08020852

For and on behalf of Board of Directors of

Place: New Delhi Date: 12 November 2020

Annexure-B

Details of revenue during the half year, project-wise from the underlying projects

	Rs.In crore
SPVs	H1 Revenue
BETUL	229.006
Byepass	83.006
Etawah	156.464
Indore	50.44
НННР	54.84
Total	573.758

## **ORIENTAL INFRA TRUST** VALUATION REPORT

NOVEMBER 2020

#### STRICTLY PRIVATE & CONFIDENTIAL





Ref: LM/Nov121/2020 Private & Confidential November 12, 2020

#### To,

Oriental Infra Trust, ("the Trust") Acting through Axis Trustee Service Limited (In its capacity as the "Trustee" of the Trust) 3<sup>rd</sup> floor, Plot no. 8 Sector B-7, Local Shopping Complex Vasant Kunj, New Delhi 110 070

#### Subject: Valuation of Trust Assets as per Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended

Dear Sir(s)/Madam(s),

We, BDO Valuation Advisory LLP ("BDO VAL" or "We" or "Us"), refer to our engagement by Oriental Infra Trust ("Trust" or "Client") vide engagement letter, appointing us to undertake an independent valuation of Trust Assets ("InvIT Assets" or "Trust Assets"), as per Securities Exchange Board of India (Infrastructure Investment Trust Regulations, 2014), and amendments thereto including any circulars and guidelines issued thereunder ("SEBI InvIT Regulations"). We are pleased to present herewith our valuation report.

We have carried out the valuation as on September 30, 2020 ("Valuation Date") considering various data as stated in the 'Sources of information' section in the report. A summary of the analysis is presented in the accompanying report, as well as description of the methodology and procedure we used, and the factors we considered in formulating our opinion. In addition, we have listed the sources of information used in this report and the scope of work in the course of our assignment, noting any limitations on our assignment. This report is subject to the attached exclusions & limitations and to all terms and conditions in the engagement letter for this assignment.

Should you require further information or clarifications, please feel free to contact us.

Regards,

For BDO Valuation Advisory LLP

IBBI Regn No.: IBBI/RV-E/02/2019/103

Lata R Gujar More Partner, IBBI Regn No: IBBI/RV/06/2018/10488

Enclosed: Annexures

BDO Valuation Advisory LLP The Ruby, Level 9, North West Wing, Senapati Bapat Marg, Dadar (West), Mumbai - 400028.

Telephone: +91 (0) 22 6277 3600 Fax:+ 91 (0)22 6277 3700

### DEFINITIONS, ABBREVIATIONS AND GLOSSARY OF TERMS

Abbreviation	Meaning
OSEPL or Sponsor 1	Oriental Structural Engineers Private Limited
OTPL or Sponsor 2	Oriental Tollways Private Limited
You or Client or Trust	Oriental Infra Trust
Investment Manager or IM	Indian Technocrat Limited
the Management	The Management of the Trust
Trustee	Axis Trustee Services Limited
ECKHPL or Etawah Chakeri Project	Etawah-Chakeri (Kanpur) Highway Private Limited
OPIPL or Indore Khalghat Project	Oriental Pathways (Indore) Pvt. Ltd.
GOHHPL or Hungund Hospet Project	GMR OSE Hungund Hospet Highways Pvt. Ltd.
ONBHL or Nagpur Betul Project	Oriental Nagpur Betul Highway Ltd.
ONBPCPL or Nagpur Bypass Project	Oriental Nagpur Bye Pass Construction Pvt. Ltd.
SEBI InvIT Regulations	Securities Exchange Board of India (Infrastructure Investment Trust Regulations, 2014)
InvIT	Infrastructure Investment Trust

Abbreviation	Meaning
BDO VAL, we, our, us	BDO Valuation Advisory LLP
EPC	Engineering, Procurement and Construction
ВОТ	Build, Operate and Transfer
EqV	Equity Value
SPV	Special Purpose Vehicle
NH	National Highway
SH	State Highway
NHDP	National Highways Development Project
DBFOT	Design, Build, Finance, Operate, Transfer
HUDCO	Housing and Urban Development Corporation
Km	Kilometer
PPP	Public Private Partnership
MDR	Major district roads
ODR	Other district roads
PMGSY	Pradhan Mantri Gram Sadak Yojana
IBEF	India Brand Equity Foundation
MoRTH	Ministry of Road Transport & Highways

### DEFINITIONS, ABBREVIATIONS AND GLOSSARY OF TERMS

Abbreviation	Meaning	
PCU	Passenger Car Equivalent	
CA	Concession Agreement	
WPI	Wholesale Price Index	
FCFF	Free Cash Flows to Firm	
MAT	Minimum Alternative Tax	
NHAI	National Highways Authority of India	
COD	Commercial Operation Date	
GDP	Gross Domestic Product	
EV	Enterprise value	
GVA	Gross Value Added	
IRR	Internal rate of return	
NAV	Net Asset Value	
BUV	Break Up Value	
PAT	Profit After Tax	

Abbreviation	Meaning
HAM	Hybrid-Annuity Model
ТОТ	Toll Operate and Transfer
OMT	Operate-Maintain-Transfer
ССМ	Comparable Companies Multiple
DCF	Discounted Cash Flow
EBITDA	Earning Before interest , taxes and depreciation and amortization
EBIT	Earning before interest and tax
CAGR	Compounded Annual Growth Rate
D/E ratio	Debt-Equity ratio
MCLR	Marginal Cost of Lending Rate

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# SECTION 1 EXECUTIVE SUMMARY



### **EXECUTIVE SUMMARY**

#### Terms of Engagement:

- ▶ We have been appointed by Oriental Infra Trust ("Trust" or "Client") to undertake an independent valuation of Trust Assets ("InvIT Assets" or "Trust Assets"), as per Securities Exchange Board of India (Infrastructure Investment Trust Regulations, 2014), and amendments thereto including any circulars and guidelines issued thereunder ("SEBI InvIT Regulations").
- ▶ As per the Engagement Letter, the valuation is to be carried out as on September 30, 2020.
- ► This report (the "Report") has been prepared by BDO VAL pursuant to Engagement Letter between BDO VAL and the Trust including the terms and conditions set out therein.

#### Purpose of Valuation:

▶ We have been appointed by Oriental Infra Trust to undertake valuation of Trust Assets as on September 30, 2020.

#### Valuation Approach & Methodology:

▶ In this report, we have detailed the fair value of the Trust Assets as on September 30, 2020, of:

Particulars	Valuation Methodology
SPVs	DCF Method

### **EXECUTIVE SUMMARY**

#### Executive Summary:

• The Enterprise Value ("EV") of the 5 SPVs has been arrived as under:

S. No	o. Particulars (INR Cr)	EV
(a)	Etawah Chakeri Project	1,875.3
(b)	Indore Khalghat Project	587.4
(C)	Hungund Hospet Project	1,423.3
(d)	Nagpur Betul Project	3,487.5
(e)	Nagpur Bypass Project	4,051.1
	Total	11,424.6

• The combined enterprise value of the 5 SPVs is arrived at INR 11,424.6 Cr.



# SECTION 2 SOURCES OF INFORMATION



### SOURCES OF INFORMATION

#### Sources of Information:

For the purpose of undertaking this valuation exercise, we have relied on the following sources of information:

- SPV specific information The following SPV information as provided by the management of the Trust ("the Management"), verbally or in written form have been inter alia used in valuation:
  - Audited financial statements as per Indian Accounting Standard ("Ind AS") of the 5 SPVs for Financial Year ("FY") FY2017, FY2018 and FY 2019;
  - Provisional financial statements as per Ind AS of the 5 SPVs for FY20;
  - Unaudited financial statements as per Ind AS of the 5 SPVs for 6 months ended September 30, 2020;
  - Projected profit & loss statement, balance sheet and cash flow statement of the 5 SPVs from October 01, 2020 to the respective Concession end date;
  - Income Tax Return for each of the 5 SPVs for AY 19-20 and computation of advance tax paid for AY 21-22;
  - Concession Agreements entered with NHAI for each of the 5 SPVs;
  - Technical Due Diligence Reports issued by independent consultants for the 5 SPVs dated December 2018;
  - Updated Draft Traffic Due Diligence Numbers issued by independent consultants of ECKHPL, OPIPL, GOHHPL and ONBPCPL;
  - Operation and Maintenance ("O&M") contract entered into between ONBHL and Oriental Structural Engineers Pvt. Ltd;
  - Toll Notifications of ECKHPL, OPIPL, GOHHPL and ONBPCPL;
  - Historical Major Maintenance expenses for each of the 5 SPVs;

- Traffic variance analysis from September 01, 2019 to September 30, 2020;
- Revenue variance analysis from April 01, 2020 to September 30, 2020;
- Sanction letter from bank for availing loan by the Trust; and
- Relevant data and information provided by the management and representatives of the Trust either in written or oral form or in form of soft copy.
- Other industry related information available in public domain and international databases.

# SECTION 3 EXCLUSIONS AND LIMITATIONS



### **EXCLUSIONS AND LIMITATIONS**

#### **Context and Purpose**

- We have been mandated by the Trust, vide engagement letter, to undertake valuation of the Trust assets.
- ► The valuation exercise and the Report are solely for the Purpose mentioned herein. As informed by the Trust, the cut-off date for the present valuation exercise is September 30, 2020 based on the information and explanation made available to us.
- Since this report was required for the internal management purpose and sharing with the unit holders, the site visits and other disclosures under Schedule V read with Regulation 21(3) of the SEBI INVIT Regulations will be covered in our full valuation report to be conducted as on March 31, 2021

#### **Restricted Audience**

- This Report is not to be published in the Preliminary Placement Memorandum and the Placement Memorandum and such other documents as may be required under the SEBI InvIT Regulations. This Report was prepared on the Trust instructions and only in connection with the Purpose set out in the Report.
- It should not be copied, disclosed, circulated, quoted or referred to, either in whole or in part, in correspondence or in discussion with any other person except to whom it is issued without our written consent. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in accordance with the provision of SEBI InvIT Regulations including the SEBI Listing Obligations and Disclosure Regulations. In the event the Trusts or its management extend the use of the report beyond the purpose mentioned earlier in the report, with or without our consent, we will not accept any responsibility to any other party (including but not limited to the Investors and Placement agent, if any) to whom this report may be shown or who may acquire a copy of the report.
- 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 that 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 its purpose.

#### **Limitation Clause**

- Our report is subject to the limitations detailed hereinafter. This report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.
- ► The scope of the assignment did not include performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was used during the course of the work. Further, conducting a financial or technical feasibility study was also not covered.
- During the course of our work, we have relied upon assumptions and projections related to the Trust and the SPVs made by the management of the sponsors/Trust. These assumptions require exercise of judgment and are subject to uncertainties. Also, we have relied on the technical due diligence and traffic due diligence report referred in 'Sources of Information' in Section II of the Report.
- Further, this valuation report is based on the extant regulatory environment and the financial, economic, monetary and business/market conditions, and the information made available to us or used by us up to, the date hereof, which are dynamic in nature and may change in future, thereby impacting the valuation of the SPVs. Subsequent developments in the aforementioned conditions may affect this report and the assumptions made in preparing this report and we shall not be obliged to update, review or reaffirm this report if the information provided to us changes. The information presented in this valuation report does not reflect the outcome of any due diligence procedures, which may change the information contained herein and, therefore, the valuation report materially
- Valuation is not a precise science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is therefore no indisputable single value. While we have provided an assessment of the value based on an analysis of information available to us and within the scope of our engagement, others may place a different value on the Company. The final responsibility for value at which the Liquidation or sale shall take place will be with the RP of the Company, who should take into account other factors such as their own assessment of the Liquidation or sale and input of other advisors.

### **EXCLUSIONS AND LIMITATIONS**

- The recommendation rendered in the Report only represent our recommendation based upon information furnished by the Company (or its executives/representatives) and other sources.
- Valuation is based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates, and the variations may be material.
- The realization of these projections is dependent on the continuing validity of the assumptions on which they are based. Since the projections relate to the future, actual results are likely to be different from the projected results in case of events and circumstances not occurring as projected and the differences may be material. Our work did not constitute a validation of the financial projections of the Trust and the SPVs under consideration and accordingly, we do not express any opinion on the same. We have not commented on the appropriateness of or independently verified the assumptions or information provided to us, for arriving at the financial projections. Further, while we have discussed the assumptions and projections with the management of the Trust/Sponsors, our reliance on them for the purpose of valuation should not be construed as an assurance about the accuracy of the assumptions or the achievability of the financial projections.
- This Report is based on information received from sources mentioned herein and discussions with the management of the Trust/Sponsors. This information has not been independently verified by us. We have assumed that the Trust/Sponsors has furnished to us all information, which it is aware of concerning the financial statements and respective liabilities, which may have an impact on our Report.
- We have not made any independent verification with respect to the Sponsor's claim to title of assets or property for the purpose of this valuation. With respect to claim to title of assets or property, we have solely relied on representations, whether verbal or otherwise, made by the Management to us for the purpose of this Report.

- ► For the present valuation exercise, we have also relied upon information available in the public domain; however, the accuracy and timeliness of the same has not been independently verified by us.
- Whilst, all reasonable care has been taken to ensure that facts stated in the report are accurate and opinions given are fair and reasonable, neither us, nor any of our Partners or Employees shall in any way be responsible for the contents stated herein. Accordingly, we make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such statements. We expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on the part of the Company, its directors, employees or agents.
- ▶ In the particular circumstances of this case, we shall be liable only to the Sponsors, the Trust and the Investment Manager. We shall have no liability (in contract or under statute or otherwise) to any other party for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage is caused other than in cases of fraud, gross negligence or willful misconduct, shall be limited to the amount of fees actually received by us as laid out in the engagement letter, for such valuation work.
- This Report does not look into the business / commercial reasons behind the InvIT 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, or whether or not such alternatives could be achieved or are available. The assessment of commercial and investment merits of the Trust are sole responsibility of the investors of the Trust and we do not express our opinion on the suitability or otherwise of entering into any financial or other transactions with the Investment Manager, the Trust or the Sponsors.

### **EXCLUSIONS AND LIMITATIONS**

- We are not advisor with respect to legal, tax and regulatory matters for the Offering. No investigation of the SPVs' claim to title or 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.
- Except to the extent required under the SEBI InvIT Regulations, we are not responsible for matters of legal nature including issues of legal title and compliance with local laws in respect of the SPVs and also no consideration has been given to litigation and other contingent liabilities that are not recorded in the financials of the SPVs or disclosed otherwise in the PPM.
- The valuation analysis in this Report should not be construed as investment advice; specifically, and we do not express any opinion on the suitability or otherwise of entering into any financial or other transactions with the Investment Manager, the Trust or any of the SPVs.
- ► The estimate of value contained herein are not intended to represent value of the SPVs at any time other than the dates specifically mentioned for each valuation result, as per the agreed scope of engagement and as required under the SEBI InvIT Regulations.
- Further, after declaration of Covid-19 as a pandemic by World Health Organisation and consequent imposition of lockdown in India has caused a widespread disruption in businesses as well as on financial markets in India and globally alike. Our assumptions for the valuation is surrounded by these unprecedented uncertainty across all the industries and sectors including the time period over which these circumstances could prevail. The valuation assumptions, the underlying projections and the outcome of the valuation analysis could materially change as a result of the continued or increased uncertainty around the prevalence of Covid-19 circumstances and hence a reliance on our valuation must be placed considering these unprecedented circumstances.

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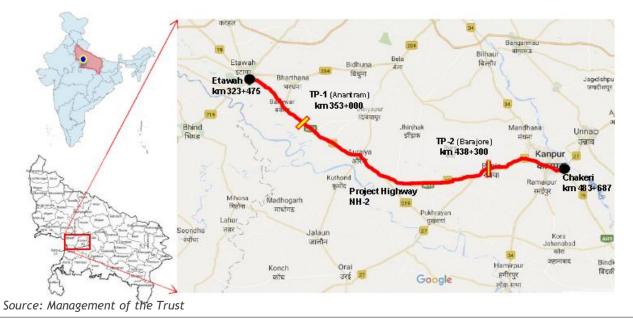
# SECTION 4 OVERVIEW OF THE SPVs



### ETAWAH-CHAKERI (KANPUR) HIGHWAY PRIVATE LIMITED ("ECKHPL")

#### Background:

- Etawah-Chakeri (Kanpur) Highway Private Limited, undertakes development of six lane Etawah Chakeri (Kanpur) section of NH 2 in the State of Uttar Pradesh on Design, Build, Finance, Operate and Transfer ("DBFOT") based public-private partnership ("PPP") mode.
- > The Etawah-Chakeri Project highway forms an arm of Golden Quadrilateral connecting Delhi (North India) with Kolkata (East India).
- The Etawah-Chakeri Project comprised of widening and improvement of existing 4-lane section to 6-lane section starting at km 323+475 at end point of Etawah bypass and ending at km 483+687 near Chakeri passes via four districts i.e., Etawah, Auriya, Kanpur Dehat and Kanpur Nagar in Uttar Pradesh admeasuring 160.210 km on Agra Etawah Kanpur Allahabad section of NH 2.
- Etawah-Chakeri Project was awarded by the NHAI for a Concession Period of 16 years starting from Appointed Date on March 13, 2013.



### ETAWAH-CHAKERI (KANPUR) HIGHWAY PRIVATE LIMITED ("ECKHPL")

#### Key Details of the Project:

- The toll collection commenced from the same date of appointed date i.e. March 13, 2013 and the Completion certificate has been received on November 30, 2016.
- The key details of Etawah-Chakeri Project are as follows:

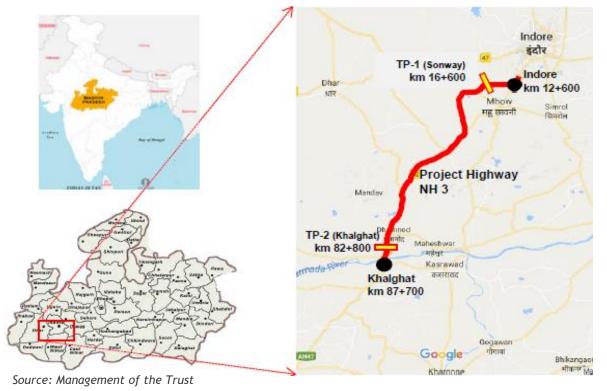
Particulars	Details
Project name	Six-laning of Etawah - Chakeri (Kanpur) section of NH-2 from
	km 323.475 to km 483.687 in the State of Uttar Pradesh
	under NHDP Phase-V on DBFOT Toll basis
Name of Concessionaire	M/s Etawah Chakeri (Kanpur) Highway Private Limited
State	Uttar Pradesh
NH/SH	NH 2
Project lane	6 lane
PPP mode	DBFOT
Execution of CA	January 5, 2012
Appointed date	March 13, 2013
Completion Certificate	November 30, 2016
Scheduled Concession End Date	March 12, 2029
Original Concession period	16 years
Expected Concession End Date	December 8, 2030
Tollable Length (km)	160.212 including structure of 23.167 kms
Toll Plaza	2 Nos.
	TP-1: km 353+000 (actual at km 353+000) - Anantram
	TP-2: km 437+000 (actual at km 438+300) - Barajore
Salient features	Etawah Chakeri Project is of strategic importance as it
	forms an arm of Golden Quadrilateral connecting Delhi and
	Kolkata.

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### ORIENTAL PATHWAYS (INDORE) PVT LTD ("OPIPL")

#### Background:

- Oriental Pathways (Indore) Private Limited, undertakes development of four lane Indore Khalghat section of NH 3 in the State of Madhya Pradesh on Build, Operate and Transfer ("BOT") based PPP mode.
- It is a key link on NH 3 which is known as Agra Bombay (Mumbai) Highway connecting Delhi and Mumbai. The Indore Khalghat Project comprised of improvement, operation and maintenance including strengthening and widening of existing 2-lane section to 4-lane section starting at km 12+600 and ending at km 84+700 admeasuring about 77.610 km.
- ▶ Indore Khalghat Project was awarded by the NHAI for a Concession Period of 20 years starting from Appointed Date on September 6, 2006.



### ORIENTAL PATHWAYS (INDORE) PVT LTD ("OPIPL")

#### Key Details of the Project:

- ▶ The toll collection of Indore Khalghat Project commenced from August 20, 2009.
- The key details of Indore Khalghat Project are as follows:

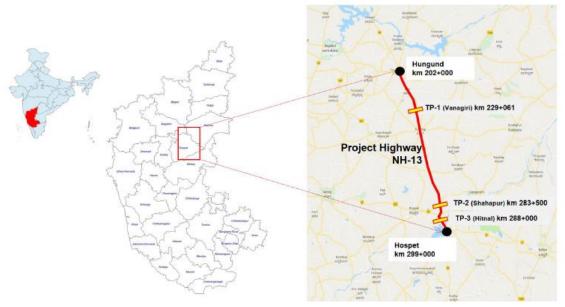
Particulars	Details
Project name	4-laning of Indore - Khalghat section of NH 3 from km
	12+600 to km 84+700 in the state of Madhya Pradesh on
	Build, Operate and Transfer (BOT) basis
Name of Concessionaire	Oriental Pathways (Indore) Pvt Ltd
State	Madhya Pradesh
NH/SH	3 (New NH-52)
Project lane	4 laned divided Carriageway with 1.5m paved shoulders $\&$
	0.5m kerb shyness - Carriageway (2 x 9.0m)
PPP mode	Build, Operate and Transfer (BOT) basis
Execution of CA	March 10, 2006
Appointed date	September 6, 2006
COD Date	August 20, 2009
Scheduled Concession End Date	May 28, 2026
Expected Concession End Date	September 28, 2026
Concession period	20 years
Tollable Length (km)	77.32 km
Toll Plaza	TP-1: km 4+000 (actual at km 16+600 - Sonway)
	TP-2: km 75+600 (actual at km 82+800 - Khalghat)

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### GMR OSE HUNGUND HOSPET HIGHWAYS PRIVATE LIMITED ("GOHHPL")

#### Background:

- GMR OSE Hungund Hospet Highways Private Limited, undertakes development of four lane Hungund Hospet section of NH 13 in the State of Karnataka on DBFOT based PPP mode.
- > The Hungund Hospet Project highway is a key link on NH 13 acting as one of the regional spine roads for movement in entire Sothern India.
- Hungund Hospet Project comprises of development, maintenance and management of developed 4-lane section starting at km 202+000 and ending at km 299+000 and measuring about 99.054 km.
- ▶ It was awarded by the NHAI for a Concession Period of 19 years starting from Appointed Date on September 18, 2010.



Source: Management of the Trust

### GMR OSE HUNGUND HOSPET HIGHWAYS PRIVATE LIMITED ("GOHHPL")

#### Key Details of the Project:

- ▶ The toll collection of Hungund Hospet Project commenced from May 14, 2014.
- The key details of Hungund Hospet Project are as follows:

Particulars	Details		
Project name	4-laning of Hungund - Hospet section of NH 13 from km 202+00 to km 299+00 in the state of Karnataka on Design, Build, Finance, Operate and Transfer		
Name of Concessionsing	(DBFOT) basis		
Name of Concessionaire	GMR OSE Hungund Hospet Highways Private Limited		
State	Karnataka		
NH/SH	NH 13		
Project lane	4 lane		
PPP mode	DBFOT		
Execution of CA	March 22, 2010		
Appointed date	September 18, 2010		
COD Date	May 14, 2014		
Scheduled Concession End Date	September 17, 2029		
Expected Concession End Date	July 28, 2033		
Concession period	19 years		
Tollable Length (km)	99.054 km		
Toll Plaza	TP-1: km 229+061 (Vanagiri)		
	TP-2: km 283+500 (Shahapur)		
	TP-3: km 288+000 (Hitnal)		

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### ORIENTAL NAGPUR BETUL HIGHWAY PRIVATE LIMITED ("ONBHPL")

#### Background:

- Oriental Nagpur Betul Highway Private Limited, undertakes development of four lane Nagpur Saoner Betul section of NH 69 in the State of Maharashtra and Madhya Pradesh on DBFOT
   Annuity based PPP mode.
- The Nagpur Betul Project comprises of development, maintenance and management of developed 4-lane section starting at Nagpur from km 3.000 to Km 59.300 in the State of Maharashtra and Km 137.000 to Km 257.400 in the State of Madhya Pradesh terminating at Betul and measuring about km 174.200.
- ▶ It was awarded by NHAI for a Concession Period of 20 years starting from Appointed Date on August 30, 2010.



#### Source: Management of the Trust

ONBHL is entitled to receive semi-annual annuity of INR 290.80 Cr for the period from February 24, 2015 to February 24, 2031. As per Schedule M-Annuity Payment Schedule, the first and the last annuity was payable on February 24, 2015 and February 24, 2031 respectively. However, the COD was achieved on February 18, 2015 due to which the first annuity was received in August 2015 and accordingly the last annuity will be received in August 2031.

### ORIENTAL NAGPUR BETUL HIGHWAY PRIVATE LIMITED ("ONBHPL")

#### Key Details of the Project:

• The key details of the Nagpur Betul Project are as follows:

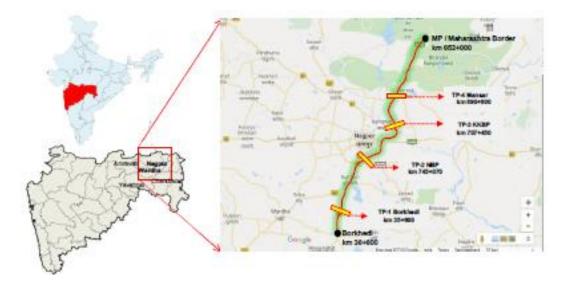
Particulars	Details
	4-laning of Nagpur-Saoner-Betul section of NH 69 from
	Km 3.000 to Km 59.300 in the State of Maharashtra and
	from Km 137.000 to Km 257.400 in the State of Madhya
Project name	Pradesh
Name of Concessionaire	Oriental Nagpur Betul Highway Private Limited
State	Maharashtra and Madhya Pradesh
NH/SH	NH - 69 (New NH-47)
	4 laned divided Carriageway with median width varies
	from 1.20 m to 4.50 m, service roads and other
Project lane	arrangements
	Design, Build, Finance, Operate and Transfer on
PPP mode	Annuity (DBFOT Annuity) basis
Execution of CA	August 30, 2010
Appointed date	January 20, 2011
PCOD Date	February 18, 2015
Expected Concession End Date	January 19, 2032
Concession period	20 years
Tollable Length (km)	174.20 km
	T.P 1: Km 25.000 Maharashtra Highway section,
	temporarily constructed due to non availability of land
	T.P 2: Km 14.700 Madhya Pradesh section (Milanpur)
Toll Plaza	T.P 3: Km 71.050 Madhya Pradesh section (Khambara)
	INR 290.80 Cr payable after every six months
	commencing from February 24, 2015 to February 24,
Annuity Amount	2031

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### ORIENTAL NAGPUR BYE PASS CONSTRUCTION PVT. LTD. ("ONBPCPL")

#### Background:

- Oriental Nagpur Bye Pass Construction Private Limited, undertakes development and operation of four lane Madhya Pradesh / Maharashtra Border Nagpur section of NH 7 including construction of Kamptee Kanhan and Nagpur bypass and maintenance of 4-laned section of Nagpur Hyderabad section in the state of Maharashtra on DBFOT based PPP mode.
- The Nagpur Bypass Project highway is a key link on NH 7 connecting North and South India. It comprises of development, maintenance and management of 4-lane section starting at km 652+000 and ending at km 729+000 admeasuring about 95.063 km and maintenance of already 4-laned section from km 14+585 to km 36+600 admeasuring 22.015 km. Therefore, total length of this project highway is 117.078 km.
- ▶ It was awarded by NHAI for a Concession Period of 27 years starting from Appointed Date on April 3, 2010.



Source: Management of the Trust

### ORIENTAL NAGPUR BYE PASS CONSTRUCTION PVT. LTD. ("ONBPCPL")

#### Key Details of the Project:

> The key details of the Nagpur Bye Pass Project are as follows:

Particulars	Details		
Project name	4 - Laning of Madhya Pradesh / Maharashtra Broder -		
	Nagpur Section of NH-7 from Km 652+000 to 729+000		
	including construction of Kamptee - Kanhan and		
	Nagpur Bypass and Maintenance of already 4-landed		
	section from Km 14+585 to Km 36+600 of NH-7		
	(Nagpur - Hyderabad Section)		
Name of Concessionaire	Oriental Nagpur Bye Pass Construction Pvt. Ltd.		
State	Maharashtra		
NH/SH	NH 7		
Project lane	4 lane		
PPP mode	Design, Build, Finance, Operate and Transfer (DBFOT)		
Execution of Concession Agreement	October 5, 2009		
Appointed date	April 3, 2010		
COD Date	For 78.628 km: June 11, 2012		
	For 33.700 km: August 13, 2018		
	For 4.750 km: March 19, 2019		
Scheduled Concession End Date	April 2, 2037		
Expected Concession End Date	May 11, 2037		
Concession period	27 years		
Tollable Length (km)	117.078 km		
Toll Plaza	TP-1: km 35+600 (Borkhedi)		
	TP-2: km 745+070 (NBP)		
	TP-3: km 707+450 (KKBP)		
	TP-4: km 690+600 (Mansar)		

#### Key Details of the Project:

- Section 1: 4-laning work in forest area from km 652.000 to km 689.450 including Parsivini GS, Lihigaon UP, 24kms Service road and Bhandara clover leaf 37.450 km.
- Section 2: 4-Laning of Madhya Pradesh / Maharashtra Border Nagpur Section of NH-7 from km. 689.450 to km 747.063 including construction of Kamptee Kanhan and Nagpur Bypass and maintenance of already 4-laned section from km 14.585 to km 36.600 of NH-7 (Nagpur - Hyderabad Section) - 79.628 km.
- The Nagpur Bypass Project commenced its commercial operation on June 11, 2012 for a length of 78.628 km, on August 13, 2018 for a further 33.700 km and on March 19, 2019 for the balance 4.750 km. Thus, the total length of this project in commercial operation is 117.078 km.

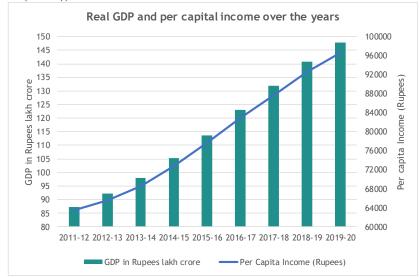
# SECTION 5



The information in this section is derived from the report "Report on Roads and Highways Industry", November 30, 2018 (the "CARE Report"), prepared by CARE Research, an independent division of CARE Ratings Limited (the "Ratings Division"), except for other publicly available information as cited in this section. The Sponsors commissioned the CARE Report for the purposes of confirming the understanding of the industry in connection with the Offer.

#### **OVERVIEW OF INDIAN ECONOMY**

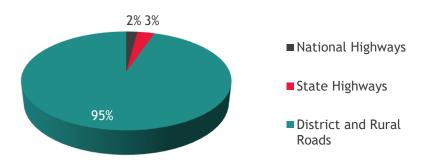
- India, ranked as the sixth largest economy by nominal GDP and the third largest by purchasing power parity, has been amongst the fastest growing economies in the world over the past few years.
- The real GDP of India grew at a CAGR of 7.56% from Rs.105.4 trillion in 2014-15 to Rs.121.9 trillion in 2016-17. (Source: Economic Survey India 2017-18) However, the growth rate is estimated to have moderated to about 6.7% for 2017-18 with real GDP of Rs.130.1 trillion. (Source: Ministry of Statistics and Program Implementation (MOSPI))



#### **ROADS & HIGHWAYS SECTOR IN INDIA**

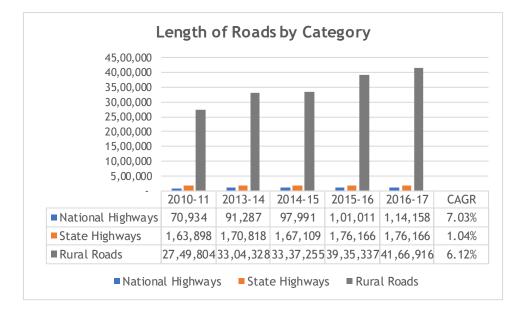
Roads and highways are the major logistical bloodstream of the Indian economy. Globally, India ranks second in road network, spanning a total length of over 5.6 million km of roads. Roads contribute to 60% of total goods movement and 85% of total passenger traffic in the India. As per data from National Highways Authority of India (NHAI), national highways make up for about 2% of the total road network but handle approximately 40% of the total road traffic.

Roads and Highways - Classification and Breakup

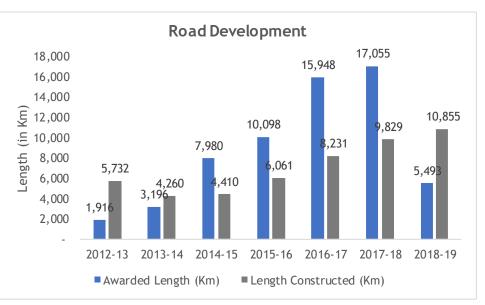


- During the Twelfth Five Year Plan (FYP i.e. for the period 2012-17), Government earmarked an investment of US\$ 32.4 billion for the development of roads. The Union Budget 2020 made an allocation of Rs. 91,823.2 crore towards roads and highway development which is a sizeable growth of 10% over Union Budget 2019.
- As a stimulus to the sector over the next decade, the Government's initiative, "Bharatmala Pariyojana" is aimed at development of an all-integrated roadtransport network. This is an important initiative for the sector, as the Government would now focus on developing highway networks which would connect it with other modes of logistics like ports, railways etc. Additionally, an integrated road development approach focused on developing entire networks of roads/highways like the Golden Quadrilateral, would aid in the development of new geographies, also leading to an increase in employment opportunities.

- > In India, roads and highways are broadly classified under following categories:
  - a) National Highways facilitate medium and long distance inter-city passenger and freight traffic across the country. The National Highways have a total length of 1,32,500 km as on March 31, 2019.
  - b) State Highways are intended to carry the traffic along major centers within the State.
  - c) District Roads primarily link and provide accessibility within the district and provide the secondary function of linkage between main roads and rural roads.
  - d) Rural Roads provide villages accessibility to meet their social needs as also the means to transport agriculture produce from village to nearby markets.



 The tendering and awarding of projects has picked up pace after the sanction of ambitious Bharatmala programme.



#### **REGULATORY FRAMEWORK**

Ministry of Road, Transport and Highways (MoRTH):

MoRTH, a ministry of the Government of India, is the apex body for formulation and administration of the rules, regulations and laws relating to road transport, and transport research, in order to increase the mobility and efficiency of the road transport system in India.

National Highways Authority of India (NHAI)

The NHAI is an autonomous agency of the Government of India, responsible for management of a network of over 1 lakh km of National Highways in India. It is a nodal agency of the Ministry of Road Transport and Highways (MoRTH). The NHAI is also responsible for the toll collection on several highways.

State Public Works Department (PWD)

Each state has a Public Works Department which is governed and funded by the respective State Governments. It is engaged in planning, designing, construction and maintenance of various infrastructural assets of the State Government with roads being one of the major asset. The PWD much like the NHAI, is also engaged in setting up tolls across its projects or awarding them to private players in the state.

District Municipal Corporations and Gram Panchayats

A Municipal Corporation is a local governing body, of cities, towns, districts etc. Gram Panchayats are equivalents of Municipal Corporations at village level. These governing bodies are independent like the PWD but are funded by both the Government of India as well as the State Government under various schemes. Major District Roads and Rural roads & highways are developed and maintained by these bodies.

#### ROADS & HIGHWAYS DEVELOPMENT:

The Government of India has taken various initiatives to bolster the growth of the roads and highways in India.

National Highway Development Project ("NHDP")

NHDP is a 7-phase project aimed at upgrading, rehabilitating and widening major highways in India to a higher standard. The project was started in 1998 and managed by NHAI under MoRTH. The NHDP represents 49,260 km of roads and highways work and construction in order to boost economic development of the country. The Government planned to end the NHDP programme in early 2018 and subsume the ongoing projects under a larger "Bharatmala" project.

Bharatmala Pariyojana

"Bharatmala Pariyojana" envisages improving the efficiency of the National Corridor (Golden-Quadrilateral and NS-EW corridor) by decongesting its choke points through lane expansion, construction of ring roads, bypasses/ elevated corridors and logistics parks at identified points.

Outlay of BHARATMALA Pariyojana Phase I (2017-18 to 2021-22)

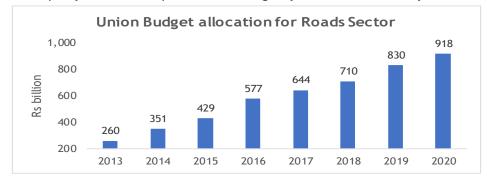
Components	Length (in KM)	Outlay (in Rs. billion)
Economic Corridor Development	9,000	1,200
Inter-corridor and feeder roads	6,000	800
National Corridors efficiency improvements	5,000	1,000
Border and international connectivity roads	2,000	20
Coastal and port connectivity roads	2,000	200
Expressways	800	400
Balance of NHDP	10,000	1,500
Total	34,800	5,350

Source :MORTH

29

#### FINANCING MECHANISM

Budgetary Allocation: The Central Government during its Union Budget every year makes a budgetary allocation to be spent for the development of roads and highway infrastructure, in consultation with the statutory bodies and industry participants. There has been consistent increase in the budgetary allocations over the past years for development of robust highway network in the country.

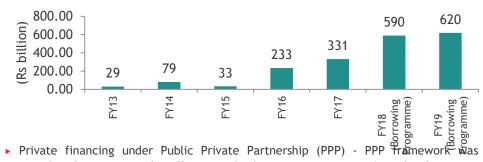


 Cess: The cess levied by the Central Government on petrol and diesel has contributed significantly towards NHDP in the past.

Year	FY12	FY13	FY14	FY15	FY16	FY17
Cess Fund received	62	60	69	69	154	22
(Rs. billion)	62	60	09	09	134	23

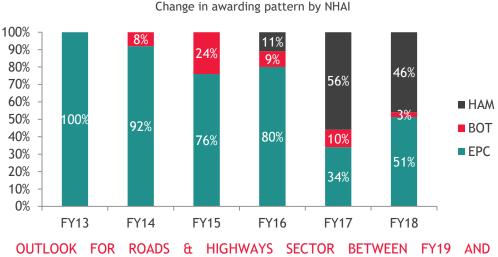
Loan assistance from international funding agencies: Loan assistance is available from multilateral development agencies like Asian Development Bank, World Bank, Japan Bank for International Cooperation etc. at concessional rates for infrastructure development and usually repayable over a longer timeframe, thereby allowing more time for the revenues to stabilize and make the repayments.  Market Borrowings: NHAI taps the securities markets, primarily bond markets, for raising debt to finance its existing projects and refinancing debt.

Fund raising activity by NHAI



- Private financing under Public Private Partnership (PPP) PPP Tramework was introduced to increase the efficiency of infrastructure projects through a long-term collaboration between the public sector and private business. Discussed below are the frameworks which are widely used in order to execute and implement roads and highway projects by NHAI.
- a) Build-Operate-Transfer (BOT) Toll: The concessioning authority grants to the concessionaire an exclusive license for designing, engineering, financing, constructing, equipping, operating and maintaining the project for an agreed concession period. The concessionaire is entitled to collect and retain toll revenues for the tenure of the project concession period and transfers the ownership and operation of the facility to the authority after the end of concession period.
- b) Build-Operate-Transfer (BOT) Annuity: The concessionaire bids for annuity payments from the concessioning authority that would cover its cost (construction, operations and maintenance) and an expected return on the investment. The bidder quoting the lowest annuity is awarded the project. The annuities are paid semi-annually by NHAI or other concessioning authority to the concessionaire and are linked to performance covenants. The concessionaire does not bear the traffic/tolling risk in these contract, which in this case is born by the authority, which ensures timely and regular cash flows for the developer.

- c) Operate-Maintain-Transfer (OMT): NHAI has taken up award of select highway projects to private sector players under an OMT Concession. Till recently, the tasks of toll collection and highway maintenance were entrusted with tolling agents/ operators and subcontractors, respectively. These tasks have been integrated under the OMT concession. Under the concession, private operators would be eligible to collect tolls on these stretches for maintaining highways and providing essential services (such as emergency/ safety services).
- d) Engineering, Procurement and Construction (EPC): This framework of PPP relies on assigning the responsibility for investigations, design and construction of roads to the contractor for a lump sum price determined through competitive bidding.
- e) Hybrid Annuity Model (HAM): HAM is a relatively new PPP framework, which combines the features of BOT (Annuity) and EPC. Under this, the Government accepts revenue/ toll collection risk, along with partial sharing (40% or on a case to case basis) of financial risk and assigns the contractor to continue managing executional and operational & maintenance risk. HAM as a model was brought in keeping in mind the stressed balance sheets of most infrastructure groups which was hampering their participation in the road construction segment, due to their inability to secure funds to invest in new projects.
- f) Toll-Operate-Transfer (T-O-T): As a recent measure to mobilize funds, NHAI decided to auction its operational highways to private investor's maintenance and toll collection for a period of 30 years. A private player is expected to operate and maintain the highway and collect toll for 30 years after making an upfront payment, without having to build the highway.



OUTLOOK FOR ROADS & HIGHWAYS SECTOR BETWEEN FY19 AND VALUATION DATE

As per the Economic Survey 2019-20, to achieve the GDP of \$5 trillion by 2024-25, India needs to spend about \$1.4 trillion (` 100 lakh crore) over these years on infrastructure. o draw up the National Infrastructure Pipeline (NIP) for each of the years from FY 2019-20 to FY 2024-25, an inter-ministerial Task Force was set up in September 2019 under the chairmanship of Secretary (DEA), Ministry of Finance. NIP is expected to enable well-prepared infrastructure projects which will create jobs, improve ease of living, and provide equitable access to infrastructure for all, thereby making growth more inclusive. NIP also intends to facilitate supply side interventions in infrastructure development to boost short-term as well as the potential GDP growth. Improved infrastructure capacities will also drive competitiveness of the Indian economy. The Finance Minister released the Report of the Task Force on National Infrastructure Pipeline (abridged version) on 31.12.2019. The NIP has projected total infrastructure investment of INR 102 lakh crore during the period FY 2020 to 2025 in India. Energy (24 per cent), Roads (19 per cent), Urban (16 per cent), and Railways (13 per cent) amount to over 70 per cent of the projected capital expenditure during the said period.

c) A good road network is an essential requirement for the rapid growth of the economy. Roads provide connectivity to remote areas, open up backward regions and facilitate access to markets, trade and investment. As on 31.3.2018, India had a road network of about 59.64 lakh km. The total length of National Highways was 1.32 lakh km as on March 1, 2019. The pace at which roads have been constructed has grown significantly from 17 kms per day in 2015-16 to 29.7 kms per day in 2018-19. However, the pace seems to have moderated in 2019-20. Total investment in the Roads and Highway sector has gone up more than three times in five year period of 2014-15 to 2018-19.

#### Table 9: Road Length Awarded & Constructed (Length in km)

	2015-16	2016-17	2017-18	2018-19	2019-20 #
Award of NHs/Road projects	10,098	15,948	17,054	5,494	2,103
Construction of NHs/Roads	6,061	8,231	9,829	10,855	4,622
Road construction per day	17	23	27	29.65	12.7
Source: MoRTH.					

Note: # - As on 30.09.2019.

d) The road sector has seen major development in the past one decade and along with participation from the private sector, has witnessed almost doubling of the national highway network. But even after doubling of the national highways, the road connectivity seems to be inadequate considering specific geographies and regions. The authorities in the country seem to have identified this gap in connectivity and have been aggressively awarding new projects. The outlook for the roads and highways sector seems promising with growing Government thrust on the sector, with increase in budgetary outlay and initiatives such as Bharatmala Pariyojana, National Infrastructure Pipeline, new road development models, financing frameworks and rising interest from pension funds and private equity firms to make investments in the sector. All these measures put together will be crucial to achieve the ambitious targets laid down by the Government for the sector.

- e) The outbreak of Novel Coronavirus (Covid-19) pandemic will have a significant impact on the buildout of roads and highways, a key enabler of India's growth. The toll collections had witnessed a significant decline in FY 20 due to nationwide lockdown imposed. The Ministry of Road Transportation and Highways (MORTH) has suspended tolling on all national highways for the 21-days period, which was extended by another 19 days up to May 3. As per the Ministry circular, the toll suspension would be treated as force majeure event. Under force majeure event, for the BOT Toll and TOT projects, the revenue loss is compensated in the form of extension in concession period. In addition, 100 per cent of operations and maintenance (O&M) and interest costs are reimbursed for the BOT Toll projects for the affected period; this would amount to 50-55 per cent estimate of loss of revenue incurred by these projects.
- f) Further, the economy has restarted gradually post lockdown. Freight movement has strong correlation with the health of the economy and thereby the toll collections is directly related to movement in GDP. Therefore, the detrimental impact of COVID-19 on the overall economy would inturn affect the movement of commercial freight on the road stretches thereby, adversely affecting the toll collections. A gradual ramp-up of traffic is expected after the lockdown, with the economy returning to normalcy post June.

# SECTION 6 VALUATION APPROACH



# VALUATION APPROACH

- There are three generally accepted approaches to valuation:
  - "Cost" Approach
  - "Market " Approach
  - "Income" Approach
- ▶ The application of approach depends upon the nature of assets, the information available and facts and circumstances surrounding the valuation.

#### a) Cost Approach:

- ► The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, asset value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.
- Net Asset Value Method
  - The Net Asset Value ("NAV") method under cost approach, consider the assets and liabilities, including intangible assets and contingent liabilities. The net assets, after reducing the dues to the preference shareholders, if any, represent the value of the company.
  - NAV method is appropriate in a case where the major strength of the business is its asset base rather than its capacity or potential to earn profits.
  - This valuation approach is mainly used in cases where the asset base dominates earnings capability.
  - As an indicator of the total value of the entity, the net asset value method has the disadvantage of only considering the status of the business at one point in time.

- Additionally, net asset value does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many respects, net asset value represents the minimum benchmark value of an operating business.
- Break Up Value Method
  - Under the Break Up Value ("BV") method, the assets and liabilities are considered at their realizable (market) values including intangible assets and contingent liabilities, if any, which are not stated in the balance sheet. From the realizable value of the assets, the payable value of all liabilities (existing plus potential) are deducted to arrive at the BV of the company.
  - This Valuation approach is mostly used in case of companies where there are huge operating investments or surplus marketable investments.

# VALUATION APPROACH

#### b) Market Approach:

- Market Price Method
  - Under this approach, the market price of an equity share as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.
- Comparable Companies Multiple Method
  - Under the Comparable Companies Multiple ("CCM") method, the value is determined on the basis of multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.
  - To the value of the business so arrived, adjustments need to be made for the value of contingent assets/liabilities, surplus Asset and dues payable to Preference Shareholders, if any, in order to arrive at the value for equity shareholders.
- Comparable Transactions Multiple Method
  - Under the Comparable Transactions Multiple ("CTM"), the value of a company can be estimated by analysing the prices paid by purchasers of similar companies under similar circumstances. This is a valuation method where one will be comparing recent market transactions in order to gauge current valuation of target company.

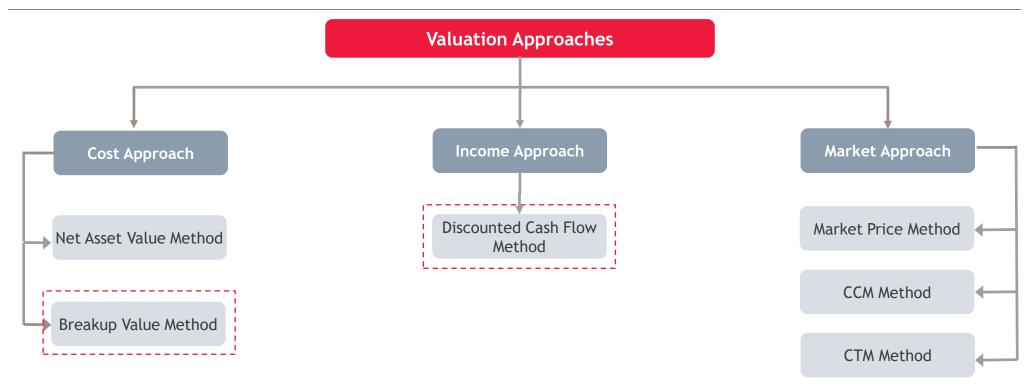
#### c) Income Approach:

The Income approach focuses on the income prospects of a company.

- Discounted Cash Flow Method
  - Under the Discounted Cash Flow ("DCF") method, the value of the undertaking is based on expected cash flows for future, discounted at a rate, which reflects the expected returns and the risks associated with the cash flows as against its accounting profits. The value of the undertaking is determined as the present value of its future free cash flows.
  - Free cash flows are discounted for the explicit forecast period and the perpetuity value thereafter. Free cash flows represent the cash available for distribution to both, the owners and creditors of the business.
  - Discount rate is the Weighted Average Cost of Capital ("WACC"), based on an optimal vis-à-vis actual capital structure. It is appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk and also debt-equity ratio of the firm.
  - The perpetuity (terminal) value is calculated based on the business's potential for further growth beyond the explicit forecast period. The "constant growth model" is applied, which implies an expected constant level of growth (for perpetuity) in the cash flows over the last year of the forecast period.
  - The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business's future operations.
  - The Business/Enterprise Value is so derived.

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# CONCLUSION ON VALUATION APPROACH



#### Rationale for Valuation Approaches & Methodologies :

- Cost Approach: This valuation approach is mainly used in cases where the asset base dominates earnings capability. Thus, Break Up Value Method has been considered for the valuation of the Trust as it holds investment in 5 SPVs.
- Income Approach: The Discounted Cash Flow method takes into account the specific strength of the company to be valued and represents the expected performance of the company based on its projections including the incremental working capital and capital expenditure requirement to achieve the projections. In the current case, the value of the SPVs would be reflected in its future earnings potential. Hence, the DCF Method under the income approach has been considered as an appropriate method for the valuation of the SPVs.
- Market Approach: As any of the 5 SPVs are not listed on any recognized stock exchange, the market price method of valuation was not considered. Since, current valuation is for specific projects in an SPV (BOT and Annuity based projects), CCM Method and CTM Method for the present valuation analysis exercise are not considered as each SPVs have different concession period, geographical differences which are not identical to the listed companies.

# SECTION 6A VALUATION ANALYSIS



# **VALUATION ANALYSIS**

- As mentioned in Section VI, the value of undertaking is determined based on the future cash flow to be generated by each SPV for the remaining concession period.
- These cash flows have been estimated based on the projected financial information provided by the Management. The assumptions for arriving these cash flows are discussed separately in each SPV section.
- The assumptions considered for the projections are management's best estimate of the range of economic conditions that will exist over the remaining useful life of the assets i.e. remaining agreed concession period for each SPV, capturing growth prospects and earning capabilities.
- The financial forecast provided by the Management has been reviewed for consistency and reasonableness and we have relied on the estimates provided.
- The other key assumptions considered in DCF method is determination of an appropriate rate to discount the future cash flows. The Free Cash Flows to Firm ("FCFF") have been calculated for each SPV as on the Valuation Date based on the financial projections provided by the Management.
- ▶ FCFF refers to cash flows that are available to all the providers of capital, i.e. equity shareholders, preference shareholders and lenders.
- In FCFF, the free cash flows available to the firm are discounted by Weighted Average Cost of Capital (WACC) to arrive the net present value and terminal period cash flows. For present valuation analysis exercise, Capital Asset Pricing Model (CAPM) is considered for the calculation of Cost of Equity.

#### Cost of Equity:

- Cost of Equity ("Ke") is a discounting factor to calculate the present value of the net free cash flows to equity of the entity, which will be used to calculate its equity value. The present value is determined by discounting the net free cash flows to equity by Ke.
- The returns expected by the equity depend on the perceived level of risk associated with the business and the industry in which the business operates.
- ► For this purpose, Capital Asset Pricing Model (CAPM) is used, which is a commonly used model to determine the appropriate cost of equity.
- The CAPM can be defined as follows:
  - Ke = Rf + (Rp \* Beta) + CSRP

Wherein:

- Ke = cost of equity
- Rf = risk free rate
- Rp = risk premium
- Beta = a measure of the sensitivity of assets to returns of the overall market
- CSRP = Company Specific Risk Premium

Note 1(a): Risk Free Rate (Rf)

The risk free rate of return is based on yields of 10 year zero coupon bond yield as on September 30, 2020 having and as listed on www.ccilindia.com. In the present case, the risk free rate of return is arrived at 6.45%.

# **VALUATION ANALYSIS**

#### Note 1(b): Market Return (Rm)

Market Return is a measure of rate of return that investors earns by investing in equity markets. It is calculated based on the average historical market return. In the present case, the market return is considered at 15%.

#### Note 1(c): Risk Premium (Rp)

Risk premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. A risk premium is calculated as follows:

Risk premium = Equity market return (Rm) - Risk free rate (Rf)

▶ In the present case, the risk premium is arrived at 8.55%.

#### Note 1(d): Beta

- Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. For present valuation analysis exercise, the comparable companies that are engaged in primarily construction and operation of road assets in India are considered.
- Beta of the following companies engaged in construction and operation of road assets in India, are considered for present valuation analysis:
  - IRB Infrastructures Developers Limited
  - Ashoka Buildcon Limited
  - PNC Infratech Limited

#### WACC:

- The discount rate for arriving at the present value of the Free Cash Flows to the Firm is the Weighted Average Cost of Capital ("WACC").
- The WACC is derived as follows: WACC = Ke \* [E/(D+E)] + Kd \*(1-t) \*[D/(D+E)] Wherein: Ke = cost of equity E/(D+E) = equity / total capital Kd = cost of debt T = tax rate D/(D+E) = debt / total capital
- The assumptions for the WACC considered for each individual SPV is stated in each SPV section.

# SECTION 6B VALUATION OF THE SPVs



#### Key Inputs in Projections:

The key inputs of the projections provided by the Management are as follows:

#### a) Modification in Concession Period

- ▶ As per the Clause 29.2.1 of the Concession Agreement between NHAI and ECKHPL as provided to us by the management of the Sponsors, "In the event Actual Average Traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the Concession period shall, subject to payment of Concession Fee in accordance with this Agreement, be increased by 1.5% thereof; provided such increase in Concession period shall not in any case exceed 20% of the Concession period".
- The traffic during the period of demonetization has fallen.
- ► Thus, the Concession period of 16 years as per Concession Agreement between NHAI and ECKHPL as provided by the Management is increased due to demonetization and as per the above clause as given in the table alongside.
- ► Target Traffic as on the Target date is as per the traffic volumes provided by the Management supported by Traffic Due Diligence report carried out by Mott MacDonald dated January 2020.
- The revised Concession end date considering the impact of demonetization and Clause 29.2 - Modification in Concession Period is December 8, 2030.
- ▶ Thus, the explicit period for the current valuation analysis exercise has been considered from October 01, 2020 to December 8, 2030.

Particulars	Unit	Details
Target date as per CA	Date	October 1, 2021
Target traffic as per CA	PCUs	48,750
Comparison of average traffic at test date		
with target	%	-7%
Original concession period	years	16.00
Increase in concession period	%	10%
Change in concession period	years	1.68
Revised concession period	years	17.68
Appointed date	Date	March 13, 2013
Additional days due to demonetization	Days	24
Original concession end date (incl		April E 2020
demonetization days	Date	April 5, 2029
Revised concession end date (incl		December 9, 2020
demonetization days)	Date	December 8, 2030

#### b) Traffic Volume

► Traffic volumes as received from the Management supported by Traffic Due Diligence report carried out by Mott MacDonald dated January 2020 are considered.

#### c) Revenue

Revenue forecast is as per latest draft Traffic Due Diligence numbers prepared by an independent party. The revenue earned in FY19 and FY20 is INR 335.7 Cr and INR 343.8 Cr respectively. The revenue earned for 6 months period ended September 30, 2020 was INR 156.5 Cr. We have considered an analysis of traffic over the period between April 21, 2020 (since the toll collection resumed) to September 30, 2020 with the revenues on a daily basis converging towards projected daily revenue in September 2020. This analysis in consonance with the discussion with the Management and input received from traffic study consultants the revenue for FY21 is estimated at INR 365.0 Cr.

#### d) Toll rates

- ► The current toll rates provided by the Management has been validated from NHAI's site on Toll Information system (www.tis.nhai.gov.in.) as well as toll notifications issued by NHAI shared by the Management.
- ▶ The Management has considered annual revision of toll rate (user fees) which is in accordance to National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto dated December 3, 2010 whereby the base rate shall be increased without compounding by 3% p.a. and additionally, the applicable base rate shall be revised annually to reflect the increase in wholesale price index ("WPI") but such revision shall be restricted to forty percent of the increase in WPI on overall basis during the concession period.
- ▶ WPI has been projected to grow by 5% for the projected period.

#### e) Periodic Maintenance & Routine Maintenance Costs

- Estimates for projected Periodic Maintenance & Routine Maintenance Costs from the Management supported by Technical Due Diligence report carried out by LEA Associates South Asia Pvt Ltd dated December 2018 are considered.
- ► As discussed with the Management, the major maintenance and repairs for ECKHPL that will be incurred within 2 years post Concession period have been preponed and considered at the second last year of the concession period on an appropriate basis.

#### f) Premium payable

• The premium payable to NHAI is considered as given by the Management and validated the same from the Concession Agreement.

#### DCF Method:

- > The key assumptions and other key inputs, mentioned in the previous paragraphs, as provided by the Management are considered in the projections.
- The projections provided by the Management, based on Traffic Due Diligence report, are only the best estimates of growth and sustainability of profitability margins. The financial forecast provided by the Management were reviewed for consistency and reasonableness, and have relied on them.
- ▶ The explicit period has been considered from October 01, 2020 to December 08, 2030.
- The tax computation as provided by the Management has been considered and reviewed to assess that the same has been calculated as per the provisions of the Income Tax Act, 1961. The interest expense is adjusted in the same for arriving at the tax computation under FCFF.
- ▶ We have used the Free Cash Flows to Firm ("FCFF") method under DCF to calculate Enterprise Value of ECKHPL.
- In FCFF, the free cash flows available are discounted by weighted average cost of capital (WACC) to derive the Enterprise Value. The detailed computation of WACC is given in the next page.
- ▶ The Business/ Enterprise Value of ECKHPL as on September 30, 2020 is arrived at INR 1,875.3 Cr.

# VALUATION OF THE SPVs

Etawah-Chakeri (Kanpur) Highway Private Limited ("ECKHPL")

#### Computation of WACC:

Particulars	Nil Tax	MAT	Full Tax Explanation
Risk free return (Rf)	6.5%	6.5%	6.5% Risk free rate as on September 30, 2020
Market Return (Rm)	15.0%	15.0%	15.0% Market Return has been considered based on the long term average returns earned by an equity
			investor investing in India corroborated by long term average returns of the Bombay Stock Exchange.
Risk premium	8.5%	8.5%	8.5% Risk Premium = Market Return (Rm)- Risk Free Rate (Rf)
Relevered Beta (ß)	0.7	0.7	0.6 We have considered 5 years beta for comparable companies
Cost of equity (Ke)	12.7%	12.0%	11.4% Ke = Rf + B x (Rm-Rf)
Cost of debt (I)	9.3%	9.3%	9.3% Kindly refer note below.
Tax Rate (t)	0.0%	17.5%	34.9% Based on statutory corporate tax rate in India as of the Valuation date.
Cost of Debt [Net of Tax] (Kd)	9.3%	7.7%	6.1% l*(1 - t)
Debt / (Debt +Equity)	60.0%	60.0%	60.0% Target long-term debt equity ratio of the comparable companies
WACC	10.6%	9.4%	8.2% WACC = Ke*(E/(D+E))+Kd*(D/(E+D))
WACC Adopted	10.6%	9.4%	8.2% After rounding off

Note: The Trust has given loan to the SPVs at the interest rate of 10.8%.

The infrastructure funding in India for such operating BOT projects is in the range of 9 to 10%. The Trust has obtained loans from banks with an effective cost of debt of 9.3%.

Further the trust being a pass through structure, from the unit holders perspective, the cost of the debt for the SPVs is the rate at which the trust borrows the loan which is in turn lent to the SPVs. Thus the cost of debt of the trust loan becomes relevant from the unit holders perspective for the valuation. We have hence considered a cost of debt of 9.3% for the current valuation exercise.

Valuation as per Discounted Cash Flow Method (INR Cr)											
WACC at Nil Tax rate	10.6%										
WACC at MAT	9.4%										
WACC at Income Tax rate	8.2%										
Year Ending	FY21 <sup>#</sup>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31*
Revenue	208.5	432.9	474.5	524.0	576.7	635.7	699.0	773.0	848.1	933.9	707.8
Cash EBITDA	39.7	191.9	197.8	271.0	312.4	423.6	476.3	539.3	602.7	683.1	509.3
EBITDA Margins	19.0%	44.3%	41.7%	51.7%	54.2%	66.6%	<b>68.</b> 1%	<b>69.8</b> %	71.1%	73.1%	72.0%
Less : Outflows											
Major Maintenance expenses	(3.8)	(14.5)	(6.3)	(16.2)	(17.0)	(28.2)	(246.4)	(19.6)	(18.5)	(88.5)	-
Capital Expenditure	(0.3)	(0.5)	(66.9)	(0.1)	(0.1)	(0.1)	(0.6)	(1.5)	(0.1)	-	-
Incremental Working Capital	(4.9)	-	-	-	-	-	-	-	-	-	6.6
Taxation	(2.5)	(13.4)	(23.6)	(23.8)	(31.8)	(38.2)	(8.5)	(58.0)	(68.8)	(68.7)	(114.0)
Free Cash Flows to Firm (FCFF)	28.2	163.5	101.0	230.9	263.6	357.1	220.9	460.2	515.4	525.9	401.8
Partial Period Factor	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.7
Midpoint	0.3	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	9.8
Present Value Factor	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4
Present Value of Cash Flows	27.5	149.5	84.4	176.3	184.0	227.9	128.9	245.4	251.2	234.3	165.9
Enterprise Value (EV)	1,875.3										

<sup>#</sup>For period from October 1, 2020 to March 31, 2021

\*For period ending December 8, 2030

#### Key Inputs in Projections:

The key inputs of the projections provided by the Management are as follows:

#### a) Modification in Concession Period

- The traffic during the period of demonetization has fallen.
- Thus, the Concession period of 20 years as per Concession Agreement between NHAI and OPIPL as provided by the Management is increased due to demonetization.
- ▶ The revised Concession end date considering the impact of demonetization is September 28, 2026.
- ▶ Thus, the explicit period for the current valuation analysis exercise has been considered from October 01, 2020 to September 28, 2026.

Particulars	Unit	Details
Original concession period	years	20 years
Appointed date	Date	September 6, 2006
Additional days due to demonetization	Days	23.00
Original concession end date (incl	Date	September 28, 2026
demonetization days		

#### b) Traffic Volume

 Traffic volumes as received from the Management supported by latest draft Traffic Due Diligence numbers carried out by independent party are considered.

#### c) Revenue

Revenue forecast is as per Traffic Due Diligence report prepared by an independent party for January 2020. The revenue earned in FY19 and FY20 is INR 118.0 Cr and INR 119.9 Cr respectively. The revenue earned for 6 months period ended September 30, 2020 was INR 50.4 Cr. We have considered an analysis of traffic over the period between April 21, 2020 (since the toll collection resumed) to September 30, 2020 with the revenues on a daily basis converging towards projected daily revenue. This analysis in consonance with the discussion with the Management and input received from traffic study consultants the revenue for FY21 is estimated at INR 120.2 Cr.

#### d) Toll rates

- ► The current toll rates provided by the Management has been validated from NHAI's site on Toll Information System (www.tis.nhai.gov.in.) as well as toll notifications issued by NHAI shared by the Management.
- ▶ The Management has considered annual revision of toll rate (user fees) whereby the applicable base rate shall be revised annually to reflect the increase in WPI.
- ▶ WPI has been projected to grow by 5% for the projected period.

#### e) Periodic Maintenance & Routine Maintenance Costs

Estimates for projected Periodic Maintenance & Routine Maintenance Costs from the Management supported by Technical Due Diligence report carried out by M/s Resotech Consultancy Services Pvt Ltd dated December 2018 are considered.

#### DCF Method:

- > The key assumptions and other key inputs, mentioned in the previous paragraphs, as provided by the Management are considered in the projections.
- The projections provided by the Management, based on Traffic Due Diligence report and technical studies, are only the best estimates of growth and sustainability of profitability margins. The financial forecast provided by the Management were reviewed for consistency and reasonableness, and have relied on them.
- ▶ The explicit period has been considered from October 1, 2020 to September 28, 2026.
- The tax computation as provided by the Management has been considered and reviewed to assess that the same has calculated as per the provisions of The Income Tax Act, 1961. The interest expense is adjusted in the same for arriving at the tax computation under FCFF.
- ▶ We have used the Free Cash Flows to Firm ("FCFF") method under DCF to calculate Enterprise Value of OPIPL.
- In FCFF, the free cash flows available are discounted by weighted average cost of capital (WACC) to derive the Enterprise Value. The detailed computation of WACC is given in the next page.
- ▶ The Business/ Enterprise Value of OPIPL as on September 30, 2020 is arrived at INR 587.4 Cr.

Computation of WACC:

Particulars	Nil Tax	MAT	Full Tax Explanation
Risk free return (Rf)	6.5%	6.5%	6.5% Risk free rate as on September 30, 2020
Market Return (Rm)	15.0%	15.0%	15.0% Market Return has been considered based on the long term average returns earned by an equity
			investor investing in India corraborated by long term average returns of the Bombay Stock Exchange.
Risk premium	8.5%	8.5%	8.5% Risk Premium = Market Return (Rm)- Risk Free Rate (Rf)
Relevered Beta (ß)	0.7	0.7	0.6 We have considered 5 years beta for comparable companies
Cost of equity (Ke)	12.7%	12.0%	11.4% Ke = Rf + β x (Rm-Rf)
Cost of debt (I)	9.3%	9.3%	9.3% Kindly refer note below.
Tax Rate (t)	0.0%	17.5%	34.9% Based on statutory corporate tax rate in India as of the Valuation date.
Cost of Debt [Net of Tax] (Kd)	9.3%	7.7%	6.1% I * (1 - t)
Debt / (Debt +Equity)	60.0%	60.0%	60.0% Target long-term debt equity ratio of the comparable companies
WACC	10.6%	9.4%	8.2% WACC = Ke*(E/(D+E))+Kd*(D/(E+D))
WACC Adopted	10.6%	<b>9.4</b> %	8.2% After rounding off

Note: The Trust has given loan to the SPVs at the interest rate of 14%.

The infrastructure funding in India for such operating BOT projects is in the range of 9 to 10%. The Trust has obtained loans from banks with an effective cost of debt of 9.3%.

Further the trust being a pass through structure, from the unit holders perspective, the cost of the debt for the SPVs is the rate at which the trust borrows the loan which is in turn lent to the SPVs. Thus the cost of debt of the trust loan becomes relevant from the unit holders perspective for the valuation. We have hence considered a cost of debt of 9.3% for the current valuation exercise.

Present Value of Cash Flows	28.1	96.7	84.4	123.6	97.9	83.5	73.2
Midpoint Present Value Factor	0.3	1.0 0.9	2.0 0.8	3.0 0.8	4.0	5.0 0.6	5.7
Partial Period Factor	0.5	1.0	1.0	1.0	1.0	1.0	0.5
Free Cash Flows to Firm (FCFF)	28.7	105.8	101.0	161.9	140.2	130.8	123.7
Taxation	(5.5)	(16.3)	(18.5)	(10.0)	(22.0)	(24.7)	-
Interest incomes on cash reserves (MMR)	-	0.7	2.7	2.1	0.9	3.8	2.8
Incremental Working Capital	(27.4)	-	-	-	-	-	6.5
Capital Expenditure	(0.3)	-	-	(2.1)	-	(0.3)	-
Change in MMRA	-	(19.6)	(39.1)	58.7	(27.1)	(54.3)	81.4
Major Maintenance expenses	-	-	-	(58.7)	-	-	(81.4)
Less : Outflows							
EBITDA Margins	88.8%	<b>88.3</b> %	<b>88.8</b> %	<b>89.3</b> %	<b>89.7</b> %	<b>90.</b> 1%	<b>91.8</b> %
Cash EBITDA	61.9	141.0	155.8	171.8	188.4	206.3	114.4
Revenue	69.7	159.7	175.5	192.4	210.1	228.9	124.6
Year Ending	FY21 <sup>#</sup>	FY22	FY23	FY24	FY25	FY26	FY27*
WACC at Income Tax rate	8.2%						
WACC at MAT	9.4%						
WACC at Nil Tax rate	10.6%						

<sup>#</sup>For period from October 1, 2020 to March 31, 2021

\*For period ending September 28, 2026

#### Key Inputs in Projections:

The key inputs of the projections provided by the Management are as follows:

#### a) Modification in Concession Period

- ▶ As per the Clause 29.2.1 of the Concession Agreement between NHAI and GOHHPL as provided by the Management, "In the event Actual Average Traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the Concession period shall, subject to payment of Concession Fee in accordance with this Agreement, be increased by 1.5% thereof; provided such increase in Concession period shall not in any case exceed 20% of the Concession period".
- The traffic during the period of demonetization has fallen.
- Thus, the Concession period of 19 years as per Concession Agreement between NHAI and GOHHPL as provided by the Management is increased due to demonetization and as per the above clause as given in the table alongside.
- ► Target Traffic as on the Target date is as per the traffic volumes provided by the Management supported by Traffic Due Diligence report carried out by Mott MacDonald dated January 2020.
- The revised Concession end date considering the impact of demonetization and Clause 29.2 - Modification in Concession Period is July 28, 2033.
- Thus, the explicit period for current valuation analysis exercise has been considered from October 01, 2020 to July 28, 2033.

#### b) Traffic Volume

 Traffic volumes as received from the Management supported by latest draft Traffic Due Diligence numbers carried out by independent party are considered.

Particulars	Unit	Details
Target date as per CA	Date	October 1, 2020
Target traffic as per CA	PCUs	57,623
Comparison of average traffic at test date		
with target	%	-52%
Original concession period	years	19
Increase in concession period	%	20%
Change in concession period	years	3.8
Revised concession period	years	22.8
Appointed date	Date	September 18, 2010
Additional days due to demonetization	Days	23.00
Original concession end date (incl		October 10, 2020
demonetization days	Date	October 10, 2029
Revised concession end date (incl		huly 20 2022
demonetization days)	Date	July 28, 2033

#### c) Revenue

Revenue forecast is as per latest draft Traffic Due Diligence numbers prepared by an independent party. The revenue earned in FY19 and FY20 is INR 133.3 Cr and INR 130.2 Cr respectively. The revenue earned for 6 months period ended September 30, 2020 was INR 54.8 Cr. We have considered an analysis of traffic over the period between April 21, 2020 (since the toll collection resumed) to September 30, 2020 with the revenues on a daily basis converging towards projected daily revenue. This analysis in consonance with the discussion with the Management and input received from traffic study consultants the revenue for FY21 is estimated at INR 129.1 Cr.

#### d) Toll rates

- The current toll rates provided by the Management has been validated from NHAI's site on Toll Information system (www.tis.nhai.gov.in.) as well as toll notifications issued by NHAI shared by the Management
- ▶ The Management has considered annual revision of toll rate (user fees) which is in accordance to National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto dated December 3, 2010 whereby the base rate shall be increased without compounding by 3% p.a. and additionally, the applicable base rate shall be revised annually to reflect the increase in wholesale price index ("WPI") but such revision shall be restricted to forty percent of the increase in WPI on overall basis during the concession period.
- ▶ WPI has been projected to grow by 5% for the projected period.

#### e) Periodic Maintenance & Routine Maintenance Costs

Estimates for projected Periodic Maintenance & Routine Maintenance Costs from the Management supported by Technical Due Diligence report carried out by FP Project Management dated December 2018 are considered. (This space is intentionally left blank)

#### DCF Method:

- > The key assumptions and other key inputs, mentioned in previous paragraphs, as provided by the Management are considered in the projections.
- The projections provided by the Management, based on Traffic Due Diligence report and technical studies, are only the best estimates of growth and sustainability of profitability margins. The financial forecast provided by the Management were reviewed for consistency and reasonableness, and have relied on them.
- ▶ The explicit period has been considered from October 01, 2020 to July 28, 2033.
- The tax computation as provided by the Management has been considered and reviewed to assess that the same has been calculated as per the provisions of the Income Tax Act, 1961. The interest expense is adjusted in the same for arriving at the tax computation under FCFF.
- ▶ We have used the Free Cash Flows to Firm ("FCFF") method under DCF to calculate Enterprise Value of GOHHPL.
- In FCFF, the free cash flows available are discounted by weighted average cost of capital (WACC) to derive the Enterprise Value. The detailed computation of WACC is given in the next page.
- ▶ The Business/ Enterprise value of GOHHPL as on September 30, 2020 is arrived at INR 1,423.3 Cr.

#### Computation of WACC:

Particulars	Nil Tax	MAT	Full Tax Explanation
Risk free return (Rf)	6.5%	6.5%	6.5% Risk free rate as on September 30, 2020
Market Return (Rm)	15.0%	15.0%	15.0% Market Return has been considered based on the long term average returns earned by an equity
			investor investing in India corraborated by long term average returns of the Bombay Stock Exchange.
Risk premium	8.5%	8.5%	8.5% Risk Premium = Market Return (Rm)- Risk Free Rate (Rf)
Relevered Beta (ß)	0.7	0.7	0.6 We have considered 5 years beta for comparable companies
Cost of equity (Ke)	12.7%	12.0%	11.4% Ke = Rf + B x (Rm-Rf)
Cost of debt (I)	9.3%	9.3%	9.3% Kindly refer note below.
Tax Rate (t)	0.0%	17.5%	34.9% Based on statutory corporate tax rate in India as of the Valuation date.
Cost of Debt [Net of Tax] (Kd)	9.3%	7.7%	6.1%   * (1 - t)
Debt / (Debt +Equity)	60.0%	60.0%	60.0% Target long-term debt equity ratio of the comparable companies
WACC	10.6%	9.4%	8.2% WACC = Ke*(E/(D+E))+Kd*(D/(E+D))
WACC Adopted	10.6%	9.4%	8.2% After rounding off

Note: The Trust has given loan to the SPVs at the interest rate of 14%. Further there are external borrowings in the SPV which the management has replaced through the debt acquired by the Trust at lower rate of interest.

The infrastructure funding in India for such operating BOT projects is in the range of 9 to 10%. The Trust has obtained loans from banks with an effective cost of debt of 9.3%.

Further the trust being a pass through structure, from the unit holders perspective, the cost of the debt for the SPVs is the rate at which the trust borrows the loan which is in turn lent to the SPVs. Thus the cost of debt of the trust loan becomes relevant from the unit holders perspective for the valuation. We have hence considered a cost of debt of 9.3% for the current valuation exercise.

Valuation as per Discounted Cash Flow I	Method (INR Cr)													
WACC at Nil Tax rate	10.6%													
WACC at MAT	9.4%													
WACC at Income Tax rate	8.2%													
Year Ending	FY21 <sup>#</sup>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Revenue	74.3	173.9	193.8	213.4	231.8	252.3	276.6	304.4	328.8	357.4	387.0	422.0	457.7	161.3
Cash EBITDA	68.8	152.2	171.1	189.6	206.8	226.1	249.1	275.6	298.5	325.6	353.6	387.0	421.0	148.2
EBITDA Margins	<b>92.6</b> %	87.5%	88.3%	88.8%	<b>89.2</b> %	<b>89.6</b> %	90.0%	<b>90.5</b> %	<b>90.8</b> %	91.1%	91.4%	91.7%	92.0%	91.9%
Less : Outflows														
Major Maintenance expenses	-	-	(55.8)	(58.6)	-	-	-	(77.1)	(80.9)	-	-	(93.7)	(98.4)	-
Capital Expenditure	(0.0)	-	-	(3.1)	-	(0.3)	(0.4)	(1.6)	-	-	-	-	-	-
Incremental Working Capital	(6.3)	-	-	-	-	-	-	-	-	-	-	-	-	5.1
Taxation	(2.3)	(18.2)	(11.2)	(13.0)	(25.1)	(27.3)	(30.1)	(19.7)	(21.5)	(38.7)	(41.6)	(28.8)	(31.6)	(16.5)
Free Cash Flows to Firm (FCFF)	60.1	134.0	104.1	114.9	181.7	198.5	218.7	177.1	196.0	287.0	312.0	264.6	291.0	136.9
Partial Period Factor	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.3
Midpoint	0.3	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	12.7
Present Value Factor	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3
Present Value of Cash Flows	58.8	122.5	87.0	87.8	126.8	126.7	127.5	94.4	95.5	127.8	127.1	98.5	99.0	43.9
Enterprise Value (EV)	1,423.3													

<sup>#</sup>For period from October 1, 2020 to March 31, 2021

\*For period ending July 28, 2033

#### Key Inputs in Projections:

The key inputs of the projections provided by the Management are as follows:

#### a) Modification in Concession Period

- ▶ As per the Clause 27.1.1 of the Concession Agreement between NHAI and ONBHL as provided by the Management, "the Concessionaire upon achieving COD for the Project Highway and in consideration of the Concessionaire accepting the Concession and undertaking to perform and discharge its obligations in accordance with the terms, conditions and covenants set forth in this Agreement, Authority agrees and undertakes to pay to the Concessionaire, for each Annuity Payment Period, on each Annuity Payment Date as set forth in Schedule M -Annuity Payment Schedule, the sum of INR 290.80 Cr as set forth in its Bid".
- ► As per Schedule M-Annuity Payment Schedule, the first and the last annuity was payable on February 24, 2015 and February 24, 2031 respectively. However, the COD was achieved on February 18, 2015 due to which the first annuity was received in August 2015 and accordingly the last annuity will be received in August 2031.

#### b) Periodic Maintenance & Routine Maintenance Costs

- Estimates for Periodic Maintenance & Routine Maintenance Costs as provided by the Management.
- ▶ The Operation and Maintenance contract entered between ONBHL and Oriental Structural Engineers Pvt Ltd on December 1, 2015 to carry out Periodic Maintenance & Routine Maintenance work for 4-laning of Nagpur-Saoner-Betul, Section NH-69 from Km 3.00 to Km 59.300 in Maharashtra and Km 137.000 to 257.400 Km in Madhya Pradesh including major maintenance work and overlay.

► The above contract sets out the estimated expenditure on Periodic Maintenance & Routine Maintenance over the period of concession agreement which has been considered in the projections provided by the Management.

#### DCF Method:

- > The key assumptions and other key inputs, as provided by the Management are considered in the projections.
- The projections provided by the Management, based on independent traffic and technical studies, are only the best estimates of growth and sustainability of profitability margins. The financial forecast provided by the Management were reviewed for consistency and reasonableness, and have relied on them.
- The explicit period has been considered from October 01, 2020 to January 19, 2032. Since ONHBL is a annuity project, no impact of COVID-19 is considered.
- The tax computation as provided by the Management has been considered and reviewed to assess that the same has been calculated as per the provisions of the Income Tax Act, 1961. The interest expense is adjusted in the same for arriving at the tax computation under FCFF.
- ▶ We have used the Free Cash Flows to Firm ("FCFF") method under DCF to calculate Enterprise Value of ONBHL.
- In FCFF, the free cash flows available are discounted by weighted average cost of capital (WACC) to derive the Enterprise Value. The detailed computation of WACC is given in the next page.
- ▶ The Business/ Enterprise value of ONBHL as on September 30, 2020 is arrived at INR 3,487.5 Cr.

#### Computation of WACC:

Particulars	Nil Tax	MAT	Full Tax Explanation
Risk free return (Rf)	6.5%	6.5%	6.5% Risk free rate as on September 30, 2020
Market Return (Rm)	15.0%	15.0%	15.0% Market Return has been considered based on the long term average returns earned by an equity
			investor investing in India corraborated by long term average returns of the Bombay Stock Exchange.
Risk premium	8.5%	8.5%	8.5% Risk Premium = Market Return (Rm)- Risk Free Rate (Rf)
Relevered Beta (ß)	0.7	0.7	0.6 We have considered 5 years beta for comparable companies
Cost of equity	12.7%	12.0%	11.4% Ke = Rf + B x (Rm-Rf)
Company Specific Risk Premium	-1.0%	-1.0%	-1.0% Risk reduced on account of lower risk in Annuity mode of BOT projects as compared to Toll based
			projects
Revised Cost of equity (Ke)	11.7%	11.0%	10.4%
Cost of debt (I)	8.5%	8.5%	8.5% Based on historical cost of debt
Tax Rate (t)	0.0%	17.5%	34.9% Based on statutory corporate tax rate in India as of the Valuation date.
Cost of Debt [Net of Tax] (Kd)	8.5%	7.0%	5.5% I * (1 - t)
Debt / (Debt +Equity)	60.0%	60.0%	60.0% Target long-term debt equity ratio of the comparable companies
WACC	9.8%	8.6%	7.5% WACC = Ke*(E/(D+E))+Kd*(D/(E+D))
WACC Adopted	9.8%	8.6%	7.5% After rounding off

Valuation as per Discounted Cash Flow Method (INR Cr)												
WACC at Nil Tax rate	9.8%											
WACC at MAT	8.6%											
WACC at Income Tax rate	7.5%											
Year Ending	FY21 <sup>#</sup>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32'
Revenue	290.8	581.6	581.6	581.6	581.6	581.6	581.6	581.6	581.6	581.6	581.6	290.8
Cash EBITDA	277.1	553.7	552.4	551.1	549.7	548.3	546.7	545.1	543.4	541.6	539.9	258.6
EBITDA Margins	<b>95.3</b> %	<b>95.2</b> %	95.0%	<b>94.8</b> %	<b>94.5</b> %	94.3%	94.0%	93.7%	93.4%	93.1%	<b>92.8</b> %	<b>88.9</b> %
Less : Outflows												
Major Maintenance expenses	-	-	-	-	(49.7)	(52.1)	-	-	-	-	(66.5)	(69.9)
Change in MMRA	(20.4)	(48.6)	(40.8)	(40.8)	8.9	11.3	(59.9)	(79.0)	(79.0)	401.6	-	-
Incremental Working Capital	(2.5)	-	-	-	-	-	-	-	-	-	-	3.8
Interest incomes on cash reserve (MMR)	2.2	6.9	10.0	12.8	14.0	13.3	15.0	19.8	25.3	14.1	-	-
Taxation	(39.6)	(71.3)	(67.9)	(64.1)	(59.6)	(55.0)	(49.4)	(42.9)	(35.3)	(23.5)	(9.8)	(0.8)
Free Cash Flows to Firm (FCFF)	216.8	440.6	453.7	459.0	463.3	465.7	452.3	443.0	454.5	933.9	463.6	191.8
Partial Period Factor	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8
Midpoint	0.3	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.9
Present Value Factor	1.0	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4
Present Value of Cash Flows	212.4	405.7	384.7	358.4	333.1	308.3	275.7	248.6	234.9	444.4	203.2	78.0
Enterprise Value (EV)	3,487.5											

<sup>#</sup>For period from October 1, 2020 to March 31, 2021

\*For period ending January 19, 2032

#### Key Inputs in Projections:

The key inputs of the projections provided by the Management are as follows:

#### a) Modification in Concession Period

- ▶ As per the Clause 29.2.1 of the Concession Agreement between NHAI and ONBPCPL as provided by the Management, "In the event Actual Average Traffic shall have fallen short of the target traffic, then for every 1% shortfall as compared to the target traffic, the Concession period shall, subject to payment of Concession Fee in accordance with this Agreement, be increased by 1.5% thereof; provided such increase in Concession period shall not in any case exceed 20% of the Concession period".
- The traffic during the period of demonetization has fallen.
- ► Thus, the Concession period of 27 years as per Concession Agreement between NHAI and ONBPCPL as provided by the Management is increased due to demonetization.
- ▶ Target Traffic as on the Target date is as per the traffic volumes provided by the Management supported by Traffic Due Diligence report carried out by Mott MacDonald dated January 2020.
- ► The revised Concession end date considering the impact of demonetization and above clause in Concession Period is May 11, 2037.
- Also, as per Clause 27.6 of the Concession Agreement between NHAI and ONBPCPL as provided by the Management, "In the event Average Daily Traffic of PCU's in an accounting year have reached a level of 120% of Design Capacity ("Traffic Cap"), the fee collected from the traffic exceeding the Traffic Cap shall be deemed to be due and payable to NHAI".

- Thus, the Management has considered re-appropriation of excess fees as given in the above clause.
- ► The Actual Traffic (PCU's) is observed exceeds the Design Capacity since FY33. As per the Concession Agreement, if the Average daily traffic exceeds the design capacity of the Project Highway and shall continue to exceed for 3 accounting years following thereafter, and Indirect Political event will be deemed to have occurred and NHAI may terminate the agreement. NHAI will grant 180 days to the company to make a representation. Thus, the project termination is considered in mid of FY37.
- ► Further, the Termination proceeds as provided by the Management is not considered in current valuation on conservative basis as the time gap between the termination of project as per Clause 27.6 and the revised concession end date is only 7 months.

Darticulars	Unit	Dotaile
Particulars		Details
Target date as per CA	Date	October 1, 2019
Target traffic as per CA	PCUs	26,894
Comparison of average traffic at test date		
with target	%	-2%
Original concession period	years	27
Increase in concession period	%	0.0%
Change in concession period	years	0.0
Revised concession period	years	27.0
Appointed date	Date	April 3, 2010
Additional days on account of demonetization	Days	23
Additional days granted as per Claim award	Days	16
Original concession end date (incl		April 25 2027
demonetization days	Date	April 25, 2037
Revised concession end date (incl		May 11 2027
demonetization days)	Date	May 11, 2037

#### b) Traffic Volume

 Traffic volumes as received from the Management supported by latest draft Traffic Due Diligence numbers carried out by independent party are considered.

#### c) Revenue

Revenue forecast is as per Traffic Due Diligence report prepared by an independent party for January 2020. The revenue earned in FY19 and FY20 is INR 222.3 Cr and INR 256.0 Cr respectively. The revenue earned for 6 months period ended September 30, 2020 was INR 83.0 Cr. We have considered an analysis of traffic over the period between April 21, 2020 (since the toll collection resumed) to September 30, 2020 with the revenues on a daily basis converging towards projected daily revenue. This analysis in consonance with the discussion with the Management and input received from traffic study consultants the revenue for FY21 is estimated to reduce to INR 215.6 Cr.

#### d) Toll rates

- The current toll rates provided by the Management has been validated from NHAI's site on Toll Information system (www.tis.nhai.gov.in.) as well as toll notifications issued by NHAI shared by the Management.
- ▶ The Management has considered annual revision of toll rate (user fees) which is in accordance to National Highway Fee (Determination of Rates and Collection) Rules, 2008 and amendment thereto dated December 3, 2010 whereby the base rate shall be increased without compounding by 3% annually and additionally, the applicable base rate shall be revised annually to reflect the increase in WPI but such revision shall be restricted to forty percent of the increase in WPI on overall basis during the concession period.
- ▶ WPI has been projected to grow by 5% for the projected period.

#### e) Periodic Maintenance & Routine Maintenance Costs

Estimates for projected Periodic Maintenance & Routine Maintenance Costs provided by the Management supported by Technical Due Diligence report carried out by AECOM India Pvt Ltd dated December 2018 are considered.

#### DCF Method:

- The key assumptions and other key inputs, mentioned in the previous paragraphs, are considered in the projections.
- The projections provided by the Management, based on Traffic Due Diligence report and technical studies, are only the best estimates of growth and sustainability of profitability margins. The financial forecast provided by the Management were reviewed for consistency and reasonableness, and have relied on them.
- ▶ The explicit period has been considered from October 01, 2020 to September 30, 2036.
- The tax computation as provided by the Management has been considered and reviewed to assess that the same has been calculated as per the provisions of the Income Tax Act, 1961. The interest expense is adjusted in the same for arriving at the tax computation under FCFF.
- ▶ We have used the Free Cash Flows to Firm ("FCFF") method under DCF to calculate Enterprise Value of ONBPCPL.
- In FCFF, the free cash flows available are discounted by weighted average cost of capital (WACC) to derive the Enterprise Value. The detailed computation of WACC is given in the next page.
- ▶ The Business/ Enterprise value of ONBPCPL as on September 30, 2020 is arrived at INR 4,051.1 Cr.

#### Computation of WACC:

Particulars	Nil Tax	МАТ	Full Tax Explanation
Risk free return (Rf)	6.5%	6.5%	6.5% Risk free rate as on September 30, 2020
Market Return (Rm)	15.0%	15.0%	15.0% Market Return has been considered based on the long term average returns earned by an equity
			investor investing in India corraborated by long term average returns of the Bombay Stock Exchange.
Risk premium	8.5%	8.5%	8.5% Risk Premium = Market Return (Rm)- Risk Free Rate (Rf)
Relevered Beta (ß)	0.7	0.7	0.6 We have considered 5 years beta for comparable companies
Cost of equity	12.7%	12.0%	11.4% Ke = Rf + B x (Rm-Rf)
Cost of debt (I)	9.3%	9.3%	9.3% Kindly refer note below.
Tax Rate (t)	0.0%	17.5%	34.9% Based on statutory corporate tax rate in India as of the Valuation date.
Cost of Debt [Net of Tax] (Kd)	9.3%	7.7%	6.1% l * (1 - t)
Debt / (Debt +Equity)	60.0%	60.0%	60.0% Target long-term debt equity ratio of the comparable companies
WACC	10.6%	<b>9.</b> 4%	8.2% WACC = Ke*(E/(D+E))+Kd*(D/(E+D))
WACC Adopted	10.6%	<b>9.</b> 4%	8.2% After rounding off

Note: The Trust has given loan to the SPVs at the interest rate of 14%. Further there are external borrowings in the SPV which the management has replaced through the debt acquired by the Trust at lower rate of interest.

The infrastructure funding in India for such operating BOT projects is in the range of 9 to 10%. The Trust has obtained loans from banks with an effective cost of debt of 9.3%.

Further the trust being a pass through structure, from the unit holders perspective, the cost of the debt for the SPVs is the rate at which the trust borrows the loan which is in turn lent to the SPVs. Thus the cost of debt of the trust loan becomes relevant from the unit holders perspective for the valuation. We have hence considered a cost of debt of 9.3% for the current valuation exercise.

# VALUATION OF THE SPVs

Oriental Nagpur Bye Pass Construction Private Limited ("ONBPCPL")

Valuation as per Discounted Cash Fl	ow Method (I	NR Cr)															
WACC at Nil Tax rate	10.6%																
WACC at MAT	9.4%																
WACC at Income Tax rate	8.2%																
Year Ending	FY21 <sup>#</sup>	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37**
Revenue	132.6	342.9	373.9	410.7	459.2	510.9	570.0	635.4	704.8	783.5	869.9	968.1	1,069.6	1,184.3	1,311.6	1,456.2	796.2
Cash EBITDA	128.2	322.2	352.1	387.8	435.2	485.7	543.5	607.5	675.6	752.7	837.7	934.2	1,034.0	1,146.9	1,272.3	1,414.9	774.9
EBITDA Margins	<b>96.6</b> %	<b>93.9</b> %	<b>94.2</b> %	<b>94.4</b> %	<b>94.8</b> %	<b>95.</b> 1%	<b>95.3</b> %	95.6%	<b>95.9</b> %	<b>96.</b> 1%	<b>96.3</b> %	<b>96.5</b> %	<b>96.7</b> %	<b>96.8</b> %	<b>97.0</b> %	97.2%	<b>97.3</b> %
Less : Outflows																	
Major Maintenance expenses	(1.1)	(0.0)	(1.3)	(0.0)	(106.1)	(2.8)	(107.2)	(0.7)	(0.0)	(0.0)	(159.6)	(14.9)	(41.6)	(43.7)	(0.0)	(17.7)	(42.2)
Incremental Working Capital	(0.5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5.5)
Capital Expenditure	(0.0)	(0.1)	(0.1)	(0.3)	(3.2)	(0.4)	(3.2)	(0.1)	(0.1)	(0.4)	(0.6)	(4.6)	(0.2)	(4.5)	(0.1)	(0.2)	(0.1)
Taxation	(5.6)	(47.2)	(51.1)	(57.0)	(46.0)	(72.0)	(62.9)	(91.6)	(102.6)	(114.9)	(100.4)	(140.9)	(152.0)	(349.7)	(417.6)	(461.3)	(239.2)
Free Cash Flows to Firm (FCFF)	120.9	274.9	299.7	330.5	279.9	410.4	370.2	515.1	572.9	637.4	577.1	773.9	840.2	749.1	854.5	935.7	487.9
Partial Period Factor	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.5
Midpoint	0.3	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	15.8
Present Value Factor	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Present Value of Cash Flows	118.2	251.3	250.4	252.4	195.4	261.9	215.9	274.7	279.2	284.0	235.0	288.0	285.9	235.6	248.3	251.3	123.5
Enterprise Value (EV)	4,051.1																

<sup>#</sup>For period from October 1, 2020 to March 31, 2021

\*For period ending September 30, 2036

# SECTION 7 VALUATION SUMMARY



# VALUATION SUMMARY

#### Enterprise value of the 5 SPVs:

The derived enterprise value of the 5 SPVs, based on the valuation approach and methodology as discussed herein, as on September 30, 2020 is as under :

S. No	o. Particulars (INR Cr)	EV
(a)	Etawah Chakeri Project	1,875.3
(b)	Indore Khalghat Project	587.4
(C)	Hungund Hospet Project	1,423.3
(d)	Nagpur Betul Project	3,487.5
(e)	Nagpur Bypass Project	4,051.1
	Total	11,424.6



# **THANK YOU**



#### Annexure-D

### Borrowing or Repayment of Borrowings (External Borrowings)

#### Amount Rs. In Crores

SPVs	Opening Balance as on 01- Apr-2020	H1 Repayment	Closing Balance as on 30.09.2020
BETUL	2,360.70	103.92	2,222.15
INDORE	164.80	23.40	141.40
TRUST	2,799.86	71.43	2,728.44



# **Rating Rationale**

March 30, 2020 | Mumbai

# **Oriental Infratrust**

### **Rating Action**

Total Bank Loan Facilities Rated	Rs.2857 Crore
Long Term Rating	CRISIL AA+/Stable

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

### **Detailed Rationale**

CRISIL rating on the long-term bank facility of Oriental Infratrust (OIT) continues to reflect OIT's strong business risk profile driven by a healthy track record of toll collection and annuity receipts, favorable location and diversity of stretches which along with moderate leverage will result in strong debt servicing coverage (DSCRs) for the debt. Further, the terms of the debt provide healthy financial flexibilities and liquidity buffers and ensures priority of debt servicing payments through a well-defined waterfall mechanism.

These strengths are partially offset by susceptibility of toll revenue to volatility in traffic volume, development or improvement of alternative routes or alternate modes of transportation which could impact the DSCR. Also, CRISIL is expecting an extension in the concession period of HH on account of lower traffic levels, as provided in the concession agreement.

CRISIL had assigned its 'CRISIL AA+/Stable' rating to the proposed long-term bank facility of OIT on January 16, 2020.

### Analytical Approach

CRISIL has consolidated the business and financial risk profiles of four toll roads in the trust i.e. Etawah Chakeri (Kanpur) Highway Pvt Ltd (EC), Oriental Nagpur Bypass Construction Pvt Ltd (NBP), Oriental Pathways (Indore) Pvt Ltd (IK), OSE Hungund Hospet Highways Pvt Ltd (HH) and 1 annuity road i.e. Oriental Nagpur Betul Highway Ltd (NB; rated 'CRISIL AAA/Stable').

This is because OIT has direct control over these SPVs and will support them in case of any exigency. Debt at NB annuity project has not been consolidated, because of its priority, but the project will provide incremental surplus benefit to the trust. Lenders of NB will not have rights over the securities of other SPVs; however, lenders of OIT will have rights over surplus generated by NB after meeting all its expenses and its external bond servicing.

Also, SPVs under the trust have to mandatorily dispense 100% (as per Information Memorandum) of their net distributable cash (post servicing of debt) to the InvIT, leading to highly fungible cash flows.

Please refer Annexure - Details of Consolidation, which captures the list of entities considered and their analytical treatment of consolidation.

### Key Rating Drivers & Detailed Description

### Strengths:

### \* Healthy track record of toll collection and annuity receipts, and favourable location of stretches

All toll roads in OIT have operational track record and toll collection period of 4-10 years. Although competing roads exist, the roads are part of national highways (NHs), and are arterial as these connect important destinations and / or are key links for traffic movement. For example, EC is part of the Golden Quadrilateral, IK is a key link for traffic from central India moving towards industrial hubs in the western region (such as Mumbai), NBP is at a strategic important location, catering to traffic of NH-6 and NH-7, and HH is a vital road for India's north-south bound traffic moving towards Bengaluru.

Additionally, NB has seen nine half-yearly payments so far with no instance of delay in annuity payment by NHAI.

### \* Robust DSCR supported by moderate leverage

The trust is likely to have healthy average consolidated DSCR throughout the tenure of the debt. Healthy toll collection and moderate leverage will support the DSCR over the medium term. Also, leverage is moderate with consolidated debt (including deferred premium, SPV debt, and existing and proposed debt at SPVs) to total InvIT value capped at 49%.

Further, CRISIL has factored extension of about three years in concession tenure for HH, which supports the average DSCR. The extension of tenure is in accordance with clause 29 of the concession agreement, given the existing low traffic volume and expectation of tepid growth in fiscal 2020 and fiscal 2021, which will result in significantly lower average Passenger car units (PCUs) of HH than the target traffic of 57623 PCUs at target date. Significant delay in getting the extension or non-availability of extension would remain a rating sensitivity factor.

### \* Healthy diversity in stretches

The stretches are well-diversified across four key states of Uttar Pradesh, Maharashtra, Madhya Pradesh and Karnataka, which drive around one-third of India's aggregated gross state domestic product.

Although toll revenue grew at a healthy clip of 13-20% on-year over the past three fiscals, these are expected to remain flat over the medium term, affected by the demand slowdown visible in fiscal 2020. Traffic grew at a consolidated ~2% on-year in first half of fiscal 2020. Delayed pick-up in traffic will be a rating sensitive factor.

### \* Well-defined waterfall mechanism

Escrow bank accounts for all SPVs (except NB) are existing (and any change in Escrow bank accounts based on New Escrow agreement signed will be subject to NHAI approval), in which all inflows from the SPVs will be collected and all proceeds will be utilized/ applied as per the waterfall mechanism (discussed in the sections below). The lenders will also have control on NB's surplus account in which only surplus amount after all expense and debt servicing payments of NB will be collected.

Further sovereign funds and multilateral holdings including body corporate through their 40% stake, are expected to bring healthy corporate governance practices.

### Weaknesses:

### \* Susceptibility of toll revenue to volatility in traffic, or development, or improvement of alternative routes

Toll collection, the single source of revenue, is exposed to volatility because of toll leakages, competing routes, lack of timely increase in toll rates, fluctuation in WPI-linked inflation, seasonal variations in vehicular traffic, and economic downturns. For instance, HH has seen a decrease in traffic in FY16 & FY17 due to banning of mines around the road.

### \* Exposure to O&M and major maintenance risk

Occurrence of material breach in the O&M and maintenance requirements may result in the contract being terminated by NHAI. However, routine nature of O&M expenses, fixed-price contract with O&M contractor (Oriental Structural Engineers Pvt Ltd [OSE], which has extensive experience in road construction), and adequate budgeting for major maintenance reserve as per the base case business plan in the term sheet mitigate the aforementioned risk.

### Liquidity Strong

Toll collections will be adequate to meet the operational expenses and debt obligation. OIT is expected to generate a consolidated cash flow for debt servicing (excluding NB) of over Rs. 570 crores over fiscal 2021 and 2022 against a proposed debt servicing obligation (excluding NB) of Rs. 450 crores over the same period.

The SPV's cumulatively have Rs.404 crore excluding NB surplus (of which approximately 50% pending release amid current refinancing) and Invit Rs.8.47 crore of unencumbered liquidity as on March 27, 2020 providing cover of about 3 quarter debt servicing, excluding debt servicing due on March 31, 2020. The trust intends to service the debt obligations of Rs.63 crore due March 31, 2020, despite relaxation announced by the RBI governor in view of the Covid-19 situation from the available liquidity.

Furthermore, DSRA of Rs.122 crore equivalent to three months' interest and principal obligation has been created by the trust out of disbursement as stipulated. The trust will be required to create an additional quarter DSRA in case the rating falls below AA. Also, maintenance of 0.25x of the next quarter debt service requirements in the distribution account before payment to shareholders provides an extra cushion to OIT.Liquidity is also supported by cash trap provision which provides for trapping of cash if the cash DSCR falls below 1.3 times during the trailing 12 months, checked quarterly. This cash will remain trapped until the cash DSCR is restored back to 1.3 times.

### Outlook: Stable

CRISIL believes OIT will continue to generate healthy toll revenue over the medium term, backed by good traffic potential on the project stretches.

### **Rating sensitivity factors**

### **Upside factors**

\* A strong track record of 3-5 years of healthy aggregated growth in traffic of ~10%, resulting in DSCRs of more than 2 times along with adherence to the structure

\* Strong operating performance accompanied with reduction in leverage faster than base case projections leading to improvement in DSCR (under CRISIL sensitised projections) over 2 times

### **Downside factors**

\* Sustained low traffic growth below 4% over the med term

- \* If extension of the concession agreement is not granted by NHAI for HH
- \* Non-adherence to the terms of the structure

### Key transaction terms of the debt

### Waterfall at individual SPVs:

Statutory dues Operation and maintenance (O&M) expenses Interest servicing to the InvIT Repayment of principal to the InvIT Premium payment to NHAI (if any) Debt service reserve transfer to the borrower Major maintenance reserve requirements Any other reserves as may be specified by the lenders Distribution to the borrower

### Waterfall at OIT level:

Interest payment to lenders Repayment to lenders Debt service reserve Additional debt service reserve Cash trap bucket Cash sweep reserve Any other reserve (including for capex) as may be stipulated by lenders Distribution to shareholders reserve

### Cash trap trigger events

On Occurrence of any of the below events, the cash in the Escrow Agreement of the Borrower shall be trapped in the Cash Trap Bucket and no distribution shall be allowed to the InvIT Shareholders

- 1. Occurrence of any non-payment Event of Default and which has not been cured to the satisfaction of lenders;
- 2. Consolidated Historic DSCR and Prospective DSCR of any year falling below 1.3x;
- 3. Any Material Adverse Event including but not limited stoppage of toll, waiver of toll collection on any of the Subsidiaries;
- 4. Occurrence of any Payment Default to the Lenders, which is not cured to the satisfaction of Lenders;
- 5. Triggering of reduction of Concession Agreement for any Subsidiary on a Target Traffic Date unless waived by NHAI;

Non-occurrence of any Cash Trap Event shall be certified by the Auditor on a Quarterly basis. Cash Trap shall be removed once the said event is cured and Borrower achieves its financial covenants, to the satisfaction of Lenders

### Cash sweep reserve

On Occurrence of any of the Cash Trap Trigger Events, the entire cash in the waterfall of the Borrower shall be trapped in the Cash Trap Bucket and shall be transferred to the Cash Sweep Reserve for cash sweep at the end of each quarter and for reduction in Debt as per below mechanism:

\* For event 1 to 4: The Cash Sweep shall be to the extent of cash in the Cash Trap Bucket.

\* For event 5: an equal amount shall be prepaid to the Senior Lenders every quarter over the residual tenor of the Senior Loans (starting from the quarter after trigger of reduction of concession period of an Initial Project Entity, from the cash flows of the Borrower over the residual tenor) such that a minimum tail period of two (2) years of the Concession Period is maintained for the respective Initial Project Entity. In case of the projected DSCR not meeting 1.3x in any of the years to the satisfaction of the Senior Lenders, the amount to be prepaid in the said year shall be adjusted such that 1.3x DSCR is maintained and any such adjustment shall be prepaid in the previous years

### About the Trust

OIT is an irrevocable trust set up under the Indian Trusts Act, 1882. It is registered with the Securities and Exchange Board of India as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

OIT is sponsored by Oriental Structural Engineers Pvt Ltd and Oriental Tollways Pvt Ltd (OTPL), has five road projects (4 toll + 1 annuity). OSE and OTPL as sponsors holds 60% share whereas remaining 40% stake is held by sovereign funds and multilateral holdings including body corporate. Axis Trustee Services Limited and Indian Technocrat Ltd. (ITL) are the trustee and Investment Manager respectively.

### Key Financial Indicators

As on / for the period ended March 31		2019	2018
Revenue	Rs crore	NA	NA
Profit after tax (PAT)	Rs crore	NA	NA
PAT margin	%	NA	NA
Adjusted debt/adjusted networth	Times	NA	NA
Interest coverage	Times	NA	NA

\*Trust formed in May-19

### Any other information: Not applicable

### Note on complexity levels of the rated instrument:

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### Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs Crore)	Rating Assigned with Outlook
NA	Rupee term loan	NA	NA	31-Mar-2033	2857	CRISIL AA+/Stable

### Annexure - List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Etawah Chakeri (Kanpur) Highway Pvt Ltd (EC)	Fully consolidated	Strong financial and business linkages
Oriental Nagpur Bypass Construction Pvt Ltd (NBP)	Fully consolidated	Strong financial and business linkages
Oriental Pathways (Indore) Pvt Ltd (IK)	Fully consolidated	Strong financial and business linkages
OSE Hungund Hospet Highways Pvt Ltd (HH)	Fully consolidated	Strong financial and business linkages
Oriental Nagpur Betul Highway Ltd	Fully consolidated	Strong financial and business linkages

### Annexure - Rating History for last 3 Years

	Current		Current 2020 (History) 2019			2	018	2017		Start of 2017		
Instrument	Туре	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund-based Bank Facilities	LT/ST	2857.00	CRISIL AA+/Stable	16-01-20	CRISIL AA+/Stable							

All amounts are in Rs.Cr.

### Annexure - Details of various bank facilities

Curre	ent facilities		Previous facilities			
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating	
Rupee Term Loan	2857	CRISIL AA+/Stable	Proposed Long Term Bank Loan Facility	2857	CRISIL AA+/Stable	
Total	2857		Total	2857		

Links to related criteria	
CRISILs Approach to Financial Ratios	
CRISILs criteria for rating annuity roads	
Rating Criteria for Toll Road Projects	
CRISILs Criteria for Consolidation	

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# Revenue :- Toll & Annuity

#### Annexure F

				Amount Rs.	In Crores
Name of the Company	FY - 2016	FY - 2017	FY - 2018	FY - 2019	FY - 2020
Betul*	504.15	452.23	422.25	515.93	509.98
Byepass	130.61	132.93	166.92	222.32	255.99
Etawah	240.97	255.72	285.70	335.66	343.79
Indore	117.95	109.09	115.26	118.04	119.88
ННР	119.42	114.52	128.28	133.27	130.19

\* Represent Annuity Project

Particulars	Amount ( Rs in Crs)
Total Assets#	14,281
Debt including deferred payment (Net of Cash equivalents and Investment)	5,675
Debt to INVIT Assets (%)	39.74%

# For the purpose of above calculations, fair values of total assets of the Trust as at 31 March 2020 has been considered and been extracted from the audited consolidated financial statements of the Trust and which are based on the fair valuation report of the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended.

#### Annexure-H

The Total operating expenses of the invit along with detailed break-up, including all fees and charges paid to the Investement Manager and any other parties, if any during the half Year:

	Amount Rs. In Crores
Cash Inflow	H1
Opening Balance	3.10
Cash from Unit Escrow	-
Interest from SPVs	250.48
Principal Repayment	189.60
Dividend Income	84.30
Other Income	0.66
Total Inflow	528.14
Cash outflow	
Processing & Commitment Fees	-
FDR Create	18.03
Interest payment to Investors	97.99
Principal payment to Investors	78.41
Dividend payment to Investors	84.30
SPV loans repayment	40.00
Loan Interest	128.47
Loan Repayment	71.43
IM Fees	5.04
Others	3.85
Total Outflow	527.51
Closing Balance	0.63

### Annexure-I

# Details regarding the monies lent by the INvIT to the holding company or the special purpose vehicle in which it has investment in for H1. (2020-2021)

Date	SPVs	Loan Given	Loan Repaid
19.08.2020	OHHHPL	-	353,613,604
07.09.2020	OHHHPL	-	400,000,000
25.06.2020	ECKHPL	-	318,350,000
9/8/2020	ECKHPL	400,000,000	-
30.09.2020	ECKHPL	_	318,350,000

#### MATERIAL LITIGATIONS OR ACTIONS AGAINST THE TRUST, SPONSORS, PROJECT SPV, IM AND THEIR ASSOCIATES

Except as stated in this section and the Financial s of the Project SPVs, there are no material litigation or actions by regulatory authorities, in each case against Oriental InfraTrust, the Sponsors, the Investment Manager, the Project Manager, the MM Manager or any of their Associates and the Trustee, that are pending as on September 30, 2020.

In addition to the pending material litigations and regulatory proceedings disclosed herein below, the NHAI has issued notices to the Project SPVs for non-performance or deficiency in the implementation, operation and maintenance of the project. Such penalties, negative change of scope and negative claims as of September 30, 2020 exceeding the materiality threshold, are disclosed in paragraph IV of this Annexure.

In addition to the above, Material litigations and Actions against the Project SPVs in relation to Taxation have been disclosed in the Consolidated Financial s of the Trust for the period ended September 30, 2020.

For the purpose of this section, details of all regulatory actions above the materiality threshold and criminal matters that are currently pending against Oriental InfraTrust, the Sponsors, the Investment Manager, the Project Manager, the MM Manager or any of their Associates and the Trustee, have been disclosed. Further, all material litigations with respect to Oriental InfraTrust, the Sponsor, the Investment Manager, each of their respective Associates, the Trustee and the Project SPVs have been disclosed. For this purpose, all litigations and regulatory actions involving an amount equivalent to, or more than the amount as disclosed below, have been considered material.

#### Sponsors, the Project Manager and the MM Manager

The total income of the Sponsor 1 based on the last Audited Consolidated Financial Statements of Sponsor 1 for Fiscal 2019 was INR 43,136.82 million. Accordingly, in respect of the Sponsors 1, the Project Manager, the MM Manager and Sponsor 2 (Sponsor 2 being the wholly owned subsidiary of Sponsor 1), its Associates (including common assets of the Sponsor and the IM), all outstanding civil litigations which involve an amount equivalent to or exceeding INR 431.37 million (being 1% of the total Consolidated income of Sponsor 1) have been considered material. All cases where the amount is not ascertainable, but considered material, have also been disclosed.

#### **Investment Manager**

The total revenue of the Investment Manager based on the last Audited standalone Financial Statements of Investment Manager for Fiscal 2019 was INR 244.00 million. Accordingly, in respect of the Investment Manager and its Associates, all outstanding civil litigations which involve an amount equivalent to or exceeding INR 2.44million (being 1% of total standalone revenue of the Investment Manager) have been considered material.

#### Trustee

All outstanding civil litigation against the Trustee which involve an amount equivalent to or exceeding INR 9.20million (being 5.00% of the profit after tax for the Financial Year 2020 based on the Audited standalone Financial Statements of the Trustee for Financial Year 2020), have been considered material and have been disclosed in this section.

#### **Oriental InfraTrust and Project SPVs**

The total income of Oriental InfraTrust based on its last Audited Consolidated Financial Statements for the year ended on June 30, 2020 was INR12,714.72 million. In relation to Oriental InfraTrust and the Project SPVs, the outstanding cases involving an amount equivalent to or exceeding INR 127.14 million ((being 1% of total income based on the Audited Consolidated Financial Statements of Oriental InfraTrust) have been disclosed. Further, except as stated in this section, there is no material litigation involving the Project SPVs.

Further, pursuant to the respective Sale and Transfer Agreements ("STA" )entered into by and amongst the Project SPVs, the Sponsors, Investment Manager and the Trustee, all actions by or against the NHAI ("NHAI

Claims") arising out of, or subsisting, or pertaining to events which relate to the period prior to the date of the allotment of units of Oriental InfraTrust ("InvIT Closing Date"), including future/potential NHAI Claims which may be raised by the Project SPVs or by NHAI in respect of the period prior to the InvIT Closing Date and claims in respect of the period prior to the InvIT Closing Date, as the case may be ("Pre InvIT Closing NHAI Claims") has been vested, transferred and assigned, absolutely, exclusively, irrevocably, without recourse, finally and forever, to OSEPL, and all present and future legal, economic and beneficial rights, title, obligations, interests, liabilities, remedies or benefits, as the case may be, which have accrued or may accrue in respect of the Pre InvIT Closing NHAI Claims, belong to and is to be borne by OSEPL, Further, as per clause 7 of the STA, the Seller Oriental Structural Engineers Private Limited (OSEPL) has undertaken to indemnify the Buyer, Oriental InfraTrust (OIT) on several matters.

Further, as per the Project Management Agreement and the Major Maintenance Management Agreement, Project Manager/Major Maintenance Agreement, any penalty/liability/expense imposed by NHAI for non compliance of Concession Agreement belong to and is to be borne by OSEPL (as Project Manager and/or Major Maintenance Manager),

Accordingly, any such penalty and /or claim against the Project SPV which is to be borne by OSEPL have been disclosed as the Penalty/claim of the Sponsor. Materiality threshold of the same has been considered as applicable to the Project Entity.

#### I. Material litigations and actions by regulatory authorities against the Oriental InfraTrust

There are no material litigation or actions by regulatory authorities pending against the Trust as on the date of this Annual Report.

# II. Material litigations and actions by regulatory authorities against Sponsors, Project Manager and the MM Manager

#### **Regulatory dispute**

- 1. The state government of Rajasthan through the Assistant Engineer, Water resources ("**Plaintiffs**") alleged that a joint venture between Leighton Contractors India Private Limited –OSEPL JV ("**Defendants**") has obstructed the Dahina canal without taking permission from the water resources department and road was made on the canal. It has been alleged that the pipes that have been laid down by the defendants have affected the flow of the canal. The Defendants have denied the allegations and the case is presently pending before the Chief Justice and Judicial Magistrate Roopwas, Bharatpur.
- 2. An appeal has been filed against the order of the Commissioner of Geology and Mines issued to OSEPL dated April 20, 2017 ("**Order**") against refund of difference amount of seignior age fees as levied by the District Collector, Villupuram in relation to the construction of carriageway from 62.250 km to 136.670 km on Salem Ulundurpet section of NH 68 in the State of Tamil Nadu. OSEPL has claimed that they have suffered losses on account of the alleged flawed reasoning by the office of the district collector. An appeal against the Order was filed before the Principal Secretary, Industries Department and the matter is currently pending.

#### Criminal dispute

3. Mahesh Chand ("Plaintiff") filed a criminal suit OSEPL and Kameshwar Sharma ("Defendants") before the Additional District Judge, Deeg ("Court") alleging that the defendants are breaking rocks on the Rasiya mountain and stones were broken by putting in explosives for blasting. It was alleged that as a consequence of the actions of the Defendants, the house of the Plaintiff was damaged and an FIR was registered against the Defendants under Sections 286, 336, 337, 427 and section 120-B of the Indian Penal Code. The Plaintiff has also sought a compensation of ₹ 3.05 million against the Defendants. The Court dismissed the suit and an appeal has been made before the High Court of Rajasthan. The matter is currently pending.

#### **Other material litigation**

4. Guddu Yadav ("Plaintiff") filed a claim before the Court of Compensation Commissioner, Workmen Compensation, Betul under the Workmen Compensation Act, 1923, against OSEPL and others praying for compensation of ₹ 1.84 million alleging, *inter alia*, an accident resulting into severe bodily damage, occurred due to negligence on the part of an employee of OSEPL. The matter is currently pending.

# III. Material litigations and actions by regulatory authorities against the Associates of the Sponsors, the Project Manager and the MM Manager and the

- 1. Oriental South Delhi Hotels Private Limited (the "Appellant") has filed an appeal against the order ("Order") of Assistant Commissioner of Income Tax, Special Range-7, New Delhi (the "Respondent") before the Commissioner of Income Tax (A)-VII, New Delhi challenging the Order on the ground that the Respondent wrongly made an addition under section 68 of the Income Tax Act, 1961, of ₹ 775.39 million by alleging that the Appellant has failed to prove identity of the loan creditors, genuineness of the transaction and creditworthiness to advance money in respect of unsecured loan. The Assessing Officer has also assessed loss amounting to ₹ 184.67 million against the returned loss of ₹ 259.06 million by wrongly making an addition of ₹ 74.39 million on account of unexplained trade payable/ creditors of ₹ 37.85 million payable by the Appellant, made addition on account of unexplained gratuity expenses of ₹ 3.97 million incurred by the Appellant and made addition on account of disallowance under section 2(24)(x) read with section 36(1)(va) of the Income Tax Act, 1961 for ₹ 2.78 million. The matter is currently pending.
- 2. The Income Tax Officer Ward 1(2)1, International Taxation, New Delhi (the "Appellant") has filed an appeal before the Tribunal, New Delhi against an order of Commissioner of Income Tax (A) 42, New Delhi ("CIT"), relating to assessment of Santushti Homes Private Limited under section 250/201(1) and 201(1A) of the Income Tax Act, 1961 for the assessment year 2014-15 ("Order"). The grounds of the appeal, *amongst other things*, include: (i) whether on the facts and circumstances of the case, the CIT (A) erred in holding that there is no income chargeable to tax and in holding that the assesse was not liable to deduct tax at source; (ii) admitting additional evidence in haste, in violation of rule 46A; (iii) not giving proper opportunity to the Assessing Officer to examine the additional evidence to enable him to submit remand report. The total tax demand raised by the Assessing officer is ₹596.90 million. The matter is currently pending.
- 3. Santushti Homes Private Limited ("SHPL") has challenged the land acquisition of approximately 0.2409 hectares of land situated at Bhiwadi (Rajasthan) in Rajasthan High Court, Jaipur by way of Civil Writ Petition bearing no. 3559 of 2017. As an alternative, SHPL has also asked to acquire the entire land of 2.16 hectares for which the compensation is approximately ₹ 550.00 million may be awarded to SHPL. The land admeasuring 0.2409 hectares has been taken over by Indian Railways for laying down dedicated freight corridor railway line. At the time of acquisition of aforesaid land, the construction of super structure of group housing colony was already constructed by SHPL. The matter is currently pending.
- 4. Haryana State Pollution Control Board filed a complaint bearing no. 03/2019 under sections 43 and 44 of Water (Prevention & Control of Pollution) Act, 1974 for violation under sections 24 and 25 of the Water (Prevention & Control of Pollution) Act, 1974 against Oriental South Delhi Hotels Private Limited& Ors. and its directors/authorised person for disposal of polluting water into adjacent forest/open land by the Le Meridian Gurgaon Hotel (owned by Oriental South Delhi Hotels Private Limited). The complaint is pending before the Special Environment Court, Faridabad (Haryana).
- 5. Pawan Datta has filed a revision petition bearing CRR No. 503 of 2019 before the court of Additional Session Judge, Gurugram challenging the order dated September 25, 2019 passed by the ACJM Court, Gurugram for declining to order the police for registration of first information report against Sweta Estates Private Limited and Amarjeet Singh Bakshi under section 156(3), Cr.P.C and for converting the application under section 156(3), Cr.P.C into complaint under section 200, Cr.P.C. Pawan Datta was allottee of one apartment in "Belgravia" and one apartment in "The Room" respectively at Central Park Resorts at Sector 48, Gurgaon. These two allotments were cancelled by Sweta Estates Private Limited for sustained default in payment of instalments and the refund was sent to Pawan Datta. The notice in revision petition has been received and the matter is pending.

- 6. Ravinder Singh and others ("Plaintiffs") filed a suit for mandatory and permanent injunction against M/s St. Patricks Realty Private Limited ("Defendant") before the Court of Civil Judge (Senior Division), Sohna ("Court"), alleging that the Defendant had failed to comply with terms mentioned in the Collaboration Agreement dated June 5, 2012entered into by and between the Defendant and the Plaintiffs ("Agreement") and also failed to complete the construction and development of the land admeasuring 284 kanal 5 marla situated in revenue estate of village Dhunela, Tehsil Sohna, District Gurugram. The Plaintiffs has also claimed for cancellation of the Agreement along with the claim for the relief of mandatory injunction against the Defendant. Subsequently, the Defendant has filed the written statement denying all the allegations made by the Plaintiffs. Currently, the matter is pending before the Court. Civil Court.Defendant has filed revision petition in the High Court of Punjab and Haryana against the order of Civil Court dismissing the Defendant's application under order 7 rule 11 of CPC. The high Court has passed the interim stay order on the proceedings of Civil Court.
- IV. Material litigations and actions by regulatory authorities by regulatory authorities involving the Project SPVs which is the liability of the Sponsors as per the STA, Project Management Agreement and Major Maintenance Management Agreement

#### A. Oriental Nagpur Bye Pass Construction Private Limited (ONBPCPL)

#### **Regulatory dispute**

- A demand raised for an aggregate amount of Rs. 214,84,52,184/- by Collector (STAMPS) Circle Jaipur (First) Rajasthan vide order dt. 08.06.2020 passed by the Collector (STAMPS) Circle Jaipur (First) Rajasthan in stamp case no. 164/2017 Titled as Sub Registrar Jaipur Vs. Oriental Nagpur Byepass Construction Pvt. Ltd. and others. Writ petition no. CW 6875/2020 filed against the order by Concessionaire and another Writ Petition no. SBCWP 10412/2020 filed by the consortium of Banks separately. Currently matter is pending before Hon'ble Rajasthan High Court, Jaipur Bench.
- 2. A demand notice dated 04.08.2020 received on 18.09.2020 from office of Collector Stamp for an amount of Rs. 12,39,33,286/- towards alleged violation of stamp duty and penalty on concession agreement dated 05.10.2009. In response Concessionaire has submitted our reply dated 10.10.2020 denying any such violation and submitted that such demand is nothing but blatant misuse of state power, coercive and baseless. Matter is still pending before Collector Stamp Duty, Nagpur City

#### <u>Civil dispute</u>

1. A Public Interest Litigation ("**PIL**") had been taken up *suo moto* by the Bombay High Court, Nagpur Bench ("**Court**") vide PIL No. 88/2013 against ONBPCPL and others, alleging that ONBPCPL has failed to carry out mitigation measures ordered by the Court as per order dated March 31, 2016. Various applications has been disposed off by the Court over the period and the PIL is still pending.

#### B. Etawah-Chakeri (Kanpur) Highway Private Limited (ECKHPL)

#### **Regulatory dispute**

 A demand of ₹ 36.75 million was made by District Magistrate, Kanpur Dehat ("DM") alleging payment of pending stamp duty towards the ECKHPL Concession. ECKHPL opposed the demand made by the DM, which was subsequently dismissed by an order dated August 28, 2014 ("Order"). An appeal was filed by ECKHPL against the Order before the Revenue Board in Allahabad. Matter is currently pending.

#### C. OSE Hungund Hospet Highways Private Limited (HHPL)

#### **Regulatory dispute**

1. OSEPL has received notices from the office of the senior geologist, Government of India demanding a penalty of approximately ₹ 7.58 million allegedly excavating 11,841.0 MT Murram and 46644.0 MT

building stone without any authority as per the Karnataka Minor Mineral Concessional Policy, 1994. The matter has been placed before the office of Senior Geologist, Mines and Geology Department, Koppal and the dispute amounting a penalty of approximately ₹ 7.58 million towards royalty amount is referred to the Lokayukta, Karnataka Government. Subsequently, another notice has been received from the District Commissioner's office dated November 22, 2019, directing HHPL to remit the penalty amount from the toll collection amount within 60 days of receipt of the notice. Further, HHPL has duly responded to the allegations and/or demand made in the notice, by its letter dated January 18, 2020.

#### D. Oriental Pathways (Indore) Private Limited (OPIPL)

#### **Regulatory dispute**

1. NHAI by its letter dated July 9, 2018 and subsequently, by its letter dated January 4, 2019 has imposed a penalty of ₹ 38.47 million on OPIPL on account of defaults in taking remedial measures to cure the defects or deficiencies in maintenance & repair as notified by the independent engineer with respect to the OPIPL Project. Failing to settle the dispute through amicable settlement, OPIPL by its letter dated July 22, 2020 invoked the arbitration clause under the OPIPL Concession. In accordance with the provisions of the Concession Agreement, the Arbitral Tribunal constituted and Arbitration proceedings have commenced. Statement of Claim has been filed by the Concessionaire. The matter is currently pending under Arbitration.

# IV. Material Penalty imposed/Negative change in scope against the Project SPVs which is the liability of the Sponsors as per the STA

Penalty imposed/ negative change of scope				
S. No.	Description	Total penalty/negative change of scope		
1.	The independent engineer vide its letter dated November 28, 2017 reviewed and modified the negative change of scope of the Oriental Nagpur Betul Highway Limited (ONBHL) amounting to $\gtrless$ 90.11 million on the basis of structure reconciliation and submitted for the approval of NHAI. Further, ONBHL by its letter dated December 20, 2018 has requested NHAI to revise the negative change of scope to $\gtrless$ 92.41 million. The amount of the negative change of scope to be finalised by the NHAI.	92.41		
2.	NHAI vide its letter dated November 1, 2019 intimated the regional office of NHAI that they recommend a negative change in scope in relation to ONBHL Concession, basis the revised proposal submitted by the FP Project Management Private Limited, the independent engineer. This change in scope took place pursuant to works which have not been completed or could not be completed due to site specific constraint and such work are not required to be taken up in future or such work is essential and non-completion resulting inferior functionality. Based on the assessment by the independent engineer and the NHAI, the competent authorities are yet to approve the change in scope.	186.83		
3.	The independent engineer vide its letter dated October 4, 2017 recommended to NHAI to impose a penalty of ₹ 31.80 million to ECKHPL as a result of pending maintenance work at the Etawah Chakeri Project for the period starting from April 1, 2017 to September 30, 2017. Subsequently, the independent engineer recommended an additional penalty of ₹ 93.82 million by its letter dated November 14, 2018 on account of non-fulfilment of the	125.62		

(In ₹ million)

	maintenance obligation by ECKHPL at the Etawah Chakeri Project for the period starting from October 1, 2017 to July 31, 2018. Subsequently, ECKHPL by its letter dated August 7, 2019 requested the independent engineer to mediate and assist in arriving at an amicable settlement of dispute under the ECKHPL Concession.	
4.	A notice received from NHAI under article 44.1 of the Concession Agreement for an amount of Rs. 2748.0 million due to Non-fulfilment of the contractual obligation on the part of the Concessionaire (ECKHPL) vide letter no. 49310 dated 28.10.2019. Reply sent by Concessionaire to NHAI vide letter no. OSE/ECP/C/HO/2020/1531 dated 08.05.2020 whereby denied and dispute the claim of NHAI.	2748.0

#### V. Material litigations and actions by regulatory authorities against the Investment Manager

As of the date of this Annual Report, there are no material litigation or actions by regulatory authorities pending against the Investment Manager.

# VI. Material litigations and actions by regulatory authorities against the Associates of the Investment Manager

For the details of material litigations and actions by the regulatory authorities against the Associates of the Investment Manager, please refer to the section titled "Legal and Other Information - Material litigations and actions by regulatory authorities against the Associates of the Sponsors, the Project Manager and the MM Manager" above as the Associates of the Investment Manager and the Sponsor are common.

#### VII. Material litigations and actions by regulatory authorities against the Project SPVs

As of the date of this Annual Report, there are no material litigation or actions by regulatory authorities against the Project SPVs which is a liability of the Project SPVs .

#### VIII. Material litigations and actions by regulatory authorities against the Associates of the Project SPVs

For the details of material litigations and actions by the regulatory authorities against the Associates of the Investment Manager, please refer to the section titled "Legal and Other Information - Material litigations and actions by regulatory authorities against the Associates of the Sponsors, the Project Manager and the MM Manager" above as the Associates of the Project SPVs and the Sponsor are common.

#### IX. Material litigations and actions by regulatory authorities against the Trustee

- 1. Settlement Order No. EAD-3/JS/GSS/80/2018-19 dated April 2, 2019 issued by SEBI under SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 and SEBI (Settlement Proceedings) Regulations, 2018.
- 2. SEBI issued an administrative warning by letter dated November 14, 2013 read with letter dated January 1, 2014 on inspection of books and records of debenture trustee business.
- 3. SEBI issued an administrative warning by letter dated August 14, 2013 on inspection of books and records of debenture trustee business.
- 4. Adjudication order bearing no. EAD/PM-AA/AO/17/2018-19 dated July 11, 2018 issued by SEBI under

section 15-I of the Securities and Exchange Board of India Act, 1992 read with Rule 5 of SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995.

- 5. Administrative warning issued by SEBI vide letter dated May 31, 2019 on inspection of books and records of debenture trustee business.
- 6. Administrative warning issued by SEBI vide letter dated August 14, 2017 on inspection of books and records of debenture trustee business.

### **RISK FACTORS**

## Risks Related to our Organization and the Structure of the Trust

1. The Trust is a newly settled trust with no established operating history and no historical financial information and, as a result, investors may not be able to assess its prospects on the basis of past records

2. The continuing effect of Covid-19 pandemic on the business and operations of the Trust and its Project SPVs is highly uncertain and cannot be predicted.

3. Our completion of the Formation Transactions pursuant to which we will acquire future SPVs issubject to certain conditions

4. The terms of the Project Management Agreements, the Major Maintenance Agreements and On-Lending Agreements may change subject to comments provided by the NHAI and/or Lenders

5. Any default under the re-financing arrangements by any ofthe Project SPVs / Trust could adversely impact the Trust's ability to continue to own a majority of each ofthe Project SPVs, its cash flows and its ability to make distributions to Unitholders. Further, shares ofcertain Project SPVs are pledged in favor of their lenders, who may exercise their rights under therespective share pledge agreements in the event of default under relevant financing agreements.

6. The valuation report and any underlying reports, are not opinions on the commercial merits of theTrust or the Project SPVs, nor are they opinions, expressed or implied, as to the future trading priceof the Units or the financial condition of the Trust, and the valuation contained thereinmay not be indicative of the true value of the Project SPVs' assets

7. The accuracy of statistical and other information with respect to the road infrastructure sector, traffic reports and technical reports commissioned by theInvestment Manager/ Sponsors, which are based on certain estimates and assumptions that are subjective innature, cannot be guaranteed

8. The acquisition by the Trust of the Project SPVs from the Sponsors pursuant to the terms of the Saleand Transfer Agreements may be subject to certain risks, which may result in damages and losses.

9. There are risks associated with the potential acquisition of the ROFO Assets by the Trust pursuant to he Future SPVs Acquisition Agreement

10. The Trust and certain 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.

11. There have been non-compliances with respect to certain provisions of the Companies Act, 2013 by certain Project SPVs

12. Any payment by the Project SPVs, including in an event of termination of the relevant concessionagreement, is subject to a mandatory escrow arrangement which restricts their flexibility to utilize theavailable funds

13. The Trust must comply with Mandatory Policies as prescribed by certain MBFS Unitholders

## **Risks Related to Our Business and Industry**

14. Our failure to extend applicable concession agreements or our inability to identify and acquire the ROFO 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.

15. A decline in traffic volumes and revenue would materially and adversely affect our Business, prospects, Financial condition, Cash Flows, results of operations and our ability to make distributions to the Unitholders.

16. The Project SPVs have incurred losses on a combined basis in the Financial Year 2020 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.

17. The Project SPVs may be subject to claims under their contracts.

18. The Project SPVs' road concessions may be terminated prematurely under certain circumstances.

19. 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, prospects, Financial performance, Cash Flows and results of operations.

20. Newly constructed roads or existing alternate routes may compete with the existing road assets and result in diversion of the vehicular traffic, resulting in a reduction in our revenue from toll receipts.

21. Due to certain events the traffic may get diverted to other alternate roads resulting in reduction in our revenue from toll receipts, whether or not being compensated by NHAI.

22. 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.

23. 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.

24. Inflation or deflation may materially and adversely affect our results of operations and financial condition.

25. Certain actions including refinancing of the Project SPVs require the prior approval of the NHAI, and the NHAI might not approve such actions in a timely manner or at all or with certain conditions / modifications.

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

27. The Government of India had implemented certain currency measures which affected our Business, prospects, financial condition, cash flows and results of operations.

28. We might not 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.

29. The Project SPVs may be directed by the NHAI to undertake additional Construction work and therefore, may be required to perform additional Construction work and/or incur capital expenditure.

30. ECKHPL is required to pay Annual premiums in consideration for being granted the right to build and operate the Etawah-Chakeri Project. Failure to make such payments could result in the termination of the relevant concession agreement by the NHAI.

31. Our insurance policies may not provide adequate protection against various Risks associated with our Operations.

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

33. We will depend on various third parties to undertake certain activities in relation to the operation and maintenance of the 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 Road Assets.

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

35. There are Risks associated with the increase of interest rates or imposition of additional/financial covenants by lenders could materially and adversely affect our business, prospects, financial performance, cash flows and results of operations.

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

37. Our actual results may be materially different from the expectations expressed or implied in the Projections of Revenue from Operations and Cash Flow from Operating Activities and the assumptions in the section titled "Projections of Revenue from Operations and Cash Flow from Operating Activities" of the Placement Memorandum 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.

38. Our Business will be subject to seasonal fluctuations that may affect our Cash Flows.

39. The Road Assets are concentrated in the road Industry in India, and our Business could be adversely affected by an economic downturn in this sector or Industry including in any other sector utilizing our roads for transportation of goods / materials / products.

40. 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.

41. The cost of implementing new technologies and/or refurbishing existing equipment for operating, maintaining and monitoring our Projects could materially and adversely affect our Business, Financial condition and results of operations.

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

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

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

45. We will, have entered and may continue to enter into related-party transactions. We might have achieved more favorable terms if such transactions had been not entered into with related parties.

46. Reliance on professionals and consultants may impact the conduct of Business and performance of the Trust Group.

47. The Investment Manager may make assumptions about the acquisition of a road Project. Such assumptions may be incorrect and may cause delays in completion and/or increase in costs for the Trust.

# Risks Related to the Trust's Relationships with the Sponsors and the Investment Manager relating to the Acquisition of Future Assets

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

49. The Future SPVs Acquisition Agreement will terminate in certain circumstances and shall be subject to the terms of the concession agreement and applicable law.

50. The Sponsors operate other road assets and other Infrastructure assets, and anything that impacts the Business and results of operations may have a material, adverse effect on the Trust and the trading price of the Units.

51. Reliance on the Investment Manager including its Management team.

52. The Investment Manager may not be able to implement its Investment or Corporate strategies.

53. The Investment Manager is required to comply with certain ongoing Reporting and Management obligations in relation to the Trust. The Investment Manager might not be able to comply with such requirements.

### **Risks Related to India**

54. Our Business depends 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.

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

56. Significant increases in the price or shortages in the supply of crude oil and products derived there from, including petrol, diesel and bituminous products, 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.

57. Our ability to raise additional debt capital including ECB may be constrained by Indian law.

58. 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.

59. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the Financial markets and could have an adverse effect on the Business, Financial condition and results of operations of the Project SPVs and the price of the Units.

60. India is vulnerable to natural disasters that could severely disrupt the normal operation of the Project SPVs.

61. An outbreak of an infectious disease or epidemic / pandemic or any other serious public health concerns in Asia or elsewhere could adversely affect the Business of the Trust.

62. It may not be possible for the Unitholders to enforce foreign judgments.

63. 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.

64. Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our Business, Financial condition and results of operations.

65. Significant differences could exist between Ind AS and other accounting principles, such as Indian GAAP and IFRS, which may affect investors' assessments of the Trust's financial condition.

# **Risks Related to Ownership of the Units**

66. The price of the Units may decline in future.

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

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

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

70. 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.

71. The Units have never been publicly traded and the Units listed on the Stock Exchange may not remain active or liquid for the Units.

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

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

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

### **Risks Related to Tax**

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

76. Some of our road 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.

77. 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.

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

79. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.13. Our failure to extend applicable concession agreements or our inability to identify and acquire theROFO Assets or new road assets that generate comparable or higher revenue, profits or cash flowsthan the Project SPVs may have a material adverse impact on our business, financial condition and results of operations and our ability to make distributions