Monetization of National Highway Projects through Toll Operate Transfer (TOT) Bundle II

Investor Conference
The Indian Road Sector is going through an exciting phase. Recently launched marquee initiatives such as Bharatmala Pariyojana and new models for monetizing operational asset such as TOT and InvIT have led to immense interest and focused investment in the sector. Join us to be a part of the Indian growth story.
India’s Road sector

Investment Vehicle – National Highways Authority of India

01 Inception
• Set up as an Autonomous body under the National Highways Authority Act, 1988, established in 1995 (Evolution from NH Act, 1956)

02 Credentials
• Domestic: AAA by CRISIL, ICRA, CARE & India Rating
• International: At par with Sovereign (As rated by S&P and Moody’s)
• Implementing Agency for Bharatmala Pariyojana & National Highways Development Program (NHDP)- world’s largest road development program

Bharatmala
34,800 km (Phase-I)

Opportunity
$100 billion
(2017-22)
The Toll Operate Transfer Model

Salient Provisions of the Concession Agreement

❖ The Concession
  ● Concession Period of 30 years
  ● Upto 49% divestment is allowed till two years of the Concession Period
  ● Upto 100% Change in Ownership allowed after two years

❖ Development and Operations
  ● The investor would be de-risked from undertaking any construction
  ● Capacity Augmentation conducted by the Authority at its own cost, if required

❖ Financial Covenants
  ● User Fee collection shall be governed by pre-determined “Fee Rules”
  ● Traffic sampling shall be done at the 10th and the 20th year to assess toll variation

❖ Termination
  ● Termination Payments based on Unexpired Cash Flows

❖ Other Provisions
  ● Well defined and mature Dispute Resolution Procedure
First bundle of 9 projects, totaling approximately 681 KM of roads in two states of Andhra Pradesh and Gujarat, was awarded in 2018.

Huge interest shown by foreign investors – project awarded to Macquarie for $1.5 billion approx. (Rs. 9,681 Crore), which was 1.5 times the Authority’s estimate.
The Opportunity: TOT Bundle II

The stretches offered are operational highways with a proven tolling history of at least 2 years.

IECV (USD bn) USD 0.80 bn. (INR 5,362 crore)

<table>
<thead>
<tr>
<th>Stretches</th>
<th>NH</th>
<th>State</th>
<th>Number of Toll Plazas</th>
<th>Length (Km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chittorgarh - Kota &amp; Chittorgarh Bypass</td>
<td>27</td>
<td>Rajasthan</td>
<td>3</td>
<td>160.50</td>
</tr>
<tr>
<td>Swaroopganj - Pindwara &amp; Pindwara - Udaipur</td>
<td>27</td>
<td>Rajasthan</td>
<td>2</td>
<td>120.02</td>
</tr>
<tr>
<td>Palanpur / Khemana - Abu Road</td>
<td>27</td>
<td>Rajasthan/Gujarat</td>
<td>1</td>
<td>45.00</td>
</tr>
<tr>
<td>Jetpur Somnath</td>
<td>151</td>
<td>Gujarat</td>
<td>2</td>
<td>102.26</td>
</tr>
<tr>
<td>Purnea Dalkhola</td>
<td>31</td>
<td>Bihar</td>
<td>1</td>
<td>36.30</td>
</tr>
<tr>
<td>Dalkhola Islampur</td>
<td>31</td>
<td>West Bengal</td>
<td>1</td>
<td>51.97</td>
</tr>
<tr>
<td>Islampur - Sonapur – Ghoshpukur</td>
<td>31</td>
<td>West Bengal</td>
<td>1</td>
<td>44.00</td>
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<tr>
<td>Salsalabari - West Bengal Assam Border Section</td>
<td>31C</td>
<td>West Bengal</td>
<td>1</td>
<td>26.50</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>12</strong></td>
<td><strong>586.55</strong></td>
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</table>
Qualification Requirements

Technical Qualification Clause [2.2.2 (A) of RFP]

- The entity either itself or through its O&M partner, shall have expended a minimum of Rs. **299.97 Crores** and;
- shall have, as an O&M Contractor individually or through Joint Venture, handled for a **minimum period of 2 (two) years at least 2 (two) road projects**, each of which is at least **58.65 km** in length

Financial Qualification [Clause 2.2.2 (B) of RFP]

- Net worth: Rs. **2,144.80 Crore** or
- Assets Under Management: Rs. **26,810 Crore**

Key Dates

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>Invitation of RFP</td>
<td>06 August, 2018</td>
</tr>
<tr>
<td>Last date for receiving queries</td>
<td>27 August, 2018</td>
</tr>
<tr>
<td>Pre-Bid meeting</td>
<td>31 August, 2018</td>
</tr>
<tr>
<td>Authority response to queries latest by</td>
<td>14 September, 2018</td>
</tr>
<tr>
<td>Last date for submission of Bids</td>
<td>05 November, 2018</td>
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</tbody>
</table>
National Highways Authority of India
G 5&6, Sector-10, Dwarka,
New Delhi - 110 075
Phone: 91-011-25074100 & 25074200
Fax : 91-011-25093507, 25093514
www.nhai.gov.in

For any queries:
Mr. Rajesh Sharma
Chief General Manager
(Finance & International Cooperation)
National Highways Authority of India,
G-5 & 6, Sector-10, Dwarka, New Delhi-110075
Tel No. 25074100/200 Extn. 1328
E mail : rajeshsharma@nhai.org

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