Noida
Toll Bridge Co. Ltd.

November 16, 2016

General Manager
Corporate Relations Department - CODE NOS. 532481
The Stock Exchange, Mumbai
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Rotunda Building, P J Towers
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Mr. K Hari
Listing Department - NOIDA TOLL EQ
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051

Dear Sirs,

Attached please find a letter to the Shareholders, updating them about proceedings before the Hon'ble Supreme Court of India in the matter of *NTBCL v. FONRWA & Ors, SLP(C) 36526/2016 (D)*.

We will be uploading this letter on the website of our Company at www.ntbcl.com

Sincerely

Harish Mathur
Executive Director & CEO

Noida
Toll Bridge Co. Ltd.

Dear Shareholders,

1. As you are all aware, in 2012, a public interest petition had been filed before the Hon'ble High Court of Allahabad namely *Federation of Noida Residents Welfare Association v. Noida Toll Bridge Company Limited* (*PIL No 60214/2012*), challenging the validity of the Concession Agreement and seeking the Concession Agreement to be quashed. The Hon'ble High Court of Allahabad had, vide its Judgement dated 26.10.2016 (hereinafter "**the said Judgement**") refused to quash the Concession Agreement but at the same time held that collection of user fee from the commuters using the Noida Bridge, be stopped with immediate effect. A copy of the said Judgement is available on the website of the Company.

2. Consequent to the said Judgement, the collection of user fee from the users of the Noida Bridge has been suspended by the Company (the Concessionaire) Company immediately filed an appeal (*NTBCL v. FONRWA & Ors, SLP(C) 36526/2016 (D)*) before the Hon'ble Supreme Court of India seeking an interim stay on the said Judgement.

3. On November 11, 2016, the Hon'ble Supreme Court of India issued its interim order whereunder it has issued notices to all Respondents to the appeal (**"the said Interim Order"**).

4. The most relevant extracts of the Interim Order of the Hon'ble Supreme Court of India are as follows:

   (i) Para 5 : "*As the main dispute in the PIL filed in the High Court revolves around the recovery of the Project Cost by the proponent, it is essenital to refer to some imporant provisions of the Agreement. Section 2.3 refers to the concession period...*"

   (ii) Para 7: "*Fixation and calculation of the fee is dealt with in Section 13. As per Section 14.1 , the Total Cost of Project shall be the aggregate of (i) Project Cost, (ii) Major Maintenance Expenses & (iii) Shortfalls in the recovery of returns in a specific financial year as per the formula in Section 14.2(a).*"

   (iii) Para 8: "*Section 14.2 contemplates that recovery of the Total Cost of the Project and Returns therefrom shall be as illustrated in Annexure F. The calculation of the Returns shall be made at annual intervals from the Effective Date in the following manner....*"

   (iv) Para 9: "*Returns is defined in the Agreement as the returns on the Total Cost of Project recoverable by the Concessionaire from the effective date at the rate of 20 per cent per annum as per Section 14.2 of the Agreement.*"

   (v) Para 14: "*Prima facie, we are of the opinion that the various issues that arise in this SLP warrant a detailed scrutiny. Conflicting claims have been made regarding the recovery of the Total Cost of the Project by the Concessionaire. To resolve the dispute, it is appropriate that an independent agency is requested to examine the relevant records of the DND flyway. The said agency should examine the reports of the independent auditors apporinted by the Petitioner and submit a report regarding the correctness of the Petitioner's claim that the Total Cost of the Project has not been recovered. We accept the suggestion of the Petitioner and request the Comptroller and Auditor General of India (CAG) to assist us in the matter. The Petitioner is directed to place the entire record pertaining to the recovery of the Total Project Cost of the DND flyover project as per the Agreement before the CAG. The CAG is requested to verify the claim of the Petitioner that the Total Cost of Project has not been recovered and submit a report within four weeks....*"

A copy of the said Interim Order of the Hon'ble Supreme Court of India is available on the website of the Company.

5. We would like to bring to your attention that The Hon'ble High Court of Allahabad, vide its Judgement dated 26.10.2016 in the case of *Federation of Noida Residents Welfare Association v. Noida Toll Bridge Company Limited* (*PIL No 60214/2012*), has not quashed the Concession Agreement, which therefore continues to be valid and binding. However, the said Judgement has: (i) reinterpreted the Uttar Pradesh Industrial Area Development Act, 1976 to hold that it does not permit levy of user fee by a developer and held Article 13 of the Concession Agreement (which provision dealt with User Fee) to be unenforceable, and (ii) severed Article 14(relating to computation of Total Cost of Project and Return thereon) from the Concession Agreement holding it to be against public policy. The Hon'ble High Court of Allahabad has only applied the Doctrine of Severability whereby the provisions of Section 27.4 of the Concession Agreement come into effect wherein it is stipulated that *"If any provisions of this Agreement are declared to be invalid, unenforceable or illegal by any competent tribunal or court, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of this Agreement which shall continue tin full force and effect."* (Reference Page 111 of the said Judgement).

6. Consequent to the Interim Order of the Hon'ble Supreme Court of India which did not stay the said Judgement of the Allahabad High Court, the circumstances being faced by the Company are that : (i) the Concession Agreement , together with all the rights of the Company thereunder, continues to remain valid with only Article 13 (relating to user fee) being held unenforceable and Article 14 (Total Cost of Project and Return) being severed from the Concession Agreement, and (ii) the Company cannot collect user fee from the users of Noida Bridge during the period that its appeal is before the Hon'ble Supreme Court of India, subject always to the orders of the Hon'ble Supreme Court and the final outcome of the appeal.

7. The Company is presently evaluating its various options and shall exercise all of its available rights and obligation under the Concession Agreement, as applicable and shall continue to act in the best interests of the Shareholders and preserve the value of their investment into the Company.

Sincerely

For Noida Toll Bridge Company Limited

Harish Mathur
Executive Director & CEO